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**MEMORANDUM AND ARTICLES  
OF ASSOCIATION  
OF  
SUVEN LIFE SCIENCES LIMITED**

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Company No : 01- 9713



FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

In the Office of the Registrar of Companies,  
Andhra Pradesh, Hyderabad.

(Under the Companies Act, 1956 (1 of 1956))

IN THE MATTER OF SUVEN PHARMACEUTICALS LIMITED

I hereby certify that SUVEN PHARMACEUTICALS LIMITED

was originally incorporated on 9<sup>TH</sup> day of MARCH, 1989,  
under the companies Act, 1956, under the name M/s. SUVEN PHARMACEUTICALS PRIVATE  
LIMITED, subsequently converted into Public Limited Company on 25<sup>th</sup> November, 1994

The said M/s. SUVEN PHARMACEUTICALS LIMITED

having duly passed necessary resolution under  
section 21/22 (1) (e) / 22 (1) (b) of the companies Act, 1956 and also having obtained the  
approval of the Central Government in writing vide letter No. RAP/TA.VI/SEC.21/ 9713/2003  
dated 25-09-2003 of Registrar of Companies, Andhra Pradesh, Department of  
Company affairs has changed its name to SUVEN LIFE SCIENCES  
LIMITED

This certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at Hyderabad, this 25<sup>TH</sup> day of SEPTEMBER

Two Thousand and THREE



(VG SATHIYA MURTHY)  
ASST REGISTRAR OF COMPANIES  
ANDHRA PRADESH : HYDERABAD

Company No: 01-09713



FRESH CERTIFICATE OF INCORPORATION CONSEQUENT  
ON THE CONVERSION UNDER SECTION 31/44 OF THE  
COMPANIES ACT, 1956(1 of 1956).

In the office of the Registrar of companies, Andhra Pradesh  
HYDERABAD.

IN THE MATTER OF SUVEN PHARMACEUTICALS PRIVATE LIMITED

I hereby certify that SUVEN PHARMACEUTICALS PRIVATE LIMITED

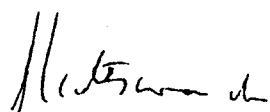
\_\_\_\_\_ which was originally  
incorporated on 9th day of March, 1989 under the  
name SUVEN PHARMACEUTICALS PRIVATE LIMITED

having duly passed the necessary special Resolution on the 25th  
day of November, 1994 in terms of section 31(1)/44 of the companies Act, 1956  
the name of the company is this day changed to SUVEN PHARMACEUTICALS LIMITED

This certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at HYDERABAD this, the 4th  
day of January One thousand Nine hundred and Ninety five.



  
(B. KOTESWARA RAO)

ASST. REGISTRAR OF COMPANIES  
ANDHRA PRADESH: HYDERABAD.



फॉर्म आई आर  
Form I.R.

निगमन का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

ता.....का सं.....  
No.01-09713.....of 19.88-89.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

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

I hereby certify that **SUVEN PHARMACEUTICALS PRIVATE LIMITED**...

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

मेरे हस्ताक्षर से आज ता.....को दिया गया।

Given under my hand at **Hyderabad**..... this...**9th**.....

day of...**March**..... One thousand nine hundred and **eighty nine**.....  
(18th Phalgun 1910 Saka)



व.एस.सी.-1  
J.S.C-1.

*R. Vasudevan*  
(R. VASUDEVAN) 9/3/89  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies  
Andhra Pradesh.

**UNDER THE COMPANIES ACT, 1956**  
**(1 OF 1956)**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**

OF

**SUVEN LIFE SCIENCES LIMITED**

- I.** The Name of the Company is SUVEN LIFE SCIENCES LIMITED
- II.** The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- III.** The objects for which the Company is established are:
  - A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
    - 1. To manufacture, refine, purchase, sell, prepare, import, export all classes and kinds of drugs including pharmaceuticals preparations and formulations, fine chemicals, raw-materials and intermediates for drugs and all other pharmaceuticals such as tablets, injectables, syrups, powders, ointments, aerosols, capsules and liquids, for human consumption.
    - 2. To buy, sell, Import, export, manufacture and treat, and deal in all kinds of chemicals, biologicals, cosmetics, insecticides, agrochemicals, pesticides, hormones, medicated soaps and foods.

3. To render professional and Technical Consultancy and advice to any individual firm, Company, Government and Statutory Undertaking or Corporation or any other body carrying on any business whatsoever in the field of Design and Engineering, Research and Development, Business, Industrial and General Management relating to Chemical and Pharmaceutical Industries.
4. To undertake, promote, encourage, initiate, assist and engage in all kinds of research and development work and to set up laboratories and other facilities required for the same and to render such assistance monetary or otherwise as may be required for that purpose.
5. To undertake all kinds of Research & Development in health-care, biotechnology, pharmaceuticals and formulations not specifically covered aforesaid, and, in particular and without prejudice to the generality, to undertake clinical research, contract clinical research activities, bio-technology and services, to develop new products and provide support services for developing new products and substitutes for imported products and for manufacture and distribution of finished dosage forms and establishing pharmaceutical market networks.
6. To establish, run and maintain hospitals, diagnostics centre's, nursing homes, mobile medical service centers and any medical and health care institution and to promote research and development in these areas.

**B. THE OBJECTS ANCILLARY OR INCIDENTAL TO THE ATTAINMENT OF THE MAIN OBJECTS STATED IN (A) ABOVE ARE AS FOLLOWS:**

1. To buy, sell, manufacture, refine, import and export and deal in all substances, apparatus, plant, machinery, Tools, utensils, materials and things necessary or convenient for carrying out any of the main objects of the Company.
2. To acquire and hold the benefits and obligations of any company with a third party under any agreement or contract including foreign, technical and financial collaboration agreements relating to any industry or business which the company is authorised to carry on.
3. To acquire and undertake the whole or any part of the business, property and liabilities of any person or Company Carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of this Company.
4. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easement, machinery, plant and stock-in-trade, and either to retain any property so acquired for the purpose of the business of the Company or to turn the same to account as may seem expedient.
5. To construct, improve, maintain, develop, work, manage, carry out or control any buildings, factories or work, or any roadways, railways, branches or sidings, wells, reservoirs, water courses, warehouses, electrical works, shops, stores, chawls and other buildings, outworks and conveniences which may be seem calculated directly or

indirectly to advance the Company's; interests and to contribute, subsidies or otherwise assist or take part in the construction, improvement, maintenance, development working management carrying out or control thereof.

6. To lend money to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of contracts by and obligations of any persons of companies and to give all kinds of indemnities, and also invest surplus funds of the Company with any banking company, commercial organisation and any other business company, firm or Individual but not to do banking business within the meaning of the Banking Regulation Act of 1949.
7. To apply for, purchase, or otherwise acquire any patents, inventions concessions, and the like conferring any exclusive or limited rights to use and secrete or other information as to any invention which may seem capable of being used for the attainment of the main objects of the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
8. To undertake, carryout, promote and sponsor rural development including any programme for promoting the social and economic welfare or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency in any other manner, without prejudice to the generality of the foregoing, "Programme of Rural Development" shall also include any programme for promoting the social and economic welfare or the uplift of the public in any rural areas which the Director's consider, it likely to promote and assist rural development and the words "rural area" shall include such areas as may be regarded as rural under Section 35 CC of the Income-tax Act, 1961 or any other law as may be regarded by the Directors as rural areas and the directors may at their discretion, in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divert the ownership of any property of the Company to or in favour of any public or local body or authority of Central or State Governments or any public institutions or trusts.
9. To undertake, carryout, promote, sponsor or assist any activity likely to promote general welfare and uplift of the public or any section of the public in such manner and by such means as the directors may think fit from time to time and to take up establishment of any Medical Research Centre or Trust Institution or fund having any of the aforesaid objects as one of its objects intended for collection of information and advice on modern techniques for treatment of diseases for the benefit of the rural areas either by itself or through any of its agencies or to provide funds for any such Research Center established by any public Medical Trust, which serves the needs of the rural public and to transfer assets or funds to the said Research Center established as the Directors may approve from time to time.
10. To employ experts to investigate and examine the conditions, prospects, value, character and circumstances of any business concerns and undertakings and generally of any assets property or lights connected with the main objects of the company.

11. To establish branches or appoint agencies for in connection with the main objects of the company and to transact all kinds of agency business and in particular in relation to the investment of money, the sale of property and the collection and the receipt of the money.
12. To adopt such means of making known the business of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of work of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
13. To establish and to support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or its predecessors in the business or the dependents or relatives of such persons and to grant pensions and allowances, and to make payment towards insurance and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful objects.
14. To enter into any arrangements with any Government or Authority municipal, local or otherwise that may seem conducive to the Company's objects and to obtain from any such Government or Authority all rights, concessions and privileges which the company may think it desirable to obtain, and to carryout, exercise and comply with any arrangement, right privileges and concessions.
15. To obtain any provisions, order or Act of the Government of India or any State Government for enabling the Company to carry any of its main objects into effect or for effecting any modification "of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
16. To enter into partnership or into any arrangement for sharing profits or losses or for any union or interest, joint adventure, reciprocal concession or co-operation, with any person or persons or company or companies carrying on or engaged in or about to carry on or engaged in being authorised to carry on or engage in any business or transactions capable of being conducted so as to directly or indirectly help in the attainment of the main objects of this Company.
17. To sell, lease, grant licenses, easements, 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 thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
18. To amalgamate, enter into any partnership or partially amalgamate with or acquire an interest in the business of any other company, person or firm, carrying on a business included in the main objects of the Company, or enter into any arrangement for sharing profits, or co-operation, or for limiting competition for mutual assistance with any such person, firm or company or to acquire and carry on any other business (whether manufacturing or otherwise) auxiliary to the main objects of the Company or connected with the above, or calculate directly or indirectly to enhance the value or render more profitable any of the Company's property and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures,



debenture-stock or securities that may be agreed upon and to hold and retain to sell, mortgage and deal with any shares, debenture-stock or securities so received, subject to any law in force.

19. To promote or join in the promotion of any companies for the purpose of acquiring all or any of the property, rights and liabilities of this company or for any other purpose which may seem directly or indirectly calculated to benefit this Company and to underwrite shares and securities therein.
20. Subject to section 293 and 293-A of the Companies Act, 1956 to support, contribute to it, and to make donations to such persons or institutions, and in such cases either in cash or as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing to the Company and to subscribe, contribute, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, national, public or other institutions or for any exhibitions or for any public, general or other objects and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and convenience for the benefit of the employees or of persons having dealings with the Company or the dependents, or relatives of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum and to make payments towards insurance and to form and contribute to provident and benefit funds of or for such persons.
21. To refer or agree to refer any claims, demands, disputes or any other question by or against the company and the member or members or his or their representatives or between the Company and third party, to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards.
22. To invest and deal with the monies of the Company in such manner as may from time to time be determined, but determined but not to taking business within the meaning of the Banking Regulation Act, 1949.
23. To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by mortgage or by the issue of debenture-stock perpetual or otherwise, charged upon all or any of the Company's property (both present and future) including its uncalled capital, and to purchase, redeem and pay off any such securities.
24. To draw, make, accept, endorse, execute and issue bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities etc., but not to do the business of Banking as defined in the Banking Regulation Act, 1949.
25. To remunerate any person or Company for services rendered, or to be rendered in purchasing or assisting to purchase or guaranteeing the purchasing of shares of the Company's capital or any debentures, debenture-stock or other securities of the Company or in or above the information or promotion of the company, or the acquisition of property by the Company for the conduct of its business.

26. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, and turn to account or otherwise, deal with all or any part of the property and rights of the Company for the time being.
27. To insure the whole or any part of the property of the Company either fully or partially, and also to insure and protect and indemnify the Company from liability fully or partially and also to insure and protect and indemnify and part or portion thereof either on mutual principle or otherwise.
28. To do all or any of above things either as principals, agents, trustees, contractors or otherwise and by or through agents, subcontractors, trustees or otherwise and either along or in conjunction with others.
29. To do all such other things as may be incidental or conducive to the attainment of the above main objects.

### **C. OTHER OBJECTS**

1. To carry on business as manufacturers of and dealers in anatomical, orthopedic and surgical appliances of all kinds, veterinary instruments, medical, curative and healing instruments and equipment's generally, artificial eyes and limbs, surgical, hospital, laboratory, observatory, chemical, electrical, photographic and scientific instruments, equipment's, supplies, furniture, articles and products.
2. To manufacture, import, export, buy, sell and deal in all raw materials and other substances and other substances used in the manufacture, production or treatment of any product or other substances, articles and things the manufacture of which the Company is authorised to undertake and to turn to account, render marketable and deal in any of the by-products of the manufacturing process which the Company may undertake.
3. To carry on the business of manufactures and producers of fats, fertilizers, cattle food, poultry feed, insecticides, manures, sprays, vermifuges, and remedies of all kinds for agricultural produce growing or other purposes of remedies of men or animals or birds and whether produced from vegetable or animal matter or by any chemical process.
4. To buy, sell, manufacture, refine, manipulate, import, export and deal in substances, apparatus and things capable of being in any business of manufacturers of chemical and medicines as required by customers or persons having dealings with Company either by wholesale or retail.
5. To undertake and transact all kinds of agency business and to act as manufacturer's representatives, distributors, commission agents and selling agents.
6. To undertake business of software development, web technology and networking research and training and related information technology research and development and Consultancy which may conveniently be carried on by the company in combination with the existing business or otherwise.

7. To promote any undertaking or company either as subsidiary or otherwise with the main objective of pursuing (6) above, either new or by way acquisition of existing undertakings or companies carrying on the aforesaid business or by investing in the shares in or other securities of such existing undertakings or companies or by entering into JVs or other tie-up arrangements"
8. To subscribe for, underwrite, purchase or otherwise acquire and to hold, dispose of and deal with the shares, stocks, securities and evidences of indebtedness or of the right to participate in profits, assets or other similar documents issued or to be issued by any Government, authority, corporation or body, or by any other company and any options or rights in respect thereof and to acquire debentures, debenture-stock, bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by, or incident to the ownership thereof.

IV. The liability of the members of the Company is limited.

V. \* The Authorized Share Capital of the Company is INR 30,00,00,000 (Rupees Thirty Crores only) divided into 30,00,00,000 Equity Shares of INR 1/- (Rupee One only) each.

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<sup>1</sup> *Substituted Capital clause, in pursuance to the Scheme of Arrangement between Suven Life Sciences Limited (Demerged Company) and Suven Pharmaceuticals Limited (Resulting Company) and their respective Shareholders and Creditors under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, sanctioned by the Hon'ble National Company Law Tribunal, Bench at Hyderabad vide its order dated 06/01/2020, in the matter of Company Petition No: CP(CAA)No.658/230/HDB/2019 connected with Company Application No: CA(CAA)No.178/230/HDB/2019, whereby the Authorized Capital was revised from Rs 40,00,00,000/- (Rupees Forty Crores Only) divided into 40,00,00,000 (Forty Crores) Equity Shares of Rs. 1/- (Rupee one only) to Rs 20,00,00,000/- (Rupees Twenty Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs. 1/- (Rupee one only).*

<sup>2</sup> *Substituted Capital clause, in pursuance to the resolution passed by the shareholders in the 33rd Annual General Meeting held on August 4, 2022, whereby the Authorized Capital was increased from Rs 20,00,00,000/- (Rupees Twenty Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs. 1/- (Rupee one only) to Rs 30,00,00,000/- (Rupees Thirty Crores Only) divided into 30,00,00,000 (Thirty Crores) Equity Shares of Rs. 1/- (Rupee one only).*

**IV.** We the several persons whose names and addresses are subscribed here to are desirous of being formed into a Company in pursuance of the Memorandum of Association and respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sl. No.	Name, Address, Occupation and Description of the subscriber with signatures	No. of Shares taken by each subscriber	Names, Occupation, Addresses, Description of witness with signatures
1	Sd/- JASTI VENKATESWARLU S/o. Jasti Subba Rao Plot No. 396, Road No. 22, Jubilee Hills Hyderabad – 500 034  Occ: PHARMACIST	10 (Ten only)	Sd/- P. SUDHAKAR Chartered Accountant S/o. P. Basaweswara Rao 3-6-142/2/A, Himayath Nagar Hyderabad – 500 029  Occ: PROFESSION
2	Sd/- JASTI SUDHA RANI W/o. Jasti Venkateswarlu Plot No. 396, Road No. 22, Jubilee Hills Hyderabad – 500 034  Occ: BUSINESS	10 (Ten only)	
	Total No. of Shares	20 (Twenty only)	

Place: Hyderabad

Dated this the 14th day of February 1989.

**UNDER THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**  
(Incorporated Under the Companies Act, 1956)

**ARTICLES OF ASSOCIATION**  
**OF**  
**SUVEN LIFE SCIENCES LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the extra-ordinary general meeting of the Company held on 21st October, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Article of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**TABLE ‘F’ IS APPLICABLE**

1. The regulations contained in **Table ‘F’ of the Companies Act, 2013 shall apply to this Company** except in so far as they have been specifically excluded by/or under these articles.

## INTERPRETATION

2.

- a) Unless the context otherwise requires, words or expressions contained in these Articles shall have the same meaning as in the Companies Act, 2013 or any statutory modification thereof in force at the date at which these Articles become binding on the Company.
- b) “The Act” means “the Companies Act, 1956” to the extent applicable and “the Companies Act, 2013” as amended from time to time and statutory modifications thereof.
- c) “The Presents” or “Regulations” means these Articles of Association as originally framed or altered from time to time and include the Memorandum of Association where the context so requires.
- d) “The Articles” means the Articles of Association of the Company.
- e) “The Memorandum” means the Memorandum of Association of the Company.
- f) “The Company” or ‘This Company’ means **SUVEN LIFE SCIENCES LIMITED** its assigns, substitutes and successors, as well as any concern whether limited or otherwise, with which it might amalgamate or to which transfer its business voluntarily or by operation of law.
- g) “The Office” means the Registered Office for the time being of the Company.
- h) “Directors” means the Directors for the time being of the Company and includes any person appointed or nominated by the Board occupying the position of director by whatever name called.
- i) “The Managing Director” means the Managing Director for the time being of the Company.
- j) “Whole time Director / Executive Director” means the Whole time Director for the time being of the Company.
- k) “The seal” means the Common Seal for the time being of the Company
- l) “Month” means calendar month
- m) “Persons” includes Corporates and individuals
- n) “Relative” has the meaning assigned to it by section 2(77) of the Act.
- o) “Securities” has the meaning assigned to it by section 2(81) of the Act

- p) “In writing” or “written” includes printing, lithography and other modes of representing or reproducing words in visible form.
- a. “Depositories Act” shall mean the Depositories Act, 1996 and include where the context so admits, any re-enactment or statutory modification thereof for the time being in force.
- b. “Depository” shall have the meaning assigned thereto by Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- c. “Beneficial Owner” means a person or persons as defined in Section 2 of the Depositories Act and whose name is recorded as such with a depository.
- d. “Member(s) or Shareholder(s)” - unless otherwise provided, means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and also one whose name is entered as Beneficial Owner of the shares in the records of a depository.
- q) “Share” means a share in the share capital of the Company and includes stock, except where a distinction between stock and shares is expressed or implied.
- r) “Capital” means the capital for the time being raised or authorised to be raised for the purpose of the Company.
- s) “Paid-up” means and includes credited as paid-up.
- t) “The Register” means the Register of Members to be kept pursuant to Section 88 of the Act.
- u) “Dividend” includes Interim Dividend.
- v) “Year” means the “Financial Year” shall have the meaning assigned thereto by section 2(41) of the Act.
- w) “Annual General Meeting” means a general meeting of members held in accordance with the provisions of section 96 of the Act or such other relevant provisions of the Act or Acts related to incorporated companies for the time being in force in India.
- x) “Extra-ordinary Meeting” means an Extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
- y) “Ordinary Resolution” and “Special Resolution” shall have the meanings assigned thereto respectively under section 2(63) of the Act.

- z) “Postal Ballot” means voting by post or through any electronic mode.
- aa) “Proxy” means an instrument whereby any person is authorised to vote for a member at a general meeting on a poll.
- bb) “Electronic Mode” means any video conferencing facility i.e. audio visual electronic communication facility employed by the Company which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.
- cc) “Tribunal” means the National Company Law Tribunal constituted under section 408
- dd) “Key managerial personnel” means:
- (i) Managing Director or Chief Executive Officer or Manager and in their absence, a whole -time director
  - (ii) Company Secretary
  - (iii) Chief Financial Officer
- ee) Words importing the singular number include the plural number and vice-versa.
- i. Subject as aforesaid any words or expressions defined in ‘the Act’, where the subject or context forbids, bear the same meaning in these Articles.
  - ii. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereto.
  - iii. Words and expressions not defined anywhere in the Act, those words and expressions shall have same meaning as defined in any other law for the time being in force in India.
  - iv. Words importing the masculine gender also include feminine gender
  - v. Subject as aforesaid, any words or expressions defined in the Act, shall, except where the subject or context forbids, bear the same meaning these Articles.
  - vi. The marginal notes here to shall not affect the construction hereof.

### **COMMENCEMENT OF BUSINESS**

3. The Company shall commence new business or exercise any borrowing powers only after the requirements of section 11 of the Companies Act, 2013 have been complied with.



## **RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING LOANS BY IT FOR PURCHASE OF ITS SHARES**

4. The funds of the Company shall not be employed in the purchase of, or lent on the security of, shares of the company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of subscription of shares in the company or any company of which it may, for the time being, be a subsidiary.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien.

4. a. Notwithstanding anything contained in these Articles, in accordance with the provisions of Section 68 and subject to other provisions of the Companies Act, 2013 the Company may purchase its own shares or other securities in the form of buy-back up to such percentage(s) as may be stipulated from time to time in this regard upon such terms and conditions as it may consider appropriate, in such manner as may be prescribed and subject to such approval as may be required by Law.

## **PUBLIC COMPANY**

5. The Company is a Public Company within the meaning of Section 2 (71) of the Companies Act, 2013 and accordingly means a company which is not a private company and having a minimum paid-up share capital of five lakh rupees or such higher paid-up share capital as may be prescribed.

A company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

## **REGISTERED OFFICE**

6. The Office of the Company shall be in the State of Telangana or such other place as the Board may subject to the provisions of sections 12 and 13 of the Companies Act, 2013, from time to time determine, and the business of the Company shall be carried on at such place or places as the Board may, from time to time determine.

## **SHARE CAPITAL**

7. The Authorized Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company each with the rights, privileges and conditions attached thereto as per the relevant provisions contained in this behalf and with power to increase or reduce the Share Capital of the Company.

8. The Directors of the Company may from time to time determine the amount payable on application and allotment at the time of issue of shares and may also make calls upon the members in respect of any money unpaid on their shares of such amount and payable at such times and place as they may from time to time decide.
9. Subject to the provisions of the Act and these Articles, the shares of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
10. 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 provisions of Section 55 of the Act, on such terms as to dividends preferential payment or return of the amount paid up thereon and as to conditions and terms of redemptions the Directors may deem fit.
11. The Board may, at its discretion, convert the unissued Equity Shares into preference shares, Redeemable Preference Shares and vice versa and the Board may issue any part or parts of the unissued shares upon such terms and conditions and with such rights and privileges annexed thereto as the Board at its discretion and subject to the provision of Section 43 of the Companies Act, 2013 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.
12. a. 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 section 48, and whether or not the company is being wound up, 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.
12. b. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least five persons holding at least one-third of the issued shares of the class in question.

## **SHARE CERTIFICATES**

13. Every person whose name is entered as a member in the 'Register of Members' shall be entitled to receive within two months of the date of allotment one certificate for all the shares under the seal of the Company and if any member so desires, he can have more than one certificate in respect of each or more of his shares on payment of Rs. 50/- as certificate fee for each additional certificate. The Company shall not be bound to issue more than one certificate in respect of the same share to joint holders.

13. a. The share certificates shall be issued only after such issue is authorised by the board resolution and every such certificate shall be issued under the seal of the company, which shall be affixed in the presence of, and signed by –
- (i) Two directors duly authorised by the board of directors of the company for the purpose or the committee of the board, if so authorised and
  - (ii) The secretary or any person authorised by the board for the purpose.

Provided that if the composition of the board permits of it, atleast one of the aforesaid two directors shall be a person other than the managing or whole-time director.

14. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of Rs. 50/- and on Executing an Indemnity Bond in respect of the shares comprised in the certificate after the Directors are satisfied as to the Genuineness of the case.

### **REDEEMABLE PREFERNCE SHARES**

15. Subject to the provisions of section 55 of the Companies Act, 2013 preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before issue of the shares may, by special resolution, determine.
16. Subject to the provisions of these Articles the Company shall have power to issue preference shares carrying a right to redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 55 of the Act exercise such power in such manner as provided in this Article
16. a. Holders of the Preference shares have right to a fixed cumulative dividend at a fixed rate per annum (free of Company's tax but subject to deduction of taxed at source at the prescribed rate) on the capital for the time being paid up therein with a priority to the Equity Shares
16. b. In case of winding-up the holders of preference shares, shall have right in a winding-up to a repayment of the capital and of any arrears of the fixed cumulative dividends whether earned, declared or not up to the commence of the winding-up in priority to the Equity Shares of surplus assets of the Company but shall not have any further rights to participate in the profits or assets of the Company.
16. c. In case of redemption of Preference Shares the fixed percentage of dividend shall be calculated up to and as on the date of redemption and in case of payment of interim dividend, it will be calculated up to and as on the date of declaration of interim dividend.

16. d. The Company shall redeem Preference Shares on the expiry of 15 years from the date of allotment thereof but the Company may, at its option and at any time after the expiry of 12 years from the date of allotment of Preference Shares on giving not less than 3 months notice in writing to the holders of such shares, redeem at par the whole or any part of Preference Shares together thereon, whether declared or not, up to the date of redemption thereof out of the money of the Company which may lawfully be applied for the purpose provided that, if the Company shall at any time determine to redeem a part of such shares for the time being outstanding, the shares to be so redeemed shall be determined by a draw to be made in such manner as may be decided by the Board of Directors.

The draw referred to herein shall be made upon notice to the shareholder of the said shares at the office in the presence of a Notary Public or a representative of the Auditors for the time being of the Company and such of the holders of shares as may care to attend. The Notice herein shall further specify the number of shares to be so redeemed, the date, time and place for redemption and surrender of the certificates of the shares so to be redeemed.

16. e. At the time and place so fixed each holder of such shares shall be bound to surrender to the Company the certificate or certificates for his shares to be redeemed and the company shall pay to him the amount payable in respect of such redemption, where any such certificates accompanies any shares which are not liable for redemption the Company shall issue to the holder thereof, a fresh certificate.
16. f. The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013.
16. g. The Company shall not create/issues further preference shares having rights to rank in priority to the existing Preference shares.
16. h. In the event the Company creates / issues any further Redeemable Preference Shares ranking pari passu with or subordinate to the Redeemable Preference Shares, it will do on only with the consent in writing of the holders of not less than three-fourths of the holders of Redeemable Preference Shares then outstanding or with the sanction of a Special Resolution passed at a separate meeting of the holders of Redeemable Preference Shares then outstanding.
16. i. Subject to the preferential rights of the holders of the Preference Shares attached in respect of payment of dividends and payments of Capital in the event of winding up, the holders of Equity Shares shall be entitled to the whole or the residue of the profits that may be decided to be distributed as a dividend and the amount of capital paid-up or treated as paid-up on such shares to be repaid and all surplus and assets thereafter shall

belong to the holders of Equity Shares in Proportion to the capital on such shares at the commencement of winding up.

### **ALLOTMENT OF SHARES**

17. Subject to the provisions of these Articles, the Shares shall be under the control of the Board, who may allot or otherwise dispose off the same to such persons on such terms and conditions at such times, either at a par or at a premium, and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment further shares' then the Board shall issue such shares in the manner set out in Section 62 of the Act, unless otherwise authorised in terms of the provisions of the said section of the Act. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

### **RESTRICTION ON ALLOTMENT**

18. If the Company shall offer any of its shares to the public for subscription:
- (a) No allotment thereof shall be made, unless the amount stated in the Prospectus as the minimum subscription has been subscribed, and the sum payable on application thereof has been paid to and received by the Company but this provision shall no longer apply after the first allotment of share offered to the public for subscription.
  - (b) The amount payable on application on each share shall not be less than 25 percent of the nominal amount of the share and
  - (c) The company shall comply with the provisions of Section, 39 of the Companies Act, 2013.

### **COMMISSION AND BROKERAGE**

19. The company may exercise the powers of paying commissions conferred by Section 40 of the Companies Act, 2013 provided that the rate or percentage or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said Section and the commission shall not exceed 5 % of the price at which any shares in respect whereof the same is paid, are issued or 2 ½ % of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

### **LIABILITY OF JOINT HOLDERS OF SHARES**

20. The Joint-holders of a shares be severally as well as jointly liable for the payment of all installments and calls due in respect of such share

## **TRUSTS NOT RECOGNISED**

21. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a Court of Competent Jurisdiction, or as by statute required, be bound to recognize any equitable or other claim to or interest in such share on the part of any other person.

## **WHO MAY BE REGISTERED**

22. Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as Joint holders of any share.

## **CALLS ON SHARES**

23. The Board may, from time to time, subject to the provisions of Section 49 of the Companies Act, 2013 make such call as the Board thinks fit upon the members in respect of all money 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 times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have made when the resolution of the Board authorizing such call was passed. That option or right to call of shares shall not be given to any person except with the sanction of the company in General Meeting.

A Notice of thirty days may be given for payment of call amount

24. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at such rate not exceeding eighteen percent per annum from the date appointed for the payment or at such lower rate (if any) as the Board may determine.
25. The Board shall be at liberty to waive payment of any such interest either wholly or in part.
26. If by terms of issue of any share or otherwise any amount is made payable at any fixed times or by installments at fixed times, whether on account of the amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of call shall relate to such amount or installment accordingly.

27. The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the same actually called, for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advances have been made, the company may pay interest at such rate not less than unless the company in General Meeting shall otherwise direct, 15% per annum, as the member paying such sum in advance and the Board agree upon money so paid in excess of the amount of the calls shall not rank of dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less than three months' notice in writing.
28. A call may be revoked or postponed at the discretion of the Board.
29. If by the conditions of allotment of any shares, the whole or part of the amount of issue thereof shall be payable by installments, every such installments shall, when due by paid to the Company by the person who, for the time being, shall be the registered holder of the share by his executor or administrator.

#### **FOFEITURE AND LIEN**

30. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains, unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued by the Company by reason of such non-payment.
31. The Notice shall name a day (not being less than 14 days from the date of the Notice) and a place on and which such call or installment such interest are to be paid. The Notice shall also state that in the event of Non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment payable will be liable to be forfeited.
32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
33. a. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
33. b. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

34. Any share so forfeited shall be deemed to be the property of the Company and the Board may sell re-allot or otherwise dispose of the same in such manner as it thinks fit.
35. The Board may, at any time before any shares so forfeited shall have been sold re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
36. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing upon or in respect of such share, at the time of the forfeiture together with interest thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
37. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, title to such shares; and the person to whom any such shares is sold be registered as a holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be effected by any irregularity in the proceedings in reference to such forfeiture, sale or disposition.
38. The Provision of Articles 30 to 37 hereof shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
39. The Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with other), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 21 hereof is to have full effect. Such lien shall be extended to all dividends from time to time declared in respect of such shares unless otherwise agreed, the registration of transfer of a share operate as waiver of the Company's lien, if any on such share the Directors may at any time declare any shares wholly or partly to be exempt from the provisions of this clause.
40. For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or the case may be and default shall have



been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for 7 days after the date of such notice

41. The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which lien exists as is presently payable, and the residue, if any, shall (subject to a like sum or sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.
42. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold in any case the purchaser shall not be bound to see to the regularity of the proceedings, not to the application of the purchase money and after his name has been entered in the Register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person arrived by the sale shall be in damages only and against the company exclusively.
43. Where any share under the powers in that behalf herein contained is sold by the board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares. The Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered up.

#### **TRANSFER AND TRANSMISSION**

44. Save as provided in Section 56 of the Companies Act, 2013 no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or behalf of the transferee has been delivered to the Company within the time prescribed by Section 56, together with the certificate or if no such certificate or if no such certificate is in existence, the Letter of Allotment of the Share. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one witness who shall add his address.
45. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 56 of the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within 2 weeks from the date of receipt of the notice, enter in the register the name of the transferee in the manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

46. Every instrument of transfer of any share shall be in writing in the prescribed form, and in accordance with the provisions of Section 56 of the Act.
47. Subject to the provisions of Section 58 of the Companies Act, 2013 the Board by assigning sufficient cause for such refusal may, within 30 days from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and, in case of shares not fully paid-up the Board may refuse to register to a transferee of whom it does not approve.

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

48. No transfer shall be made to a minor or person of unsound mind.
49. Every instrument of transfer shall be left at the office of registration, accompanied by the Certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be retained by the Company, but any instrument of transfer which the board may refuse to register shall be returned to the persons depositing the same.
50. If the Board refused whether in pursuance of Article 47 or otherwise to register the transfer of any share, the company shall, within 30 days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.
51. No fee shall be charged for the registration or transfer, grant of probate, grant of letter of administration, certificate of the death or marriage, power of- attorney, letters of allotment and for split, sub-division of renounceable letter of right or other instrument.
52. The executor or administrator of a deceased (not being one of several joint-holders) shall be the only person recognized by the company as having any title to the share registered in the name of such member, and, in case of the death of any one or more of the registered joint-holders of any share, the survivor shall be the only person recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person. Before recognizing any executor or administrator, the Board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be, from a competent Court in India and having effect in Telangana provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the board to dispense with the production of Probate or Letters of Administration or such

other legal representation, such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider adequate.

53. Any committee or guardian of a lunatic member or any person becoming entitled to hold or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may, subject to the regulations as to transfer herein before contained, transfer such share. This Article is hereinafter referred to as "The Transmission Article".
54. a. If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a Notice in writing signed by him stating that he so elects
54. b. If the person aforesaid shall elect to transfer the share; he shall testify his election by executing an instrument of transfer of the share.
54. c. All the limitations restrictions and provisions of these Articles relating to the right of transfer and the registration of instrument of transfer of a share shall be applicable to any such notice of transfer as aforesaid as if the death, Lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.
55. A person so becoming entitled under the Transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the share.
56. Provided that the Board may at any time given notice requiring any such person to elect either to be register himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

## **ALTERATION OF CAPITAL**

57. The Company may by passing **ordinary resolution**:
  - a) increase its authorised share capital by such amount as it thinks expedient;
  - b) Consolidate and divide 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 denomination;
- d) Sub divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, nevertheless, subject to the provisions of Section 61 of the Act;
- e) Cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

58. The Company may, by **special resolution**, reduce in any manner and with, and subject to, any incident authorised and consent required by law, - (i) its share capital (ii) any Capital redemption reserve Account (iii) any share premium Account.

### **BORROWING POWERS**

59. The Board may from time to time, at its discretion, subject to the provisions of Sections 179 and 180 of the Companies Act, 2013 borrow money for the purpose of the company by passing special resolution in general meeting, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves, apart from the temporary loans obtained from the company's bankers in the ordinary course of business.

60. The Board may raise or secure the repayment 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 bonds, perpetual redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled Capital (even if no part of that uncalled amount has been called up) for the time being.

### **GENERAL MEETINGS**

61. In addition to any other meeting, general Meetings of the Company shall be held within such intervals as are specified in Section 96 of the Companies Act, 2013 and subject to the Provisions of sub-section (2) section of the said of the Act, during the business hours, that is between 9.00 a.m and 6.00 p.m 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 situate as may be determined by the Board. Each such General Meeting shall be called as "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the company shall, except in the case where an Extra-Ordinary General Meeting is convened under the provisions of the next following Article, be called a "General Meeting".

62. The Board may, whenever it thinks fit, call a General Meeting, and it shall, on the requisition of such number of members who hold on the date of receipt of the requisition, not less than one-tenth of such of the paid up share capital of the Company as at that date carries the right of voting in regard to the matter(s) to be considered at the meeting, forthwith proceed to call an extra-ordinary General Meeting, and in the case of such requisition the provisions of Section 100 of the Companies Act, 2013 shall apply.
63. A general meeting or the Annual General Meeting of the Company may be called by giving not less than clear twenty-one days' notice in writing or through electronic mode. Such meeting may be called by giving a shorter notice than twenty-one days but with the consent of not less than 95% of the members entitled to vote at such meeting. A statement setting out the material facts concerning each item of special business to be transacted at a general meeting shall be annexed to the notice calling such meeting in accordance with provisions of Section 102 of the Companies Act, 2013.
64. The Company shall comply with the provisions of Section 111 of the Companies Act, 2013 as to giving notice of resolutions and circulating statements on the requisition of members.
65. Notice of every meeting of the Company shall be given to every member of the Company, to the Auditors of the Company and to any legal representative of any deceased member or the assignee of the insolvent member and every director of the company in any manner hereinafter authorised for the giving of notices to such persons. Provisions of section 101 read with 20 of the Companies Act, 2013 shall be followed by the company.
66. The accidental omission to give any such notice to or its non receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.
67. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided not less than three days notice in writing of the intention so to inspect is given to the Company.
68. No member shall exercise any voting right in respect of any Shares registered in his name on which any calls or any other sum presently payable by him have not been paid, or in regard to which the Company has or has exercised any right of lien.

## **PROCEEDINGS AT GENERAL MEETINGS**

69. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed as Special Business.
70. 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. The quorum for the general meetings shall be as provided in section 103 of the Companies Act, 2013.
71. Any act or resolution under the provisions of these Articles or the Act, if permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if elected by an Ordinary Resolution as defined in Section 2 (63) of the Companies Act, 2013 unless either the Act or these Articles specifically requires such act to be done or resolution passed by a Special Resolution as defined in the said Section
72. The Chairman of the Board of Directors or in his absence, Managing Director shall preside as Chairman at every General Meeting of the company. If at any meeting no such Chairman or Managing Director is present to chair the meeting within 15 minutes after the time appointed for holding of the meeting or either of them is not willing to act as Chairman, the Directors present shall choose one of the Directors present to be the Chairman of the meeting, or if no Directors is present or if all the Directors present decline to take the chair, the Members present shall choose one of the Members present to be the Chairman of the meeting.
73. If within half an hour from the time appointed for the meeting a quorum be not present, the Meeting, if convened upon such requisition as aforesaid, shall be dissolved, but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or such other day and at such time and place as the Board may be notice appoint and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting those members who are present shall be the quorum.

Provided that in case of an adjourned meeting or change of day, time and place of meeting, the company shall give not less than 3 days to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

74. At any general meeting, a resolution put to vote of the meeting shall, unless a poll is demanded under section 109 of the Companies Act, 2013 or the voting is carried out electronically, be decided on a show of hands.

A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

75. Poll may be ordered to be taken by the Chairman of the meeting on his motion, and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees has been paid-up. Provisions of section 109 of the Companies Act, 2013 shall be followed by the company.
76. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
77. The demand of a poll may be withdrawn at any time by the persons who made the demand.
78. When a poll is to be taken the Chairman of the meeting shall appoint two scrutinizers, at least one of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed to scrutinize the votes given on the poll and report to him thereon.
79. On a poll, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not , if he votes, use all his votes or cast in the same way all the votes he uses.
80. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
81. The Chairman of a General Meeting may adjourn the same 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.
82. A member can exercise his right to vote by the electronic means as prescribed under section 108 of the Companies Act, 2013

## VOTES OF MEMBERS

83. Subject to any special conditions; of restriction as to voting upon which any shares may be issued or may for the time being, be held, on a show of hands, every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote provided that the voting rights of the holder of any share issued at any time after the date of adoption of the Articles shall be as specified in Section 48 of the Companies Act, 2013.

Provided that no Company or body corporate being a member of the Company shall vote by proxy unless a resolution of its Board of Directors under the provisions of Section of 113 of the Companies Act, 2013 is in force and the representative in such resolution is present at the General Meeting at which the vote by proxy is tendered.

84. When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
85. Where a company or a body corporate (hereinafter called member company) is a member of the Company, a person duly appointed by resolution in accordance with the provision of section 113 of the Companies Act, 2013 to represent such member company at meeting of the company, shall not, by reason of such appointment, be deemed to be a proxy, and the pledging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one director of such member company and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence the same rights and powers, including the right to vote by proxy on behalf of the member company which the represents, as that member company could exercise if it were an individual member.
86. If any member is a lunatic, idiot or non-composment he may vote whether on a show of hands or on a poll by his Committee, curator banis or other legal curator and such last mentioned person may give his vote, by proxy provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which any person proposes to vote, he shall satisfy, the Board of his right under the Transmission Article to transfer the shares in respect of which he proposes to exercise his right under the Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
87. Where there are joint registered holders of any share, any one of the such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share alone shall be entitled to vote



in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed joint-holders thereof.

## **PROXY**

88. On a poll votes may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorized.
89. The instrument appointing a proxy shall be in writing under the hand or the appointer or his Attorney duly authorised in writing or if such appointer is a body corporate by under its common seal or the hand of its Officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called special proxy. Any other shall be called a General Proxy.
90. A person may be appointed as proxy he is not member of the Company and every notice convening a meeting of the Company shall state this, that a member entitled to attend and vote at the meetings is entitled to appoint a proxy to attend and vote instead of him.
91. This 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 of authority, shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.
92. A vote in accordance with terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share shall have been received by the Company at the office before the vote is given;  
  
Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
93. A person can act as proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights.
94. Any instrument appointing a proxy shall be in the form prescribed under section 105 of the Companies Act, 2013 and rules made thereto.

95. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or regard to which the Company has exercised any right of lien.
96. Any objection as to the admission or rejection of a vote, either on a show of hands, or on a poll made in due time, shall be referred to the Chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.
97. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid of all purposes.

## **DIRECTORS AND THEIR POWERS**

98. The First Directors of the Company are:
  1. Venkateswarlu Jasti
  2. Sudha Rani Jasti
99. Unless and otherwise determined by Special resolution, the number of Directors of the Company shall not be less than three nor more than fifteen, including Special, Technical, Nominated, Alternate, Additional, Co-opted Executive, Administrative and debenture Directors, if any.
100. The company shall appoint at least one women Director on the Board of the Company as per the provisions of Section 149 of the Companies Act, 2013. Provided that any intermittent vacancy of a women director shall be filled up by the board at the earliest but not later than immediate next board meeting or three months from the date of such vacancy whichever is later.
101. The Company shall have at least one-third of the total number of the directors as independent directors on the Board. Provided that any intermittent vacancy of an independent director shall be filled up by the board at the earliest but not later than immediate next board meeting or three months from the date of such vacancy, whichever is later. The company shall follow the provisions of section 149 of the Companies Act, 2013.
102. The company may as per the provisions of section 151 of the Companies Act, 2013 have one director elected by small shareholders.

103. As per the provisions of section 149, the Board shall have power at any time and from time to time to appoint one or more persons as additional directors, provided the number of the directors already mentioned and the number of directors /additional directors thus appointed together shall not exceed the limit prescribed under the Act.
104. Subject to the provisions of section 161 of the Companies Act, 2013, Board shall have power to appoint any person to act as alternate director for a director during his absence for a period not less than 3 months from India.
105. Subject to the provisions of section 161 of the Companies Act, 2013, Board shall have power to appoint any person as a director nominated by any institution in pursuance of any law time being in force or of any agreement.
106. Subject to the provisions of section 173 of the Companies Act, 2013 the directors of the Company may participate in meetings of the Board through Electronic Mode as may be set out in the notice of the meeting, provided the directors intending to participate in the Board meeting by Electronic Mode confirm to the Company their participation in meeting of the Board by Electronic Mode at least 2 Business Days prior to the scheduled date of such meeting.
107. Subject to the provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act'), the Board shall have power to appoint from time to time one or more of their body to be Managing Director or Managing Directors or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company, if any) remove or dismiss him or them from office and appoint another or others in his or their place or places. The Board shall have power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Provided that an individual can be appointed or reappointed or continue as Chairperson of the Company as well as Managing Director or Chief Executive Officer of the Company at the same time.

108. Subject to the provisions of section 152 of the Companies Act, 2013 at every annual general meeting, not less than two-thirds of the total directors and director mentioned in article 105 shall be the persons whose period of office is liable to determination by retirement of directors by rotation.
109. Nothing withstanding anything contained in these articles but subject to the provisions of section 68 to 70 and any other application provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

110. The company may subject to the provisions of the Act, Rules and regulations issue any kind of shares under Employee stock option scheme or any other scheme or as Sweat Equity Shares.
111. The Board may, from time to time at their discretion raise, borrow or secure the payment of any sum(s) of money for the purposes of the Company at such time, manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by promissory notes or by opening current accounts or by receiving deposits after complying with the provisions of section 76 of the companies Act, 2013 and advances with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company (both present and future) including its uncalled capital for the time being or by mortgaging, charging, pledging any land, building, plant and machinery, goods or other property and securities of the Company or by such other means.
112. Where in the Act, it has been provided that the Company shall have any right, privileges or authority of that the Company could carry out any transaction only if the Company is so authorized by its Articles, then in that case, by virtue of this Regulation the Company is hereby specifically authorized, empowered and entitled to have such rights, privileges or authority and to carry out such transaction as have been permitted by the Act, subject to, such transactions be in compliance with the Act, without there being a separate regulation in that behalf herein provided.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

113. Subject to the provisions of the Act –
- a. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
114. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## **COMMON SEAL**

115. The Directors of the Company shall provide a common seal of the Company and for the safe custody thereof. The seal shall never be used except by the authority of the directors or a committee of Directors previously given by means of a resolution. Any documents to which the seal is affixed shall be signed by at least one director of the Company and countersigned by the Managing Director(s) of the Company or by any other Director or secretary of the Company.

## **PROCEEDINGS OF THE BOARD**

116. The quorum for the transaction of the business of the Directors shall be two or one third of Directors whichever is higher and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

117. A resolution in writing signed by all the Directors shall be effective for all purposes as if a resolution passed at the meeting of the Directors duly called, held and constituted.

118. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

119. A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

120. As otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

121. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

122. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

123. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their numbers to be Chairperson of the meeting.

124. 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. 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.
125. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
126. A committee may meet and adjourn as it thinks fit.
127. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
128. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
129. As otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
130. The Company may subject to the provisions of the Act and applicable rules merge into, or with, or acquire all, or a part of, the business of, or purchase, or acquisition of shares, or any ownership interest in another legal person or entity;
131. The company may subject to the provisions of the Act, Rules and regulations issue any kind of shares under Employee stock option scheme or any other scheme or as Sweat Equity Shares.
132. Where in the Act, it has been provided that the Company shall have any right, privileges or authority of that the Company could carry out any transaction only if the Company is so authorized by its Articles, then in that case, by virtue of this Regulation the Company is hereby specifically authorized, empowered and entitled to have such rights, privileges or authority and to carry out such transaction as have been permitted by the Act, subject to, such transactions be in compliance with the Act, without there being a separate regulation in that behalf herein provided.

## **NOMINEE**

133. Every holder of the securities of the company may, at any time, nominate any person to whom his securities shall vest in the event of his death.
134. In case the securities are held by more than one person jointly, the joint holders may together nominate any person to whom all the rights in the securities shall vest in the event of death of all the joint holders.
135. Where the nominee is minor, the holder making the nomination may appoint any person to become entitled to the securities of the company, in the event of death of the nominee during his minority.

## **RESOLUTIONS PASSED AT ADJOURNED MEETING**

136. A resolution passed at an adjourned meeting of-
  - a. A company; or
  - b. The holders of any class of shares in a company; or
  - c. The board of directors of a company,the resolution shall for all purpose, be treated as having passed on the date on the date on which it was in fact passed, and shall not be deemed to be have been passed on any earlier date.

## **DIVIDENDS AND RESERVES**

137. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
138. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision 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, thinks fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
139. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

140. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
141. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
142. No dividend shall bear interest against the company.

## **BONUS SHARES**

143. The Company may issue fully paid-up bonus shares to its members in the manner provided in section 63 of the Companies Act, 2013

## **ACCOUNTS**

144. The accounts shall be kept either in English or in the regional language or in both languages such books shall be kept either at the registered office of the Company or at such other place in India as the Directors may think fit.
145. The Directors shall from time to time determine in accordance with the provisions of the Act, whether and to what extent and at what time and place and under what conditions are regulations the accounts and books, registers agreements and minutes of the General Body of the Company, or any of them shall be open to the inspection of the members and none of them shall be open to the inspection of the members and no member shall have any right of inspection of the members and no member shall have any right of inspecting any accounts or books or documents or registers or of the Company except as conferred by the Act or by the Company in general meeting.
146. Subject to provisions of the Act, no member shall be entitled to inspect the Company's books without permission of the Directors or to require discovery of any information respecting any detail of the Company's trading or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will not be expedient in the interest of the members of the Company to communicate to the public.

## **AUDIT**

147. At least once in every year the accounts of the Company shall be examined and the correctness thereof and of the Balance sheet and the Statement of Profit and loss be ascertained by one or more Auditor or Auditors.
148. Company shall appoint internal auditor to conduct internal audit of the functions and activities of the company in the manner prescribed under section 138 of the Companies Act, 2013



## **SECRETARY**

149. The Directors may from time to time on such terms and conditions appoint or remove any individual or firm to perform any functions required to be performed by secretary under the Act and to execute such other works as may be decided by the Board.

## **INSPECTION**

150. The Officers and authorized nominees of any financial institution giving loan or any other form of financial assistance shall have a right to inspect the Factory Records, Documents, Registers, Books of Account and other relevant Statutory Books and obtain copies and extract from them during the normal working hours of the Company.

## **CAPITALISATION OF PROFITS AND RESERVES**

151. i. The Company in general meeting may, upon the 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 any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- b) That such sum be accordingly set free for distribution in the manner specified in clause ii amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause iii, either in or towards –

- a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
- b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- c. partly in the way specified in sub-clause "a" and partly in that specified in sub-clause "b";
- d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- e. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

152. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall –

- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- b. generally do all acts and things required to give effect thereto.

- ii. The Board shall have power –
  - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and
  - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- iii. Any agreement made under such authority shall be effective and binding on such members.

## **DEMATERIALIZATION OF SECURITIES**

### **Option to dematerialise Securities:**

153. Notwithstanding anything contained in these Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities and to offer the same to the share holders or members of the Company present and future (subscription in a dematerialised form) and on the same being done, the Company shall maintain a Register of Members holding various securities both in physical and dematerialised form in any media as permitted by law including any form of electronic media, either in respect of existing shares or any shares either by itself or agency appointed for the purpose.

### **Option for Investors:**

154. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of depository, in respect of any security in the manner provided by the Depositories Act, 1996; and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

### **Securities in Depositories to be held in Fungible form:**

155. All securities held by a Depository shall be dematerialised and be in fungible form.
156. Rights of Depositories and Beneficial Owners:
- i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

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

**Service of documents:**

157. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

**Transfer of Securities:**

158. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

**Allotment of Securities dealt with in a Depository:**

159. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

**Distinctive numbers of securities held in a Depository:**

160. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

**Register and index of beneficial owners:**

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

**RECONSTRUCTION**

162. On any sale of the undertaking of the Company, the Board or the Liquidators on a wind-up may, if authorised by a Special Resolution, accept fully or partly paid up shares, debentures or securities of any other company, whether incorporated in India or not, either than existing to be formed for the purchase in whole or in par of the property of the Company, and the Board (if the profits of the company permit) or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the

Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities benefit or properties otherwise than in accordance with the valuation of any such securities or properties of such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the Company is proposed be or is in the course of being wound up, such statutory rights (if any) under Section 494 of the Companies Act. 1956 as are incapable of being varied or excluded by these Articles.

## **WINDING UP**

163. If the Company be wound up and the assets available for distribution among the members as such be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be 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 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 at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up or which ought to have been paid-up on the shares held by them respectively but this articles is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
164. If the Company be wound-up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a special resolution, divide among the contributories, in spice or kind, any part of the assets of the Company and may, with the like sanction, vest and part of the assets of the company in Trustees upon such trusts to the benefits of the contributories, or any of them, as the liquidators, with the like sanction, think fit.

## **INDEMNITY**

165. Every Director, Secretary or any person (whether an Official of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Officer, Employee or Auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.

Sl. No.	Signatures, Names, Addresses, Descriptions and Occupations of Subscribers	Signature of the subscriber	Signatures, Names, Addresses, Descriptions and Occupations of Witnesses
1.	JASTI VENKATESWARLU S/o. Jasti Subba Rao Plot No. 396, Road No. 22, Jubilee Hills, Hyderabad – 500 034  PHARMACIST	Sd/-	Signed before me:  Sd/- P. SUDHAKAR Chartered Accountant S/o. P. Basaweswara Rao 3-6-142/2/A, Himayathnagar Hyderabad – 500 029.
2.	JASTI SUDHA RANI W/o. Jasti Venkateswarlu Plot No. 396, Road No. 22, Jubilee Hills, Hyderabad – 500 034  BUSINESS	Sd/-	PROFESSION

Place: Hyderabad

Dated this the 14th day of February 1989.

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH  
HYDERABAD**

**CP(CAA)No. 658/230/HDB/2019  
Connected with  
CA(CAA)No.178/230/HDB/2019**

Under Sections 230 to 232 of the Companies Act, 2013

In the matter of

Suven Life Sciences Limited  
Having its registered office at  
Door No.8-2-334, 6th Floor,  
SDE Serene Chambers, Road No.5',  
Avenue 7, Banjara Hills,  
Hyderabad — 500 034.  
Telangana.

... 1st Petitioner/Demerged Company

Suven Pharmaceuticals Limited  
Having its registered office at  
Door No.8-2-334, 6th Floor,  
SDE Serene Chambers, Road No.5,  
Avenue 7, Banjara Hills,  
Hyderabad — 500 034.  
Telangana.

... 2nd Petitioner/Resulting Company

**Date of Pronouncement of Order: 06.01.2020**

**Coram:**

Shri K. Anantha Padmanabha Swamy, Member-Judicial  
Dr. Binod Kumar Sinha, Member-Technical

**Parties Present:**

For Petitioner(s): Mr. D.V.M. Gopal, Practicing Company Secretary  
For Regional Director: Mr. T. Sujan Kumar Reddy, CGSC

**Per: K. Anantha Padmanabha Swamy, Member-Judicial**

## ORDER

1. The present Company Petition under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 is filed seeking sanction of the proposed Scheme of Arrangement ('the Scheme') between the Petitioner Companies and their respective shareholders and creditors.
2. The Registered Office of the Petitioner Companies are situated in the State of Telangana and therefore within the jurisdiction of this Tribunal.
3. Details of the Companies are as follows:

### **I) In respect of 1st Petitioner/Demerged Company:**

The Authorised Share Capital of the Pt Petitioner/Demerged Company as on 31.03.2019 is Rs.40,00,00,000/- divided into 40,00,00,000 equity shares of Rs.1/- each. The issued, subscribed and paid-up equity share capital Rs.12,72,82,478/- divided into 12,72,82,478 equity shares of Rs.1/ each.

The Demerged Company has two business verticals i.e. —

- (a) Contract Research and manufacturing Services (CRAMS) - CRAMS division of the Demerged Company is engaged in development and manufacturing of New Chemical Entity based intermediates, Active Pharmaceutical Ingredients, specially chemicals and formulated drugs under CRAMS for global pharmaceuticals, biotechnology and chemical companies;
- (b) Discovery or Research and Development (Discovery Research) - Discovery Research Division of the Demerged Company is focused on discovering, developing and commercializing novel pharmaceutical products, which are first in class or best in class Central Nervous System therapies using GPCR targets for the treatment of cognitive impairment associated with neurodegenerative disorders like Alzheimer's disease, Attention Deficient Hyperactivity Disorder, Huntington's disease, Parkinson and Schizophrenia, Major Depressive Disorders and sleep disorders like Narcolepsy etc.

### **II) In respect of 2nd Petitioner/Resulting Company**

The Authorised Share Capital of the Petitioner/Resulting Company as on 31.03.2019 is Rs.10,00,000/- divided into 10,00,000 equity shares of Rs.1/- each. The issued, subscribed and paid up share capital is Rs.1,00,000/- divided into 1,00,000 equity shares of Rs.1/- each.

The Resulting Company is engaged in the business of development and manufacturing of New Chemical Entity based intermediates, Active Pharmaceutical Ingredients (API), Specialty chemicals and formulated drugs under contract research and manufacturing services for global pharmaceutical, biotechnology and chemical companies.

4. The Petitioner Companies had filed a Company Application bearing No. CA(CAA)No.178/230/HDB/2019 respectively before the Hyderabad Bench of the National Company Law Tribunal ("Tribunal"), seeking dispensation of convening meeting of Shareholders, Secured and Unsecured Creditors of the Resulting Company and prayed to convene meetings of the Shareholders, Secured and Unsecured Creditors of the Demerged Company. The Tribunal vide its Order dated 14.08.2019 dispensed with convening Meetings of the Shareholders, Secured and Unsecured Creditors of Resulting Company and ordered convening the meetings of the Shareholders, Secured and Unsecured Creditors of the demerged Company. Further, considering the large number of Unsecured Creditors of the Demerged Company, serving of individual notices of meetings of the Unsecured Creditors, whose value is less than Rs. 50,000/- was dispensed with. The Tribunal also appointed Chairman and Scrutinizer for the above meetings.
5. In pursuance of the Order dated 14.08.2018, the meeting of the Shareholders of the Demerged Company was duly conducted on 20.09.2019 at 3.00 PM at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry (FTAPCCI), 11-6-841, Red Hills, Hyderabad - 500004. Shri Nagaraj Kumar, Advocate and Chairman of the Shareholders Meeting, has filed his report on 27.09.2019. There were 63,681 equity shareholders as at 02.08.2019 together holding 12,72,82,478 equity shares in the Demerged Company and voting was carried-out by Remote e-Voting and by way of Ballot voting at the venue of the Meeting. From the Report of the Chairman, A total of 213 Shareholders (51 Shareholders who voted at the Meeting and 162 voted through remote e-voting) holding 8,70,95,709 shares, (Remote e-Voting and Ballot voting at the venue of the Meeting), voted in favor of the Scheme of Arrangement, constituting 99.99% of the total number of valid votes cast and a total of 26 Shareholders holding 677 shares, (voted either by Remote e-Voting and by way of Ballot at the Meeting), voted against the resolution constituting 0.0007% of the total number of valid votes cast.
6. Further the meeting of the Secured Creditors of the Demerged Company was duly conducted on 20.09.2019 at 12.30 PM at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry (FTAPCCI), 11-6-841, Red Hills, Hyderabad - 500004. Ms. Vallapu Sravanthi, Advocate and Chairperson of the Secured Creditors meeting, has already filed her report on 27.09.2019. From the Report of the Chairperson, it is seen that the meeting was attended by Four (4) Secured Creditors and all of them voted in favour of the Scheme of Arrangement, constituting 100.00% of the total number of valid votes cast.



7. Further the meeting of the Unsecured Creditors of the Demerged Company was duly conducted on 20.09.2019 at 10.30 AM at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chamber of Commerce & Industry (FTAPCCI), 11-6-841, Red Hills, Hyderabad - 500004. Mr. Narendra Naik, Advocate and Chairman of the Unsecured Creditors meeting, has already filed his report on 27.09.2019. From the Report of the Chairman, it is seen that the meeting was attended by Fifty-Eight (58) Secured Creditors who voted for the Scheme. Out of Fifty-Eight (58) Unsecured Creditors, votes cast by Two (2) unsecured creditors were considered invalid. Hence total valid votes were Fifty-Six (56) and all of whom, voted in favour of the proposed resolution constituting 100% of the total number of valid votes cast.
8. The Petitioner Companies then filed the present Company Petition being CP(CAA) No. 658/230/HDB/2019 respectively before this Tribunal seeking sanction of the Scheme of Arrangement with appointed date as 01.10.2018. Thereafter, this Tribunal vide its order dated 21.10.2019 ordered that notice of the hearing of the Petition shall be advertised in at least two Daily Newspapers. Accordingly, the Petitioner Company published notice of hearing of the Petition on 07.11.2019 in English News Paper i.e. Business Standard and Telugu News Paper i.e. Nava Telangana. Further, notice of hearing of the Petition was served on the Regional Director, Registrar of Companies and Official Liquidator by hand on 29.10.2019. It is also served on the Income Tax Authorities by Hand on 29.10.2019. Further, notices were also sent on 28.10.2019 by speed post to the SEBI, BSE Limited and NSE.
9. According to the Petitioner Companies, the proposed Demerger of the CRAMS Division of the Demerged Company into Resulting Company is to facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the CRAMS Division in the Resulting Company and the Discovery Research Undertaking in the Demerged Company. The Demerger would thus provide a platform for having a concentrated approach towards development of the respective business verticals. The proposed demerger will enhance value for shareholders and allow a focused strategy in operation of the respective business verticals which would be in the best interest of the Demerged Company and the Resulting Company, shareholders, creditors and all persons connected therewith. The Scheme also provides for capital reduction in the Resulting Company of the existing share capital held by the Demerged Company under Section 66 of the Companies Act, 2013 and other applicable provisions.
10. Heard, Shri D.V.M. Gopal, Practicing Company Secretary for the Petitioner Companies.
11. The Regional Director (South East Region), Ministry of Corporate Affairs vide his representation dated 28.11.2019 raised the following observations and the Petitioner Companies replied for the same as detailed below:-

Sl. No.	RD's Observations	Reply of the Petitioner Companies by way of Affidavit dated 28.11.2019
1	The Directorate issued a letter dated 30.10.2019 to the Principal Commissioner Income Tax, Hyderabad, till date no report/ comments in the matter has been received. Further, as per Para vii of Annexure-B to the Auditors Report attached to the Balance Sheet as at 31.03.2019, 31.03.2018 and 31.03.2019 of the Demerged Company there are certain dues relating to Income Tax for the Assessment Year 2011-12 & 2012-13. Hon'ble Tribunal may be pleased to direct the Petitioner Companies to furnish an affidavit that, if any demand arises in future from the Income Tax Department, Petitioner Companies shall pay the said debts.	The Income Tax dues pertains to Assessment Year 2011-12 on account of dispute and the matter is pending before Income Tax Appellate Tribunal, Hyderabad. The Demerged Company undertakes to honour any demands that may be raised by the Income Tax authorities pertaining to the aforementioned years and undertakes to provide necessary information or clarification in due compliance of applicable laws.
2	The Directorate has received letter dated 26.11.2019 from the ROC pointing out certain observations as under:-	
	a) To direct the Petitioner Company to ensure statutory compliance of all applicable laws and also on sanctioning of the present scheme the Petitioner Company shall not be absolved for any of its statutory liability in any manner.	The Petitioner Companies undertakes to ensure statutory compliance of all applicable laws and on sanction of the Scheme, shall not be absolved from any of its Statutory Liabilities
	b) To direct the petitioner Company(s) to comply with Rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013 with respect of filing of order for confirmation of scheme to be filed in form No.INC-28 with the concerned office of Registrar of Companies.	The Petitioner Companies undertakes to ensure compliance of rule 17(2) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2013 and file the confirmation order issued by the Hon'ble Tribunal in the matter with the respective Registrar of Companies in prescribed Form INC-28.
	c) To direct the Petitioner Companies to preserve its books of accounts and papers and records and shall not be disposed of without the prior permission of the Central	The Petitioner Companies undertakes that, upon the Scheme becoming effective and as required under Section 239 of the Companies Act, 2013, all the books and papers and records will not be disposed of

	Government in terms of provisions of Section 239 of the Companies Act, 2013	without the prior permission of the Central Government.
3	The Directorate issued a letter dated 30.10.2019 to the Securities and Exchange Board of India, Hyderabad, however till date no report/comments in the matter has been received. However, Petitioner Companies have enclosed copy of BSE letter dated 11.04.2019 and NSE letter dated 23.04.2019 addressed to the Company Secretary of the Demerged Company. Hon'ble Tribunal may be pleased to direct the Petitioner Companies to ensure the compliance of the observations raised by BSE and NSE.	The Petitioner Companies would like to confirm that the observations of BSE and NSE have to be complied once the Scheme of Arrangement is sanctioned/approved by the Hon'ble NCLT and therefore, Petitioner companies do hereby undertakes to comply with the requirements stated in the letters dated 11.04.2019 and 23.04.2019 received from BSE Limited and National Stock Exchange of India Limited respectively and applicable provisions of SEBI Regulation/Rues/ Circulars.
4	Petitioner Company stated that there are certain foreign national/ NRI/ foreign bodies corporate holding shares in the Demerged Company. Hon'ble Tribunal may be pleased to direct the Petitioner Companies to ensure the compliance of the provisions of SEBI/RBI as applicable.	The Petitioner Companies undertakes to ensure compliance of applicable provisions of Rules and Regulations framed by Reserve Bank of India and SEBI in relation to allotment and listing of shares issued pursuant to the Scheme of Arrangement.
5	The main objects of both the companies are into business of manufacture, refine, purchase, sell, prepare, import, export all class and kinds of drugs including pharmaceuticals, preparations and formulations, fine chemicals etc. Petitioner Companies in its letter dated 28.11.2019 has stated that the Demerged Company do not come under the purview of Ministry of Health and Family Welfare, since the company produces only bulk drugs and drug intermediates.	The Petitioner Companies confirms that it does not come under the purview of Ministry of Health and Family Welfare since it produced only bulk drug and drug intermediates.

In view of the above reply, the Petitioner Companies prayed this Tribunal to sanction the Scheme of Arrangement.

12. The Petitioner Companies enclosed a Certificate from Auditors Namely M/s Tukaram & Co., LLP, stating that the Accounting Treatment proposed in the proposed Scheme is in conformity with Accounting Standard specified under Section 133 of the Companies Act, 2013.
13. Considering the entire facts and circumstances of the case and on perusal the Scheme, reports of the Regional Director and reply/undertakings of the Petitioner Companies thereon and the documents produced on record, the Scheme of Arrangement appears to be fair and reasonable and is not contrary to public policy and not violative of any provisions of law. All the statutory compliances have been made under Section 230 to 232 of the Companies Act, 2013.
14. In the result, the Petition is allowed with the following directions: -
- a) The Scheme of Arrangement, which is placed at Page Nos. 263-301 of the CP(CAA) No.65/230/HDB/2019 is hereby sanctioned and it is declared that the same shall be binding on the Petitioner Companies and their respective Shareholders and Creditors, Employees and all concerned under the Scheme.
  - b) The Scheme shall become effective from the Appointed Date i.e. 01.10.2018 and shall be made operational from the date of filing of the orders with the Registrar of Companies.
  - c) While approving the Scheme as above, it is further clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable, as per the relevant provisions of law or from any applicable permissions that may have to be obtained or, even compliances that may have to be made as per the mandate of law.
  - d) The Petitioner Companies are directed to preserve their books of accounts and papers and records and not to dispose of without the prior permission of the Central Government in terms of provisions of Section 239 of the Companies Act, 2013.
  - e) The Petitioner Companies shall comply with all the undertakings given in respect of observations made in the representation made by the Regional Director as tabulated in Para 11 hereinabove.
  - f) All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the certified copy of this order along with the Scheme immediately.
  - g) The Petitioner Companies are directed to take appropriate steps to submit the said Scheme to Registrar of Companies within 30 days from the date of receipt of copy of this order.
  - h) The Petitioner Companies are directed to issue newspaper publication with respect to approval of Scheme of Arrangement, in the same newspapers in which previous publications were issued in order to ensure transparency/dissemination of complete information to all concerned parties about the approval granted by the Tribunal for the Scheme as proposed.

- i) The Petitioner Companies are further directed to take all consequential and statutory steps required in pursuance of the approved Scheme of Arrangement under the Provisions of the Act.

The Petitioner Companies are directed to strictly adhere to the above directions and applicable provisions of the Companies Act.

Accordingly, the Scheme stands sanctioned and the Company Petition bearing CP(CAA)No. 658/230/HDB/2019 stands disposed of.

DR. BINOD KUMAR SINHA  
MEMBER (TECHNICAL)

K. ANANTHA PADMANABHA SWAMY  
MEMBER (JUDICIAL)