

Memorandum  
And  
Articles of Association  
of  
Hindustan Fluorocarbons Limited

Private Public Company  
Uji. 337(1A) with  
effect from D' 22-12-84  
*M. V. K.*  
Kosic



Registered by  
21-1-85  
*M. V. K.*

फॉर्म भा. भा  
Form I.A.

निर्देशक का प्रमाण-पत्र

# CERTIFICATE OF INCORPORATION

ता. .... का सं. ....  
No. 4037 ..... of 1983-84

मैं एतद्द्वारा प्रमाणित करता हूँ कि मातृ .....

कम्पनी अधिनियम, 1956 ( 1956 के 1 ) के अधीन निर्माण की गई है और यह  
कम्पनी परिमित है ।

I hereby certify that KINDUSTAN FLUOROCARBONS LIMITED .....

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

दो हस्ताक्षर के साथ प्रा. .... को दिया गया ।

Given under my hand at ... Hyderabad ... this ... 14th ...

day of July ..... One thousand nine hundred and eighty three

(23rd Asadha 1905 Saka)



*M. V. K.*  
(V.S. RAJU)  
कम्पनियों का रजिस्ट्रार  
Registrar of Companies  
Andhra Pradesh

वे.एच.सी. - 1  
J.S.C-1.

Under the Companies Act, 1956 (1 of 1956)  
Company Limited by Shares

MEMORANDUM OF ASSOCIATION  
of  
HINDUSTAN FLUOROCARBONS LIMITED

- I. The name of the Company is HINDUSTAN FLUOROCARBONS 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 to be pursued by the Company on its incorporation are :

1. To carry on all or any of the business in India or elsewhere as manufacturers of, and exporters, importers, buyers, sellers, converters, transporters and dealers in plastics, synthetic resins, synthetic rubbers, synthetic fibres and surface coating materials including by-products and all fabricated products and composite materials therefrom including sheets, ropes, packings, linings, rods, moulded goods, gaskets and any other product of similar nature or description and all organic and inorganic fluorinated compounds including uranium fluoride and sulphur fluoride.
2. To carry on all or any of the business in India or elsewhere as manufacturers, exporters, importers, buyers, sellers, converters, transporters, dealers in all organic and inorganic acids and chemicals including specifically acetic acid, oxalic acid, formic acid, propionic acid, citric acid, sulphuric acid, (nitric acid, hydrochloric acid, chlorosulphonic acid, phosphoric acid,) hydrofluoric acid, halogen acids and fluorine, their salts, derivatives and by-products.

3. To carry on all or any of the business in India or elsewhere as manufacturers, exporters, importers, buyers, sellers, converters, transporters and dealers in all refrigerents, solvents and plastisizers of all descriptions.

4. To carry on all or any of the business in India or elsewhere as manufacturers of and exporters, importers, buyers, sellers, converters, transporters and dealers in all aromatic and aliphatic organic chemicals, inorganic chemicals, chemical products of every nature and description and by-products thereof.

(B) The objects incidental or ancillary to the attainment of the main objects are :

1. To do all or any of the above things and all such other things, as are incidental or as may be conducive to the attainment of the above objects or any of them, in India or at any other part of the world, either as principals, agents, trustees, contractors or otherwise and either by or through agents, contractors, trustees or otherwise and) either alone or in connection with others.

2. To render consultancy service and act as consultant in chemical processes and engineering, management science, marketing and market research, computers and systems development or any other fields and for this purpose to establish, maintain and operate consultancy organisations, carry out market surveys, prepare feasibility reports and to sell, erect, install, operate, maintain and repair all types of plants, machinery and equipment and to do all or any other things as may be expedient or conducive thereto.

3. To carry on any other business (manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with these objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering) valuable or turning to account any property movable or immovable belonging to the Company or in which the Company may be interested;

4. To acquire, use, develop or otherwise turn to account any method, system or process of construction by the use of steel, iron, cement, concrete, wood and other material or any combination thereof in connection with the business of the Company;

5. To apply for, tender, purchase, or otherwise acquire any contract and concession for or in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of works and conveniences, and to undertake, execute, carry out, dispose of, or otherwise turn to account the same;

6. To establish and maintain agencies, branch places and local registers to procure registration or recognition of the Company and to carry on business in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local companies or partnerships or as may be thought desirable;

7. To enter into any arrangement with Government of India or any other authority or any person for the purpose of carrying out the objects of the Company or furthering its interests directly or indirectly, and to obtain from any Government or authority or person any charters, subsidies, loans, interests, grants, contracts, licences, decrees, rights, sanctions, concessions, protection, privileges or immunities whatsoever (whether statutory or otherwise) and to obtain and carry out, exercise and comply with any such arrangements, rights, sanctions, privileges, licence concessions;
8. To purchase, take on lease, or otherwise, absolutely or conditionally, solely or jointly with others, any property, rights or privileges which the Company may think necessary or convenient for the purposes of its business, and make, construct, maintain, work, acquire, hire, hold, improve, carry out or control roads, embankments, landing grounds, hangers, garages, and land traffic, waterways, lands, foundries, warehouses, works, factor machinery and apparatus, gas works, estates, utilities and other services of the Company's interests; and to contribute to, subsidise or otherwise assist in the establishment, construction, improvement, maintenance, working, management, carrying out, superintendence or control thereof;
9. To sell or dispose of the undertaking of the Company and all or any of the property or effects of the Company for cash or for stock, shares or securities of any other company or other consideration as the Company may think fit;
10. To promote and undertake the formation of any institution or company for the purpose of acquiring all or a part of the property and liabilities of this Company or for any other purposes which may seem directly or indirectly calculated to benefit this Company or from any subsidiary company or companies;
11. To enter into partnership or into any arrangement for joint working, sharing or pooling profits, amalgamation, union of interest, cooperation, joint adventure, reciprocal concession, or otherwise or amalgamation with any person or Company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in, or any business, undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company;
12. 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 the right to participate in profits or other similar documents issued by any Government, authority, corporation or body, or by any company or body of persons, and any options or rights in respect thereof, and to buy and sell foreign exchange;

13. To accumulate funds and to invest or otherwise employ moneys belonging to or with the Company in the purchase or acquisition of any shares, securities or other investments whatsoever whether movable or immovable upon such terms as may be thought proper and from time to time to vary all or any such investments in such manner as the Company may think fit;

14. To acquire any shares, stocks, 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 incidental to the ownership thereof;

15. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of person whomsoever, whether incorporated or not incorporated, and generally to guarantee or become surety for the performance of any contracts or obligations.

16. To act as agents of any company or concern and to do and perform all and singular the several duties, services and authorities appertaining to such offices respectively and to comply with and to become bound by all restrictions, limitations or conditions appertaining to such offices respectively or imposed by the terms of any agreement or agreements entered into for any of the purposes aforesaid;

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

18. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for special dividends or equalising dividends or for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds herein mentioned;

19. To make, draw, accept, endorse, discount, execute and issue cheques, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments subject to the Banking Regulations Act, 1949;

20. To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital and to remunerate or make donations to (by cash or other assets or by the allotment of fully or partly paid shares or by call or option on shares, debentures, debenture stock or securities of this or any other company or in any other manner, whether out of the Company's capital or profits or otherwise) any person, persons, or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures

debenture stock or other securities of the Company or in the conduct of its business or/in introducing any property or business to the Company or for any other reason which the Company may think proper;

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

22. Subject to the provisions of Section 58-A of the Companies Act, 1956 and Rules made thereunder and Reserve Bank of India directions as may be applicable, to receive grants, loans, advances or other moneys on deposit or otherwise from State or Central Government, Banks, Companies, Bodies Corporate, Trusts or individual with or without allowance of interest thereon;

23. 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 Company, and to guarantee the performance of contracts by any such persons or companies;

24. To adopt such means of making known the business of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in the press and other media, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and otherwise and by establishing competitions and granting prizes, rewards, premia and donations.

25. To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in anywise connected with any particular trade or business or with scientific research, industry or commerce generally and particularly with the business and activities of the Company including any association, institution or fund for the protection of interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire, accidents or otherwise;

26. \* to dedicate, present, lease or otherwise dispose of either voluntarily with or without consideration or for value any property of the company deemed to be of national, public, or local interest, to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of any of the same or of the public.

(Amended vide Resolution dated 18<sup>th</sup> December, 2009 passed through postal ballot) ?

of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, carry out, exercise, develop and turn to account the property, rights or information so acquired and to grant licences to use the same;

28. To establish, provide, maintain and conduct or otherwise subsidise in India or in any part of the world, educational and training institutions; research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments, and tests of all kinds; to promote studies and researches, both scientific and technical investigations and laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on and to enter into any arrangement with Government or any other party in India or elsewhere for the purposes aforesaid;
29. To install and work pilot, prototype or semi-scale units or full commercial plants, to develop a particular invention or inventions and ensure production from such invention or inventions to sell or otherwise dispose of the products of such inventions on payment or otherwise and generally on such terms and conditions as may be deemed fit;
30. To provide for the amelioration and welfare of persons employed or formerly employed by the company and the wives, families, dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other Associations, Institutions, Funds or Trusts and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance, public health installations, transport services, markets, shops, and stores and other assistance as the Company shall think fit;
31. To appropriate, use or lay out land belonging to the Company for streets, parks, pleasure grounds, allotments, and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the Company thinks fit;
32. To establish, maintain and operate general educational institutions, schools and colleges and hostels for the benefit of the children of the employees or ex-employees of the Company, their dependents or connections of such persons and others and to make grants and awards and grant scholarships;
33. To do all or any of the above things and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or at any other part of the world, either as principals, agents, trustees, contractors, or otherwise and either by or through agents, contractors, trustees or otherwise, and either alone or in connection with others.
34. To undertake, carry out, promote and sponsor rural development including programme for promoting the social and economic welfare of 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 or 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 of or the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development and the words 'rural area' shall include such areas as may be regarded as rural areas under Section 35CC of the Income-Tax Act 1961, or any other law relating to rural development for the time being in force or 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 divest the ownership of any property of the Company to or in favour of any public or Local Body or Authority or Central or State Government or any public institution or Trust or Fund recognised or approved by the Central or State Government or any authority specified in that behalf by such Government or established under any law for the time being in force as the Directors may approve.

(C) Other objects of the Company not included in (A) and (B) above:

1. To carry on the business in India or elsewhere as manufacturers, exporters, importers, buyers, sellers, converters, transporters and dealers in all alkalies including specifically caustic soda, caustic potash, soda ash, barium hydroxide and their salts and derivatives;

All synthetic dyestuffs, colouring agents and organic pigments including carbon black;

Synthetic drugs, pharmaceuticals, fine chemicals, disinfectants, antiseptics;

Inorganic pigments and colours;

Fertilizers and allied products;

Rubber processing chemicals for use as accelerators, antioxidants, and retarders;

Chemical explosives and ancillary products; surface active agents including synthetic detergents;

Agricultural chemicals of all kinds including insecticides, fungicides, weedicides, rodenticides;

Flavours, essences and perfume materials and preservatives;

Synthetic fuels including synthetic petrol, hydrogen peroxide, methanol and hydrazine;

Anti-knock agents and fuel oil additives.

Poly-hydroxy-alcohols;

Cellulose esters and all products and materials derived therefrom including plastics, fibres, and films, photographic or otherwise.

2. To carry on the business in India or elsewhere as manufacturers, exporters, importers, buyers, sellers, converters, transporters, and dealers in the glass, earthenware, rubber, paper, paperboard, metal and wood containers, receptacles and packing accessories of whatsoever description.

3. To carry on the business of electricians, of electricity for the purposes of light, heat, motive power or otherwise and manufacturer of and dealer in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism or otherwise.

4. To carry on business as timber merchants, saw mill proprietors and timber growers, and to buy, sell, grow prepare for market, manipulate, import, export and deal in timber and wood of all kinds, and to manufacture and deal in articles of all kinds, in the manufacture of which timber or wood is used, and to buy, clear, plant, and work timber estates;
5. To carry on business as fitters, tool makers, brass and other metal founder, metal workers, moulders, mill-wrights, rod millers, machinists, wire drawers, tube, pipe and tank manufacturers, smiths, gas makers, welders, electroplaters and the like and in that context to manufacture, buy, sell, exchange, instal, work, alter, improve, manipulate, prepare for market, import or export and otherwise deal in all kinds of plant, machinery and equipment, apparatus, tools, utensils, substances, materials and things necessary or convenient therefor;
6. To carry on business as ship owners and charterers, carriers by land, sea and air, wharfingers, warehousemen and barge-owners;
7. To carry on business as printers, lithographers, binders and publishers;
8. To carry on all kinds of exploration business, and in particular to search for, prospect, examine and explore mines and ground supposed to contain minerals or precious stones, and to search for and obtain information in regard to mines, mining claims, mining districts and localities and to purchase or otherwise acquire and to sell, dispose of and deal with mines and mining rights, and property supposed to contain minerals or precious stones of all kinds, and undertakings connected therewith and to work, exercise, develop and turn to account mines, and mining rights, and any undertakings connected therewith and to buy, sell, dress, refine, manipulate, prepare for the market and deal in minerals of all kinds;
9. To act as agents for Government or other authorities or any manufacturers, merchants and others and to transact and carry on agency business of every kind and of any description.
10. To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up, and improving building, and by planting, paving, draining, farming, cultivating and letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders and others;
11. To acquire, build, provide and maintain dams, tube wells, barrages, sluices, embankments, tanks, bridges, equeducts, reservoirs, irrigation works, reclaimed land, infiltration galleries and other works, and like contrivances and drill and sink wells for the purpose of securing adequate supplies of water required in any way in connection with the business of the Company, or as incidental thereto, or for supplies to the township or sale to the public for irrigation, domestic, sanitation, industrial and other purposes and to store, maintain, sell or loan such supplies;

12. To establish agencies in India and elsewhere and to regulate and discontinue the same;

13. To establish, maintain and operate technical training institutions and hostels for engineers, of all types and all other technical staff and artisans and mechanics, of all types and kinds and accountants and others in India or in any part of the world, to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks, store-keepers, and other personnel likely to be useful to or assist in any business which the Company is authorised to carry on.

iv. The liability of the members is limited.

RESOLUTION PASSED AT THE EXTRA-ORDINARY GENERAL MEETING HELD ON 19TH MARCH, 1993.

v) The Share Capital of the company is Rs.21,00,00,000 (Rupees twenty one crores only) divided into 2,10,00,000 Equity Shares of Rs.10/- each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the company for the time being with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into several classes, and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the company but subject always to the provisions of the Companies Act (I of 1956)."

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

Name, address, description and occupation of subscriber	No. of equity shares taken by each subscriber	Signature of Subscriber	Name, address, description and occupation of witness and his signature
HINDUSTAN ORGANIC CHEMICALS LIMITED			
THROUGH			
H. KRISHNAMURTHY Chairman & Managing Director. (S/o Sri N. Halasyam) RASAYANI DIST. RAIGAD MAHARASHTRA	1 (One)	Sd/-	
ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED			
THROUGH			
Dr. P. L. SANJEEVA REDDY (S/o. Sri P. Lakshmaiah) VICE CHAIRMAN & MANAGING DIRECTOR ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED PARISRAMA BHAYAN AM HYDERABAD 500 029	9 (Nine)	Sd/-	Sd/- C. Prabhakar S/o Sri C. Krishna Murthy Assistant Secretary Andhra Pradesh Industrial Development Corpn. Ltd., Parisrama Bhavanam Hyderabad 500 029
Total :	----- 10 (Ten only) -----		

Dated this 8th day of June 1983

**ABSTRACT OF  
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OF  
HINDUSTAN FLUOROCARBONS LIMITED**

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**ARTICLES OF ASSOCIATION  
OF  
HINDUSTAN FLUOROCARBONS LIMITED**

**PRELIMINARY**

**1. Definitions :**

In these Articles unless there be something in the subject or context inconsistent therewith :

- (a) "The Act" means the Companies Act (1 of 1956) or Acts for the time being in force containing the provisions of the legislature in relation to companies and affecting the Company.
- (b) 'APIDC' means 'Andhra Pradesh Industrial Development Corporation' a company incorporated under the provisions of the Companies Act, 1956.
- (c) 'Board or 'Board of Directors' means a meeting of the Directors or a Committee thereof duly called and constituted, or as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a Circular Resolution in accordance with these Articles or acting by Circular Resolution under these Articles.
- (d) 'Capital' means the share capital for the time being raised for the purpose of the Company.
- (e) 'The Chairman' means the Chairman of the Board of Directors for the time being of the Company.
- (f) 'The Company' means the above named company.
- (g) 'Directors' means the Directors of the Company for the time being or the Directors assembled at a Board.

- (h) 'Financial year' means the period in respect of which any profit and loss account of the Company laid before it in annual general meeting is made up, whether the period is a year or not.
- (i) 'HOC' means 'Hindustan Organic Chemicals Limited' a company incorporated under the provisions of the Companies Act, 1956.
- (j) 'Month' means a calendar month.
- (k) 'The Office' means the Registered Office for the time being of the Company.
- (l) 'Promoters' means Hindustan Organic Chemicals Limited, and Andhra Pradesh Industrial Development Corporation Limited.
- (m) 'The Registrar of Members' means the Registrar of Members to be kept pursuant to Section 150 of the Act.
- (n) 'The Registrar' means the Registrar of Companies, Andhra Pradesh.
- (o) 'Regulations of the Company' means these Articles of Association and/or any amendments additions or alterations thereof for the time being in force.
- (p) 'Seal' means the Common Seal for the time being of the Company.
- (q) 'In writing' or 'written' includes printing lithography and other modes of representing or reproducing words in a visible form.

Words importing masculine gender include, where the context admits or requires, the feminine gender and words importing the singular number include, where and context admits or requires, the plural number and vice versa.

Subject as aforesaid, any words or expressions, defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles except in so far as it has been made expressly applicable under the Act.

2. **Table 'A' not to apply :**

The regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company, except in so far as it has been, made expressly applicable under the Act.

3. **Company to be governed by these regulations :**

The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject as aforesaid and to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulation by special resolution, as prescribed or permitted by the Act, be such as are contained in these Articles.

4. **Company to be a Private Company :**

Deleted vide the Special Resolution passed at the Extraordinary General Meeting held on 10.9.1985.

CAPITAL

5. Authorised Capital :

AUTHORISED CAPITAL (APPROVED AT THE EGM HELD ON 19.3.93)

The Authorised Share Capital of the company is Rs.21,00,00,000 (Rupees twenty one crores only) divided into 2,10,00,000 (Two crores and ten lacs) equity shares of Rs.10/- (Rupees ten only) each."

7. Allotment of shares :

Subject to the provisions of the Act and these Articles and the rights of the promoters, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions as the Board may think fit.

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

8. Variation of rights attached to different classes of shares :

If at any time the capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act and whether or not the Company is wound up, be varied :

- a) with the consent in writing of the holders of not less than three fourth of the issued shares of that class; or
- b) with the sanction of a resolution passed at a separate meeting of the holders of those shares and supported by the vote of the holders, not being less than three-fourth of those shares.

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 two persons at least holding or representing by proxy one-third of the issued shares of the class in question.

This Article is not by implication to curtail the power of modification which the company would have if the Article were omitted.

9. Share Certificate :

Every person whose name is entered as a member in the register of members, shall, without payment be entitled to receive within two months after allotment or within one month after the application for registration of transfer a certificate under the seal of the Company and signature in conformity with the provisions of Companies (Issue of Share Certificate) Rules, 1960 or any statutory modification or reenactment thereof for the time being in force, specifying the share(s) held by him and the amount paid thereon.

Provided that, in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

10. **Issue of duplicate share certificate :**

If a share certificate is defaced, lost or destroyed, it may be renewed in accordance with the Companies (Issue of Share Certificates) Rules, 196

**UNDERWRITING & BROKERAGE**

11. **Payment of underwriting commission and brokerage :**

The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stocks of the Company but so that if the commission in respect of shares shall be paid or payable out of capital or out of the profits, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission in case of shares shall not exceed 5% of the price at which the shares are issued and in case of debentures 2.1/2% of the price at which the debentures are issued.

**CALLS, LIEN AND FORFEITURE OF SHARES**

12. **Directors may make calls on shares :**

The Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.

Provided, however, that the Directors may from time to time at their discretion extend the time fixed for the payment of any call.

13. **Payment of interest on calls:**

If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made shall pay interest on the same at such rate not exceeding 12 per cent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment. The Directors may waive payment of such interest wholly or in part.

14. **Liability of joint-holders to pay calls :**

The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

15. **Payment in anticipation of calls may carry interest :**

The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held

by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advances have been made, the Company may pay interest at such rate as the members paying such sum in advance and the Directors agree upon and the Directors may at any time repay the amount so advanced upon giving to such members three month's notice in writing. Any amount paid up in advance of calls on any share shall not confer a right to dividend or participate in the profits of the company.

16. **Company's lien on shares :**

The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this Article.

17. **Enforcement of lien by sale of shares :**

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

18. **Application of proceeds of sale of shares :**

The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase-money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

19. **Forfeiture of shares :**

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



- b) The notice aforesaid shall :
  - (i) name a further day (not earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
- c) 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 Directors to that effect.
- d) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Directors think fit.
- e) At any time before a sale or disposal as aforesaid, the Directors may cancel the forfeiture on such terms as they think fit.

**20. Liability of Shareholder whose shares are forfeited :**

- a) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- b) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

**21. Declaration of forfeiture :**

- a) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- c) The transferee shall thereupon be registered as the holder of the share.
- d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**22. Provisions as to forfeiture, when to apply otherwise :**

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

## TRANSFER AND TRANSMISSION OF SHARES

### 23. Restrictions on transfer of shares by HOC & APIDC

- a) HOC and APIDC (including their nominees) shall respectively hold 51% and 11% of the total equity shares in the Company and shall not sell or otherwise transfer or assign the whole or any part of the respective shareholding in the company, except on transfer inter se party or parties or its/their nominees.
- b) Both HOC and APIDC and their respective nominee(s) may transfer or sell the whole or any part of their respective equity shareholdings with the prior consent of the other party, however, subject to the condition that the party (including their nominees) so transferring or selling its shares shall first offer the same to the other party who will be entitled to accept the offer on its own name or to nominate any other person or persons to accept the same within 90 days from the date of offer. In the event of such acceptance not being received, the party offering to sell its share shall be free to sell the same to any other party.
- c) If in pursuance of Article 23(a) and (b) above, the offer of sale is accepted by the other party, the price payable in respect of the share to be transferred or sold shall be par value of the share plus interest at the rate equivalent to the ruling lending rate of IDBI on the date of acceptance of the offer from the date of investment to the date of sale less dividend paid in the intervening period.
- d)
  - (i) In the event of the acceptance of the offer to sell shares made pursuant to the provisions of Article 23(a) and (b) hereinabove, the sale of shares shall be completed and full payment of the price thereof made within 90 days of the date of the acceptance of the offer.
  - (ii) In the event of default in payment of the price of shares, the party selling the shares (after giving notice of not less than 30 days to the other party and upon continuing failure of the other party to pay the price within the notice period) may sell the shares to any other Government Company at the risk and liability of the defaulting party.
  - (iii) In respect of the sale of the share under Article 23(b) and (c) above, no interest shall be payable to the party selling the shares on the sale price of the shares or in respect of the period between the date of acceptance of the offer and the due date of payment. However, the party transferring the shares shall be entitled to their proportionate share of dividend that may be declared in respect of the period for which the shares were actually held by it even though such dividend may be declared after the completion of the sale.

### 24. General restrictions on transfer of shares :

- a) Subject to Article 24(b) the shares of the company shall be freely transferable.

b) The Board of Directors may refuse to register any proposed transfer of shares in the name of the transferee on any one or more of the following grounds and on no other grounds:

- i) that the instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the shares has not been delivered to the company or that any other requirement under the law relating to registration of such transfer has not been complied with;
- ii) that the transfer of the shares is in contravention of any law;
- iii) that the transfer of the share(s) is likely to result in such change in the composition of the Board of Directors as would be prejudicial to the interests of the Company or to the public interest.
- iv) that the transfer of the shares is prohibited by any order of any court, tribunal or other authority under any law for the time being in force.

**25. Notice of refusal to register transfer :**

The company shall follow the relevant provisions of Section 22(A) of Securities Contracts (Regulation) Act, 1956 or any statutory modification thereof :

Provided that registration of a transfer 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 except a lien on shares.

**26. Company not bound to recognise any interest in shares other than that of the registered holder :**

Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

**27. Execution of transfer :**

The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

**28. Form of share transfer**

Shares in the Company shall be transferred subject to the provisions of Section 108 of the Act in the form prescribed under the Companies (Central Government's ) General Rules and Forms, 1956, as amended from time to time.

**29. Transmission of shares-by operation of law**

Nothing contained in Article 24 shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

30. **Instrument of transfer to be left at Company's Office and evidence of title to be given.**

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

31. **Fee on transfer :**

No fee shall be charged for the following :

- i) for registration of Transfers, Sub-division and consolidation, certificates and for letters of allotment and for split, consolidation, renewal and pucca Transfer Receipts into denomination corresponding to the market units of trading.
- ii) for sub-division of renouncable letter of right.
- iii) for issue of new Certificates in replacement of those which are old, decrepit or wornout, or when the cages on the reverse for recording transfers have been fully utilised.
- iv) for registration of any power of Attorney, probate, Letter of Administration, or death certificates or for similar other documents.

32. **Closure of transfer books and register of members**

The transfer books and register of members may be closed for any time or times not exceeding in the whole 45 days in each year but not exceeding 30 days at a time, after giving not less than seven days' notice in terms of Section 154 of the Act.

33. **Directors' right to refuse registration on transmission :**

Subject to the provisions of Section 111 of the Act, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

#### INCREASE, REDUCTION AND ALTERATION OF CAPITAL

34. **Increase of Share Capital**

Subject to approval of the President, the Directors may, with the sanction of the Company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

35. **Terms and conditions for issue of new shares**

Subject to such directions as may be issued by the President in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct.

36. **Ranking of new shares with shares in Original Capital :**

Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.

37. **New Shares to be offered to members:**

The new shares shall be offered to the members in proportion to the capital paid up on the equity shares held by each member and such offer shall be made by 28 days' notice specifying the number of shares to which the members are entitled. After expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the company.

38. **Consolidation, sub-division and cancellation of shares:**

Subject to the approval of the President, the Company may in general meeting alter the conditions of its Memorandum as follows :

- a) Consolidate and divide all and any of its share capital into shares of larger amounts than its existing shares;
- b) Subdivide shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf.
- c) Cancel shares which at the date of such general meeting 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.

39. **Reduction of capital:**

Subject to the provisions of Section 100 to 104 of the Act, the Company may from time to time, with the approval of the President, by special resolution reduce its capital by paying off capital or cancelling capital, which has been lost or is unrepresented by available assets, or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and the Directors may, subject to the provisions of the Act, accept surrender of shares.

**BORROWING POWERS**

40. **Power to borrow :**

Subject to the provisions of section 292 of the Act the Directors may from time to time borrow or secure the payment of any sum or sums of money for the purposes of the Company.

41. **Conditions on which money may be borrowed :**

The Directors may, subject to approval of the President, secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking of the whole or any part of property of the Company (both present and future) including its uncalled capital for the time being.

42. **Securities assignable free from equities :**

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

43. **Bonds, debentures, etc. to be subject to control of Directors :**

Any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

44. **Issues at discount etc. or with special privilege :**

Subject to the approval of the President and subject to the provisions of Section 76 of the Act, any bonds, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise.

Provided that debentures, debenture-stock, bonds or other securities with a right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

45. **No priority over prior charge on uncalled capital :**

Whenever any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.

46. **Indemnity for Directors etc. becoming personally liable :**

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

**GENERAL MEETINGS**

47. **Annual General Meeting :**

The first annual general meeting of the Company shall be held by the Company within 18 months of its incorporation and thereafter the annual general meeting of the Company shall be within 6 months after the expiry of each financial year. Except as provided under the Act no greater interval than 15 months

shall be allowed to lapse between two annual general meetings. It shall be held during business hours on a day that is not a public holiday. The notice calling the meeting shall specify it as the Annual General Meeting. The other general meetings which may be called at such time and place as may be determined by the Directors shall be called Extraordinary General Meeting.

48. **Extraordinary General Meeting :**

The Directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meeting shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by the Act. If at any time there are not within India sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the Directors.

49. **Notice of meetings :**

At least 21 days' notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same, any particular meeting may be convened by such shorter notice and in such manner as those members may think fit.

Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by section 189(2) of the Act, not less than twenty-one days' notice of such meeting specifying the intention to propose the resolution as a special resolution shall be served;

Provided further, that if all the members entitled to attend and vote at such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days' notice has been given.

50. **Accidental omission to give notice not to invalidate the proceedings :**

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

51. **Business to be transacted at meetings :**

The business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at an annual general meeting. All other business transacted at an annual general meeting and all business transacted at an extraordinary general meeting shall be deemed special. All business at an annual general meeting shall be transacted in accordance with section 173 of the Act.

52. **Quorum :**

Five members present in person shall be a quorum for a general meeting.

53. **Right of HOC and APIDC to appoint representatives :**

- a) HOC and APIDC so long as they are share-holders of the Company, may from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent them at all or any meetings of the Company. The production at the meeting of an order of HOC/APIDC evidenced in writing shall be accepted by the Company as sufficient evidence of any such appointments or cancellations.
- b) Only one each of the persons appointed by HOC and APIDC under sub-clause (a) of this Article shall be deemed to be a member of the Company and shall be entitled to vote and be present in person and exercise the same rights and powers (including the right to vote by proxy) as HOC and APIDC could exercise as a member of the Company.
- c) HOC and APIDC may, from time to time, cancel any appointment made under sub-clause (a) of this Article and make fresh appointments.

54. **Chairman of General Meeting :**

The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and, if no Director shall be present, or if all the Directors present decline to take the chair, then the members present shall choose one of their member to be chairman.

55. **If quorum not present, meeting to be dissolved/adjourned :**

If within half an hour after the time appointed for the holding of a general meeting a quorum be not present, the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum be not present, those members present shall be a quorum and may transact the business for which the meeting was called.

56. **Chairman with consent may adjourn meeting :**

The Chairman of a general meeting may, with the consent of the meeting 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.

57. **Poll on election of Chairman without adjournment :**

Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any questions of adjournment shall be taken at the meeting and without adjournment.

58. **Manner in which questions are to be decided at meetings :**

Every question submitted to a meeting shall be decided in the first instance



by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

59. **Evidence as to the passing of resolution where poll not demanded :**

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of the Act and, unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

60. **Poll to be taken if demanded :**

If a poll is duly demanded it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

61. **Demand of poll not to prevent transaction of other business;**

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.

62. **Chairman to be sole judge of validity of votes:**

The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

63. **Resolution of Directors when valid and effectual as a resolution of general meetings:**

Any resolution passed by the Directors, notice whereof shall be given to the members in the manner in which notices are hereinafter directed to be given and which shall, within one month after it shall have so been passed, be ratified and confirmed in writing by members entitled at a poll to three-fifths of the vote shall be as valid and effectual as a resolution of a general meeting but this clause shall not apply to a resolution for winding up the Company or to a resolution passed in respect of any matter which by the statute or by these Articles ought to be dealt with by a special resolution.

### VOTES OF MEMBERS

64. **Number of votes to which members entitled:**  
Upon a show of hands, every member present in person shall have one vote and upon a poll every member present or by proxy or by duly authorised representative shall have one vote for every share held by him;  
Provided that no company shall vote by proxy as long as a resolution of its Directors authorising any person to act as its representative at any meeting of the Company passed in accordance with the provision of the Act is in force.
65. **Voting by representative of member company:**  
Any member who is a Company present by a representative duly authorised by such Company in accordance with the provisions of section 187 of the Act may vote on a show of hands as if he was a member of the Company. The production at the meeting of a copy of such authorisation duly signed by such Company shall at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.
66. **Vote by person entitled to shares by transmission:**  
Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that seventy two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.
67. **Voting by joint holders:**  
Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this clause be deemed joint holders thereof.
68. **Votes in respect of shares of members of unsound minds:**  
A member of unsound mind, or in respect of whom an order has been made by any Court, having jurisdiction in lunacy, may vote, whether on a show of hands or on poll, through his committee or other legal guardian and any such committee or guardian may on a poll vote by proxy.
69. **Proxy to attend meeting and vote only on a poll:**  
A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy on the same occasion.

A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate be under its seal or be signed by an officer or any attorney duly authorised by it.

**70. Instrument appointing proxy to be deposited at the office:**

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution except in the case of adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 72 hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than 72 hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney require him to produce the original power of attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

**71. Instrument appointing proxy to be in the custody of the Company:**

If any such instrument of appointment be confined to the subject of appointing proxy or substitute for voting at meetings of the Company it shall permanently or for such time as the Directors may determine be in the custody of the company and if embracing other subjects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

**72. Form of proxy :**

The form of proxy shall be 'two-way-proxy' as given in schedule IX of the Companies Act, 1956 enabling the shareholders to vote for/against any resolution.

**73. Vote given by proxy valid notwithstanding death or insanity of member, etc.**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy

is given, provided that no intimation in writing of such death, insanity, revocation or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

74. **No member entitled to vote etc. while call due to Company :**

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

75. **Time for objection to validity of vote :**

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

**DIRECTORS**

76. **Number of Directors :**

Subject to the provisions of Section 252 of the Act, the number of Directors of the Company shall not be less than three and not more than twelve including ex-officio directors and whole time directors, if any. The Directors are not required to hold any qualification shares.

77. **Appointment of Chairman, Managing Director and other Directors and their retirement :**

- (a) On the Board of Directors of the Company there shall be not more than six directors from HOC and two from APIDC and one from Government of India.
  - (i) In case any alterations are to be made in the number of Directors representing HOC and APIDC on the Board to provide representations to the financial institutions such alterations shall ensure that HOC's majority on the Board of Directors is retained.
  - (ii) The Directors representing HOC shall be its Chairman and Managing Director and such other Directors as will be nominated by HOC. The Director representing Government of India shall be the nominee of the Ministry of Chemicals & Fertilizers. The Managing Director who would also be representing HOC on the Board of Directors shall be appointed by the Govt. of India in accordance with the normal procedure for such appointments.
- (b) The Chairman of the Board of Directors, Managing Director and whole time Directors representing HOC on the Board of Directors shall be appointed by Government of India on such terms and conditions as decided by Govt. of India.
- (c) The Chairman, Managing Director or whole-time Directors may be authorised by the Board of Directors to exercise such powers and discretion

- in relation to the affairs of the Company as are specifically delegated to him/them by the Board and are not required to be done by the Board of Directors or the Company at the General Meeting under the Act.
- (d) At every Annual General Meeting of the Company every director shall, unless he is Chairman or Managing Director or whole-time Director, retire from Office. A retiring Director shall be eligible for re-appointment. The Chairman, Managing Director and whole-time Directors shall hold office for a period of three years.
- (e) Government of India, HOC and APIDC shall have the power to remove from Office their nominees at any time in their absolute discretion, notwithstanding anything contained in Clause (d).
- (f) The vacancy in the office of the Chairman, Managing Director, whole-time Director or any other director caused by retirement, removal, resignation, death or otherwise may be filled by fresh appointment in the same manner as stated in clause (a) and (b).
- (g) (i) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit & Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India and its subsidiaries (GIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body or Commercial Bank(s) out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and GIC or any other Financing Corporation or Credit Corporation or other Finance Corporation or Credit Corporation or to any other Financing Company or Body of which IDBI, IFCI, ICICI, LIC AND GIC or any other Finance Corporation or Credit Corporation is hereinafter in this Article referred to as 'the Corporation') continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time, (which Director or Directors is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.
- (ii) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors, Subject as aforesaid, the Nominee Director/s shall be entitled

to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

- iii) The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the Guarantee furnished by the Corporation.
- iv) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the meetings of the Committee of which the Nominee Director/s is/are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- v) The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.
- vi) Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.
- vii) In the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.
- h) The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter called 'the original Director') during his absence for a period of not less than three months from the State in which the meetings of Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate office if and when the original director returns

to the State in which the meetings of the Board are ordinarily held. If the term of office of the Original Director is determined before he so returns to the state in which the meetings of Board are ordinarily held, any provisions in the Act or in these Articles for the automatic re-appointment of retiring director in default of another appointment shall apply to the original Director and not to the Alternate Director.

Subject to and in accordance with the Provisions of Section 260 and 262 of the Act, the Directors shall have power at any time to appoint any person as a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not exceed the maximum fixed by the Articles.

**78. Directors to manage the business of the Company :**

- a) Subject to the provisions of the Act, the business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and who may exercise all such powers and do all such acts and things as the Company is authorised to exercise and do :

Provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the or any other Act or by the memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in general meeting.

Provided further that in exercising any such power or doing any such act or thing, the Directors shall be subject to the provisions contained in that behalf in the Companies Act, 1956 or any other Act, or in the Memorandum or Articles of the Company, or in any regulations made by the Company in General Meeting.

- b) Without prejudice to the generality of the above provisions, the Directors shall reserve for the decision of the Central Government :
- i) Any Programme of capital expenditure exceeding Rs. 200 lakhs, except where detailed project report has been prepared with estimates and duly approved by the Central Government, in which case the Board shall be competent to authorise the undertaking of all works covered under the approved project, including variations in the approved estimates, provided such variations do not exceed 10 per cent of the estimates for any particular component part of the project and involve no substantial change in the scope of the project as approved by the Central Government :
  - ii) Appointment to posts in the grade of Rs.2500-3000 and above of persons who have already attained the age of 58 years :
  - iii) The sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company :
  - iv) Formation of subsidiary company or companies :
  - v) The division of capital into different classes of shares.

- c) The Central Government shall have powers :
- i) to call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time;
  - ii) to approve the Company's five year and annual plans of development and the Company's capital budget;
  - iii) to approve the Company's revenue budget in case there is deficit which is proposed to be met by obtaining funds from the Central Government; and
  - iv) to approve agreements involving foreign collaboration proposed to be entered into by the Company.
- d) The Chairman may, however, reserve for the decision of the Central Government any proposals or decisions of the Directors in any matter which in his opinion is of such importance as to be reserved for the approval of the Central Government. No action shall be taken by the Company in respect of such proposal or decisions reserved for the approval of the Central Government as aforesaid until its approval to the same has been obtained.
- e) No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

79. **Vacation of office by Directors :**

The Office of the Director shall be vacated if :

- a) he is found to be of unsound mind by a Court of competent jurisdiction;
- b) he applies to be adjudicated an insolvent;
- c) he is adjudged an insolvent;
- d) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months;
- e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette, removed the disqualification of such failure.
- f) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Directors;
- g) he acts in contravention of Section 299 of the Act.
- h) he becomes disqualified by an order of Court under Section 203 of the Act;
- i) he is removed in pursuance of Section 284 of the Act.



- j) he (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company in which he is a Director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act.

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

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

- a) for thirty days from the date of adjudication, sentence or order;
- b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order, until the expiry of seven days from the date on which such appeal or petition is disposed off; or
- c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed off.

80. **Director may be Director of any other Company :**

A Director of this Company may be or become a Director of any other Company.

81. **Company not to make any loan to Directors :**

81.



ADDITIONAL PARA APPROVED AT 5TH AGM HELD ON 2TH DECEMBER, 1988.

Each Director other than the Managing Director or any other Director who is in the whole time employment of the company, shall be entitled to receive out of the funds of the company, a fee not exceeding the minimum prescribed in this regard by the Act and the Government of India from time to time for each meeting of the Board or Committee thereof attended by him and every Director shall further be entitled to receive reimbursement of all travelling and other incidental expenses incurred in attending meetings of the Board or any Committee thereof or General Meetings of the company or in connection with the business of the company.

84. **Continuing Directors, though short of quorum can summon a General Meeting:**

The continuing Directors may act notwithstanding any vacancy in their body,

but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of Summoning a General Meeting of the Company, but for no other purpose.

85. **Power of Directors' meeting at which quorum is present :**

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

86. **Chairman of Directors' meeting :**

If no Chairman is appointed, or if at any meeting the Chairman is not present within 10 minutes after the time for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

87. **Delegation of powers to committee of Directors :**

The Directors may, subject to the provisions of Sections 292 and 297 of the Act, delegate any of the powers to a committee consisting of such member or members of their body as they think 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 Directors. The proceedings of such a committee of Directors shall be placed before the Board of Directors at the next Board meeting. A committee may meet and adjourn as it may think proper.

88. **Chairman of meetings of committees :**

A committee may elect a Chairman of its meetings; if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

**Decisions at the meeting of committee :**

Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of any equality of votes, the Chairman shall have a second or casting vote.

90. **Acts of Board or Committee valid notwithstanding defective appointment :**

All acts done by any meeting of the Directors or of a Committee of Directors or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

91. **Directors to comply with the provisions of the Act :**

The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and

charges affecting the property of the Company or created by it, and to keeping a register of the Directors, and to sending to the Registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital or conversion of shares into stock, and copies of special resolutions and copy of the Register of Directors and notifications of any changes therein.

**92. Minutes of Meeting :**

The Director shall in accordance with the provisions of Section 193 of the Act cause minutes to be entered in books provided for the purpose :

- a) of all appointments of officers made at the meeting of the Directors or of any Committee of Directors;
- b) of the names of the Directors present at such meeting of the Directors and of any Committee of Directors;
- c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of any Committee of Directors;
- d) in the case of each resolution passed at such meeting the name of the Directors, if any, dissenting from or not consenting in resolution; and
- e) Every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

**93. Resolution by circulation :**

Subject to restrictions placed under section 292 of the Act and to the provisions of Section 289 thereof, resolutions of the Directors can be passed by circulation and they shall be as valid and effectual as if they had been passed at a meeting of the Directors duly called and constituted.

**94. Seal how affixed :**

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Directors, and in the presence of at least one Director or of such other person as the Directors may appoint for the purpose and any such Director or other authorised person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

**INTEREST OUT OF CAPITAL**

**95. Payment of interest out of Capital :**

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and subject to the conditions and restrictions provided by section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of plant.

## DIVIDEND AND RESERVE FUND

96. **Reserve Fund :**

The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve fund, to meet contingencies or for equalising dividend or for special dividends, or for improvements to any of the property of the Company, and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company; and may divide the reserve funds into such special funds as they think fit and employ the reserve funds or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

97. **Investment of Company's funds :**

The Directors may invest or deal with the money of the Company in such manner as they think fit, and from time to time vary or realise such investments.

98. **Dividend :**

The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provision of these presents as to the reserve fund shall be divisible among the members in proportion to the amount of capital held by them respectively provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is cleared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

99. **Capital paid up in advance at interest not to earn dividend :**

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

100. **Dividend in proportion to amount paid-up :**

The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

101. **Declaration of Dividend :**

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

102. **Dividend to be paid out of profits only and not to carry interest :**

No dividend shall be payable otherwise than out of the profits of the year or other period on any other undistributed profits of the Company and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the profits of the Company shall be conclusive.

**103. Interim Dividend :**

The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

**104. Dividend may be applied in satisfaction of debts :**

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

**105. Retention of dividends until completion of transfer under transmission Clause:**

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Article 29) entitled to become a member or which any person under that clause is entitled to transfer, until such person shall become member in respect of such shares or shall duly transfer the same.

**106. Effect of transfer on rights to dividend :**

A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

**107. Dividend to joint holders :**

Any one of the several persons, who are registered as the jointholders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

**108. No member to receive dividend or interest while indebted to the Company:**

Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons, and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

**109. Dividend may be set off against call where made together:**

Any general meeting declaring a dividend may make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members, be set off against the calls.

**110. Capitalisation :**

- (a) Any General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve accounts or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be, subject to the provisions of Section 78 of the Act, capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund is applied on behalf of such shareholders in paying up in full

either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures, debenture stock, and that such distribution or payment shall be accepted by such share holders in full satisfaction of their interest in the said capitalised sum.

- (b) A General Meeting may resolve that any surplus monies arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under (a) and (b) above the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates, and may, fix the value for the distribution of any specific assets, and may determine that cash payments shall be made to any member on the basis of the value so fixed or that fractions of less value than Re.1/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board of Directors and generally may make such arrangements for the acceptance, allotment and sale of such shares or other specific assets and fractional certificates or otherwise as they may think fit where required a proper contract shall be delivered to the Registrar of Companies for registration in accordance with Section 75 of the Act, and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
- (d) If and whenever any shares are held by any member in fraction, the Board of Directors may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, consolidate and sell these shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**111. Payment of dividend :**

No dividends shall be payable except in cash. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled, or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

**112. Notice of payment of dividend :**

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

**113. Unclaimed dividends :**

No unclaimed dividend shall be forfeited by the Board of Directors till the claim thereto becomes barred by the law and the Company shall comply with all the provisions of the Section 205A of the Act, in respect of unclaimed and unpaid dividend.

**ACCOUNTS**

**114. Maintenance of books of account :**

The Company shall in compliance with Section 209 of the Act cause to be kept and maintained proper books of accounts with respect to-

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.
- (b) All sales and purchases of goods by the company.
- (c) The Assets and Liabilities of the Company

**115. Inspection of account books by Directors :**

Books of account shall be kept at the Registered Office of the Company or at such place in India as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

**116. Inspection of accounts and books by members :**

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

**117. Balance Sheet and Profit & Loss Account to be laid before Annual General Meeting :**

The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once atleast in every financial year lay before the Company in Annual General Meeting a balance sheet and profit & loss account, in the case of the first account since the incorporation of the Company and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months.

**118. Annual Report of Directors :**

The Directors shall as per Section 217 of the Act make out and attach to every balance sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the reserve fund, general reserve or reserve account shown specifically on the balance sheet or to a reserve fund, general reserve or reserve account to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors if authorised in that behalf by the Directors, and when he is not so authorised, shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub-sections (1) and of Section 215 of the Act.

**119. Contents of Profit & Loss Account :**

The profit and loss account shall, subject to the provisions as laid down in Section 211 of the Act, and the Schedule VI referred to therein, so arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting, and in case where any item of expenditure which may in fairness, be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

**120. Balance Sheet and other documents to be sent to members :**

The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditors' report to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company and shall make available a copy at the Registered Office of the Company for the inspection of the members of the Company during a period of at least seven days before that meeting.

**121. Directors to comply with various provisions of the Companies Act :**

The Directors shall in all respects comply with the provision of Sections 209 to 211 and 215 to 222 of the Act, or any statutory modification thereof for the time being in force.

**AUDIT**

**122. Accounts to be audited annually :**

Once at least in every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors.

**123. Appointment of Auditors :**

The Auditor/Auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India.

**124. Auditors' right to attend general meeting :**

The Auditors of the Company shall be entitled to receive notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the accounts.



**125. Power of the Comptroller & Auditor General :**

(a) The Comptroller and Auditor General of India shall have power :

(i) To direct the manner in which the Company's accounts shall be audited by the Auditor/Auditors and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such ;

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

(b) The Auditor/Auditors aforesaid shall submit a copy of his/their Audit Report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit :

(c) Any such comment upon or supplement to the Audit Report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the Audit Report.

**126. Error in audited accounts :**

Every account of the Directors, when audited and approved by the General Meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the period the account shall forthwith be corrected and thenceforth shall be conclusive.

**NOTICES**

**127. Notice may be given either personally or by post :**

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

(b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

**128. Shareholder having no registered address in India to notify his address:**

A registered holder of shares, who has no registered place of address within India, may from time to time, notify in writing to the Company an address which shall be deemed his registered place or address, within the meaning of the last preceding Article.

**129. Notice by advertisement :**

If a member has no registered address and has not supplied to the Company an address within India for the giving of notices to him, a notice addressed to him, and advertised in a newspaper circulating in the Neighbourhood of the office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

**130. Notice to joint holders ;**

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

**131. Notice to representative of deceased or insolvent member :**

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

**132. To whom notice of general meetings be given :**

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

**133. Transferees etc. bound by prior notice :**

Every person by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address and title to the share being notified to and registered by the Company shall be duly given to the person from whom he derives his title to such share.

**134. How notice to be signed :**

The signature to any notice to be given by the Company may be written or printed.

**135. How time to be counted :**

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

**WINDING UP**

**136. Distribution of assets on winding up :**

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

**GENERAL**

**137. Director, Manager, Secretary, etc. to be indemnified :**

- (a) Subject to the provisions of Section 201 of the Act, every Director, Manager Secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Manager, Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him or them as such Director, General Manager, Manager, Officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
- (b) Subject as aforesaid every Director, Manager, Officer or (with the consent of the Directors) Auditor of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgement is being given in his or their favour or in which he or they are acquitted or in connection with any application under section 633 of the Act in which relief is given to him or them by the Court.

**138. Director, Manager, etc. not responsible for acts of others :**

Subject to the provisions of section 201 of the Act no Director, Manager, or Officer or employee of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Manager or officer or employee or for Joining in any receipt or other act of conformity or any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person or company, with whom any moneys, securities or effects shall be entrusted

or deposited or for any loss occasioned by an error of judgement or oversight on his or their part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his or their office or in relation thereto, unless the same happen through his own dishonesty, negligence, default, misfeasance, breach of duty or breach of trust.

**139. President's right to give directives :**

Notwithstanding anything contained in any of these Articles, the President of India may from time to time issue such directions or instructions as he may consider necessary in regard to the finances, conduct of the business and affairs of the Company and in like manner may vary and annul any such direction or instruction. The Directors shall duly comply with and give immediate effect to the directions or instructions so issued. In particular, the President shall have the power to give directions to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest.

We, the several persons whose names and addresses are subscribed hereunder are desirous of being formed into a Company, in pursuance of these Articles of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name, address, description and occupation of subscriber	No. of Equity shares taken by each subscriber	Signature of Subscriber	Name, address description and occupation of witness and his signature
HINDUSTAN ORGANIC CHEMICALS LIMITED THROUGH H. KRISHNAMURTHY Chairman & Managing Director (S/o Sri N. Halasyam) RASAYANI DIST. RAIGAD MAHARASHTRA	1 (One)	Sd/-	
ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED THROUGH Dr. P.L. SANJEEVA REDDY (S/o. Sri P. Lakshmaiah) VICE CHAIRMAN & MANAGING DIRECTOR ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION LIMITED PARISRAMA BHAVANAM HYDERABAD 500 029	9 (Nine)	Sd/-	Sd/- C. Prabhakar S/o Sri C. Krishna Murthy Assistant Secretary A Andhra Pradesh Industrial Development Corporation Ltd., Parisrama Bhavanam Hyderabad - 500 029.

Dated this 8th day of June 1983