

(THE COMPANIES ACT, 1956)

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

SVAM SOFTWARE LIMITED

Interpretation

1. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof.

The Marginal notes hereto shall not affect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

'The Company' means SVAM SOFTWARE LIMITED.

'The Act' means the Companies Act, 1956 and includes any re-enactment or statutory modification thereof for the time being in force.

'Directors' means the Directors for the time being of the Company.

'The Board' means the Board of Directors for the time being of the Company.

'Managing Director' means the Managing Director for the time being of the Company.

'Office' means the Registered Office for the time being of the Company.

'Register' means the Register of Members to be kept pursuant to Section 150 of the Act.

'Seal' means the Common Seal for the time being of the Company.

'Month' means calendar month.

'Dividend' includes Bonus.

'Person' includes body corporate and society registered under the Societies Registration Act.

'Proxy' includes Attorney duly constituted under a power of attorney.

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

'Debenture' includes debenture-stocks.

'Paid up' includes credited as paid-up.

'Special Resolution' and 'Ordinary Resolution' have the same meanings assigned thereto by Section 189 of the Act.

These 'presents' means the Memorandum of Association and the Articles of Association of the Company for the time being in force.

Words imparting the singular number shall include the plural number and vice-versa.

'Articles' means these Articles of Association as altered and modified, from time to time, according to law.

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| <i>Table 'A' not to apply</i> | 2. | The Regulation contained in Table 'A' in the Schedule 1 to the Companies Act, 1956, shall not apply to the Company, except in so far as they are embodied in the following Articles which shall be the regulations for the management of the Company. |
| <i>Company not to purchase its own shares</i> | 3. | Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of or lent on the security of shares of the Company and the Company shall not give, directly or indirectly, any financial assistance whether by way of loan, guarantee the provisions of security or otherwise any financial assistance for the purpose of or in connection with any purchase of or subscription for any shares in the Company or in its holding Company. |
| <i>Copy of Memorandum and Articles of Association</i> | 4. | Copies of Memorandum and Articles of Association of the Company shall be furnished to every shareholder of the Company at his request on payment of Re. 2/- (Rupee Two) for each copy. |

SHARES

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| <i>Share Capital</i> | 5. | The Authorised Share Capital of the Company is such that stated in Clause V of the Memorandum of Association of the Company or altered thereat, from time to time. The Company has the power from time to time to increase or reduce, its capital. Any of the said shares and new shares hereafter to be created may, <i>from time to time</i> , be divided into shares of several classes in such manner as may be provided hereinafter. The shares of each class may have or confer such preferential or other special rights and privileges may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under provisions of |
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the Articles of Association but so that the special rights or privileges belonging to holders of any share issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for hereinafter.

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| <i>Redeemable preference shares</i> | 6. | Subject to the provisions of Section 80 of the Act, the Company may issue preference shares which are or at the option of the Company are liable to be redeemed on such terms and in such manner, as the Board may determine. |
| <i>Allotment of shares</i> | 7. | Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such person, on such terms and conditions, at such times, either at par or at a premium and for such consideration as the Board thinks fit, provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then, subject to the provisions of Section, 81(1-A) of the Act, the Board shall issue such shares in the manner set out in Section 81(1) of the Act, save the Board may determine whether or not any offer of shares made in such manner shall include a right exercisable by any person concerned to renounce all or any of the shares offered to him in favour of any other person provided that option or right to call of shares shall not be given to any person or person without the sanction of the Company in General Meeting. |
| <i>Board may allot shares for consideration other than cash</i> | 8. | The Board may allot and issue shares in the Capital of the Company as partly or fully paid in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted, may be issued as fully or partly paid up shares. |
| <i>Shares to be numbered</i> | 9. | The shares in the Capital shall be numbered progressively according to their several denominations. |
| <i>Return of allotments</i> | 10. | As regards all allotments made, from time to time, the Company shall duly comply with Section 75 of the Act. |
| <i>Restriction on Allotment</i> | 11. | If the Company shall offer any of its shares to the Public for subscription: <ol style="list-style-type: none"> (1) no allotment thereof shall be made, unless the amount stated in the prospectus as minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the Company. (2) the amount payable on application on each share shall not be less than 5 (Five) percent of the nominal amount of the shares; and |

(3) the Company shall comply with the provisions of sub-section (4) of Section 69 of the Act.

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| <i>Commission and brokerage</i> | 12. | The Company may exercise the powers of paying commission conferred by Section 76 of the Act provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section. Such Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful. |
| <i>Shares at a discount</i> | 13. | With the previous authority of the Company in general meeting and the sanction of the Company Law Board and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued. |
| <i>Instalments on shares to be duly paid</i> | 14. | If, by the conditions of issue of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company, by the person, who for the time being, shall be registered holder of the share or by his executor or administrator. |
| <i>Liability of joint holders of shares</i> | 15. | The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share. |
| <i>Trust not recognised</i> | 16. | Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a court of competent jurisdiction or as by statute be bound to recognise any equitable or other claim to or interest in such shares on the part of any other person. |
| <i>Who may be registered</i> | 17. | Share may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint holders of any shares. |

INCREASE AND REDUCTION OF CAPITAL

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| <i>Power to increase capital</i> | 18. | The Company in general meeting may, from time to time, by ordinary resolution increase the share capital by the creation of new shares by such sum, to be divided into shares of one or more classes and of such amount as may be deemed expedient. |
| <i>On what conditions new shares may be issued</i> | 19. | Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions and with such preferential, qualified or such rights and privileges or conditions thereto as general meeting resolving upon the creation thereof, shall direct and if no direction be given, the board shall determine and in particular such shares may be |

issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

Provisions relating to the issue

20. Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of the new shares and in particular may determine to whom the shares be offered in the first instance and whether at par or premium or subject to the provisions of Section 79 of the Act or at a discount. In default of any such provision or so far as the same shall not extend, the new shares may be dealt with according to the provisions of these Articles.

How far new shares to rank with existing shares

21. Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to calls and instalments, transfer and transmission, forfeiture, lien, surrender and otherwise.

Inequality in number of new shares

22. If owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty arises in the apportionment of such new shares or any of them amongst the members shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting, be determined by the Board.

Reduction of Capital

23. The Company, may, from time to time, by special resolution, reduce the capital in any manner with the subject to any consent required under Section 100 to 104 of the Act : its share capital.

ALTERATION OF SHARE CAPITAL

Power to sub-divide and consolidate shares

24. The Company, by ordinary resolution may, from time to time —
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association so however, that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.
 - (c) Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

diminish the amount of its share capital by the amount of shares so cancelled.

- Surrender of shares* 25. Subject to the provisions of Section 100 to 105 of the Act, the Board may accept from any member the surrender, on such terms and conditions as shall be agreed, of all or any of his shares.

VARIATION OF SHARE HOLDER'S RIGHTS

- Power to vary rights* 26. If at any time the share capital is divided into different classes of shares all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, whether or not the Company is being wound up, be modified, commuted, affected, abrogated, varied or dealt with by the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a special resolution passed at the separate meetings of the holders of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply but so that necessary quorum shall be two persons at least holding or representing by proxy one third of the issued share of the class in question. This article is not by implication to curtail the power of modification which the Company would have if this Article was omitted. The Company shall comply with the provisions of Section 192 of the Act, as to forward a copy of such agreement or resolution to the Registrar of Companies.

SHARE CERTIFICATES

- Issue of Certificates* 27. The Certificate of title to shares, shall be issued within two months after allotment and within one month from the date of the receipts of application for transfer (or within such other period as the conditions of the issue shall provide).
- Member's rights to certificates* 28. (i) Every person whose name is entered as a member in the Register shall be entitled to receive within three months after allotment one certificate for all the shares registered in his name or if the Directors so approve to several certificates each for one or more share certificates in the marketable lots.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of certificate to the first person named in the Register shall be sufficient delivery to all such holders.

Issue of certificates to joint-holders

29. The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.

Replacement of share certificates

30. If any certificate be old, decrepit, worn out, torn or defaced or where the cages on its reverse for recording transfers have been fully utilised, then upon surrender thereof to the Company, the Board shall order the same to be cancelled and issue a new certificate in lieu thereof without any payment. If any certificate be lost or destroyed, then upon proof of such loss or destruction to the satisfaction of the Board and on such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board may think fit, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate on a fee of Rs. 2/- (two rupees) for each certificate or such smaller fee as the Board may determine.

CALLS

Calls

31. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board, provided that option or right to make call on shares shall not be given to any person except with the sanction of the Company in general meeting. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at a meeting of the Board.

Restriction on power to make calls and notice

32. No call shall exceed one-half of the nominal amount of a share and be made payable at less than one month from the date fixed for the payment of the last preceeding call. Not less than one month's notice of any call shall be given in writing specifying the time and place of payment and the person or persons to whom such call, shall be paid. Provided that, before the time for payment of such call the Directors may, by notice in writing to the members, revoke the same or extend the time for payment thereof.

When amount payable

33. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls or otherwise shall relate to such amount or instalment accordingly.

- When interest on call or Instalment payable* 34. If the sum payable in respect of any call or instalment has not been paid on or before the day appointed for payment, the holder for the time being of the shares in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of not more than eighteen percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rate as the Directors may determine. The Directors may in their absolute discretion waive the payment of interest, wholly or in part in the case of any person liable to pay such calls or instalment.
- Evidence in action for call* 35. Subject to the provisions of the law of Evidence and Procedure, on the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due, to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payment of calls in advance* 36. The Board may, if it thinks fit, receive from any member willing to advance the same and either the money or money's worth for all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made and the Company may pay interest at such rate not exceeding 6% (six percent) or as determined by the Board from time to time unless the Company in General Meeting shall otherwise direct. The Directors may, at any time repay the amount so advanced upon giving to such member one month's notice in writing. The member shall not, however, be entitled to any voting rights or dividend or to participate in the profits of the company in respect of the moneys so paid by him until the same would, but for such payment become presently payable.
- Voting rights when calls in arrears* 37. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- Revocation of calls* 38. A call may be revoked or postponed at the discretion of the Board.

- Directors may Extend time for payment of a call* 39. The Directors may, from time to time and at their discretion, extend the time fixed of the payment of **any** call and may extend such time as to all or any of the members who on account of residence at a distance or some other cause, may be deemed fairly entitled to such extension, but no member shall, as a matter of right, be entitled to such extension (save as a matter of grace and favour).
- Every member to pay the proportion of the capital represented by the share* 40. Every member, his executors or administrators shall pay to the Company the proportion of the Capital represented by his share or shares which may for the time being, remain unpaid thereon in such amount at such time to time and in such manner as the Directors shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof.

FORFEITURE OF SHARES

- Notice for payment of call or instalment* 41. If a member fails to pay any sum payable in respect of any call or any instalment of a call on or before the day appointed for payment thereof. The Board may at any time thereafter during such time as any part of the said call or instalment remains unpaid, serve a notice on such member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Mode of Notice* 42. The notice aforesaid shall name a further day, (not being earlier than the expiry of thirty days from the date of service of notice), on or before which such call or payment required by the notice, is to be made and a place at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non- payment on or before the date so named, the shares in respect of which such call or instalment was payable shall be liable to be forfeited.
- Forfeiture of shares* 43. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before the payment of calls or instalments interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect.
- Notice of forfeiture* 44. When any share have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.
- Forfeited shares to become property of the Company* 45. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, reallocated or otherwise disposed off on such terms and in such manner as the Board thinks fit.

- Board may annul forfeiture* 46. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.
- Arrears to be paid notwithstanding forfeiture* 47. (i) A person whose shares have been forfeited shall cease to be a member in respect of forfeited shares but shall notwithstanding forfeiture remain liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon from the time of forfeiture until payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture.
- (ii) The forfeiture of a share involve the extinction of all interest in and also for all claims and demands against the Company in respect of the shares and all other rights, incidental to the share except any such of those rights as by these Articles are expressly saved.
- Evidence of forfeiture* 48. Subject to the provisions of the law of Evidence and Procedure, a duly verified declaration in writing that the declarant is a Director, of the Company and that certain shares in the Company have 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. Such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
- Forfeiture provisions to apply to non-payment in terms of issue* 49. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share 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 has been payable by virtue of a call duly made and notified.
- Power to issue new certificates* 50. When any shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.
- Partial payment or any indulgence shown not to preclude forfeiture* 51. Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Directors from thereafter proceedings to enforce a forfeiture

of such share as provided in these regulations for non- payment of the whole or any balance due in respect of the shares.

COMPANY'S LIEN ON SHARES

Company's lien on shares

52. The Company shall have a first 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 share shall be created except upon the footing and condition that Article 16 thereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time, declared in respect of such shares subject to Section 205A of the Act. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the companies 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 clause.

Enforcement of lien by sales

53. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made unless a sum in respect of which the lien exists presently payable and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator, committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in payment of the sum payable as aforesaid in respect of such share for one month after the date of such notice.

Application of proceeds of sales

54. The net proceeds of any such sales shall be received by the Company and after payment of the cost of such sale, be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and residue, if any, shall subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the share at the date of the sale.

Validity of sales in exercise of lien and after forfeiture

55. Upon any sale after forfeiture or surrender or for enforcing a lien in purported exercise of the powers herein before conferred, the Board may appoint some person to execute the instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered into the Register in respect of such share the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the company exclusively.

- Board may issue new certificates* 56. Where any share has been sold by the board pursuant to these Articles and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered. Wherein any such case the certificate in respect of the share forfeited and/or sold is not delivered and new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.

TRANSFER AND TRANSMISSION

- Execution of transfer* 57. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the company along with the certificate relating to the shares or if no such certificate is in existence along with the letter of allotment of the shares, in accordance with the provisions of Section 108 of the Act. the transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

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

- Application for registration of transfer* 58. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of the partly paid shares, be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.
- Directors may refuse to register transfer* 59. The Board, without assigning any reason for such refusal may, subject to right of appeal conferred by section 111 of the Act, decline to register:
- (a) the transfer of a share not being a fully paid share to a person of whom they do not approve; or

- (b) any transfer of shares on which the Company has a lien.

Provided that registration of transfer shall not be refused on the ground of transferer being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares. If the Directors decline to register any transfer, they shall give notice of such refusal to the transferee and the transferor as required by section 111 of the Act.

Form of transfer

60. Every instrument of transfer of shares shall be in the form prescribed under the Act or as near thereto as the circumstances may admit and shall be in accordance with the provisions of Section 108 of the Act, from time to time.
61. No fee may be charged for registration of transfer and transmission.

No fees to be charged for registration of transfer

62. No fee may be charged :—
- (a) For splitting up, sub-division and consolidation of shares and debenture certificate and for splitting up and sub-division of Letters of Allotment and splitting, consolidation, renewal into denomination corresponding to the market units of trading as per Rules of Stock Exchange concerned.
- (b) For sub-division of renunciation letters of rights.
- (c) For issue of new certificates in replacement of those which are old, decrepit or worn out or where as the cages on the reverse for recording transfer have been fully utilised.
- (d) For registration of any power of attorney, Probate, or will, Letters of Administration or similar other documents.

Provided that in case of splitting up and/or sub-division of shares other than the market units of trading as determined or as per prevailing Rules of Stock- Exchange concerned, a fee of Rs. 2/- (Rupees two) per share certificate may be charged.

Instrument of transfer to be left at office

63. Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred or if there is no certificate, the Letter of Allotment thereto and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. The Board may waive the production of any certificate upon of evidence to them of its having lost or destroyed. Every instrument of transfer which shall be registered, shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

- Suspension of transfers* 64. Subject to the provisions of Section 154 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, determine.
- Provided that, such registration shall not be suspended for more than thirty days at one time or for more than forty-five days in the aggregate in any year.
- Notice of refusal to registration of transfer* 65. If the Board refuses, whether in pursuance of Article 59 or otherwise, to register the transfer of or the transmission by operation of law of the right to any share, the Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of such refusal.
- Persons entitled to shares by transmission* 66. The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing here in contained shall be taken to release the estate of a deceased joint-holder from the executor or administrator, board may require him to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be from some competent Court. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of probate or Letter of Administration or such other Legal representation upon such terms as to indemnity or otherwise as the Board in its absolute discretion may consider necessary.
- Transfer of shares of insane, minor, deceased or bankrupt members* 67. Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer shares in consequence of the death or bankruptcy, insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of the title as the Board thinks sufficient may with consent of the Board (which it shall not be under any obligation to give) be registered as a member in respect of such shares or may Subject to the regulations as to transfer hereinbefore contained, transfer, such shares. This Article is hereinafter referred to as "The Transmission Article".
- Rights of persons entitled to shares by reason of death* 68. The Directors may retain the dividend payable upon shares to which any person becomes entitled under Article 67 until such person or his transferee shall become a member in respect of shares, subject to Section 205A of the Act.

*Election by persons
becoming entitled to
shares*

69. (a) If the person becoming entitled to a share under Article 67 shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of shares.
- (c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfer of shares, shall be applicable to any such notice or transfer as aforesaid as if the death, insanity, bankruptcy or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

70. A person so becoming entitled under 'The Transmission Articles' to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of the Articles or Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he was the member registered in respect of the share.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

*Company not liable
for disregard of a
notice purporting to
prohibit registration of
transfer*

71. The Company shall incur no liability or responsibility whatever in consequence of its registering or to give effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice purporting to prohibit registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to a notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard or attend to any such notice and give effect thereto if the Directors shall think fit.

*No transfer to any in-
solvent or to person
of unsound mind*

72. No transfer shall be made to any insolvent, partnership firm or person of unsound mind and no transfer of partly paid shares shall be made to a minor.

SHARE WARRANTS TO BEARER

Issue of share warrants

73. The Company may issue share warrants, subject to and in accordance with the provisions of Section 114 and 115 of the Act and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identification of the person signing the application and on receiving the certificates (if any) of the share and the amount of stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
74. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.
- (2) Not more than one person shall be recognised as depositor of the share warrant.
- (3) The Company shall, on seven days' written notice, return the deposited share warrant to the depositor.
75. (i) Subject as herein otherwise provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privilege of a member at a meeting of the Company or be entitled to receive any notices from the Company.
- (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of members as the holder of the shares included in the warrant and he shall be a member of the Company.
76. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal, in case of defacement, loss or destruction.

CONVERSION OF SHARE INTO STOCK

Conversion of paid up share into stock

77. The Company may by ordinary resolution :—

- (a) convert any paid-up share into stock; and
- (b) reconvert any stock into paid-up shares of any denomination.

Transfer of stocks

78. The holders of the stock may transfer the same or any part thereof in the same manner as and subject to the same regulation, under which, the shares from which the stock arose might before the conversion, have been transferred or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Powers and rights of stock holders

79. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Regulations to apply to stock

80. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words 'share' and 'share-holder' in these regulation shall include stock-holder, respectively.

BORROWING POWERS

Power to borrow

81. The Board of Directors may, from time to time and at their discretion, raise or borrow any sum or sums of money for the purpose of the Company subject to the provisions of Section 58A, 292, 293, and 370 of the Act, and may secure payment or repayment of same in such manner and upon such terms and conditions in all respects as may be prescribed by the Board in particular by the creation of any mortgage, hypothecation, pledge or charge on and over the Company's stock, book debts and other movable properties.

Conditions on which moneys may be borrowed by the Directors

82. The Board of Directors may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures including convertible debentures or debenture stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company both present and future including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the Company any promissory notes, bills of exchange, or other negotiable instruments

and no debenture shall carry any voting right whether generally or in respect of particular class or classes of business.

- Delegation of powers* 83. If any uncalled capital of the Company be included in or charged by any mortgage or other security, the Board may, make calls on such shares and keep the money in trust for the person in whose favour such mortgage or security is executed or any other person in trust for him.
- Issue at discount or with special privileges* 84. Any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, attending at General Meetings of Company, appointment of Directors and otherwise Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued 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.
- Instrument of transfer for debentures* 85. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly executed by the transferor and transferee has been delivered to the Company together with the certificate of the debentures.
- Notice of refusal to register transfer* 86. If the Board refuses to register the transfer of any debentures of the Company, it shall within one months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.
- Execution of charge or mortgages by Board* 87. If any Director or any other person shall become personally liable for the payment of any sum primarily due from the Company the Board may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.
- Power to receive deposits* 88. The Directors may receive deposits on such terms and conditions and bearing interest at such rates as they may decide and fix and which may be made payable monthly, quarterly, half yearly or yearly subject to Section 58-A, 292 and 293 of the Companies Act, 1956 and the regulations made thereunder and the notifications issued, from time to time by the Department of Non-Banking Companies, Reserve Bank of India, if any and also subject to the Companies (Acceptance of Deposits) Rules, 1975.
- Payment of interest on Capital* 89. The Company may subject to the provisions of Section 208 of the Act, pay interest on so much of the share capital as is for the time being paid up as was issued for the purpose of raising money to defray the expenses of

the construction of any work or building or the provision of any plant, which cannot be made profitable for a lengthy period.

PROCEEDINGS AT GENERAL MEETING

*When Annual
General Meeting to
be held*

90. In addition to any other meetings, a general meeting of the Company shall be held within such intervals as specified in Section 166(1) of the Act, and subject to the provisions of Section 166(2) and 210 of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall

be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an "Extra Ordinary General Meeting".

*Calling an extra ordi-
nary General Meeting*

91. The Board may whenever it thinks fit call an Extra Ordinary General Meeting. If at any time (there are not within India) Directors capable of acting who are sufficient in number to form a quorum, the directors present in India may call an Extra Ordinary General Meeting in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.

*Accidental omission
to give notice*

92. The accidental omission to give notice of any meeting to or the non receipt of any such notice by any of the members or other persons entitled to receive such notice shall not invalidate any resolution passed at any such meeting.

*Circulation of Mem-
bers resolutions*

93. The Company shall comply with the provisions of Section 188 of the Act as to give notice of resolutions and circulating statements on the requisition of members.

Quorum

94. No business shall be transacted at General Meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five members present in person shall be the quorum for the meeting of the Company.

*Passing of Resolu-
tions*

95. Any act or resolution which, under these articles or the Act is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in the Act unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a specific majority or by special resolution as defined in the Act.

*Chairman of the
General Meeting*

96. The Chairman of the board shall be entitled to take the chair at every General Meeting. 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, the members present or if all the Directors present decline to take the chair, then the members present shall

choose one of their number, being a member entitled to vote, to be the Chairman of the meeting.

Dissolution and adjournment of General Meetings

97. If within half an hour from the time appointed for the meeting a quorum be not present the meeting if convened upon the requisition of members shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjournment meeting a quorum be not present those members who are present not being less than two shall be a quorum and may transact the business for which the meeting was called.

Votes by a show of hands

98. (a) 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, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.
- (b) 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 minutes shall be conclusive evidence of the fact without further proof.

Adjournment of the General Meeting

99. (i) The Chairman may, with the consent of the members of the General Meeting at which a quorum is present; adjourn the meeting from time to time and from place to place.
- (ii) When a meeting is adjourned for thirty days or more, without fixing the date at which it is to be subsequently held, a notice for holding the adjourned meeting shall be given as in the case of an original meeting.
- (iii) At an adjourned meeting only such business as is left unfinished at the original meeting can be dealt with, unless new notice is properly given for holding the adjourned meeting as required by the Act.
- (iv) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

What is to be evidence of the passing of a resolution where poll not demanded

100. 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 by the Chairman of the meeting or by any member or members present in person or by proxy and holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum of not less than Rs.

5,000/- (Five Thousand) has been paid up. The demand for a poll may which is not less than one tenth of the total sum paid up on all the shares be withdrawn at any time by the person or persons who made the demand. 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 Minute Book 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 the resolution.

Poll

101. (a) If a poll is demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting.
- (b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- (c) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, atleast one of whom shall be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed to scrutinise the votes given on the poll and to report to him.
- (d) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. On a poll a member entitled to more than one vote or his proxy or other persons entitled to vote for him, as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- (e) The demand for a poll shall not prevent the meeting from transacting any business other than the business in respect of which a poll has been demanded.

VOTES OF MEMBERS**Votes of Members**

102. Subject to any right or restrictions for the time being attached to any class or classes of shares :
- (a) On a show of hands, every member present in person, shall have one vote: and
- (b) On a poll, the voting right of members shall be as laid down in Section 87 of the Act.

Voting rights of preferential share holders

- 103 Except as conferred by Section 87 of the Act, the holders of Preference Shares shall have no voting right. Where the holder of any Preference Share has a right to vote on any resolution in accordance with the

provisions of Sub-Section 2 of Section 87 of the Act, his voting right on a poll as the holder of such share shall subject to the provision Section 89 and Sub-Section 2 of the section 92 of the Act, be in the same proportion as the Capital paid up in respect of the Preference Share bears to the total paid up equity capital of the company.

Procedure where a Company is a member of the Company

104. Where a Company or body-corporate (hereinafter called "Member Company") is a member of the Company a person duly appointed by resolution in accordance with Section 187 of the Act to represent such member company at a meeting of the company shall not by reason of such appointment, be deemed to be a proxy and the production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as a true copy of the resolution shall, on production, at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the member Company or body corporate which he represents as, that member Company or body corporate could exercise if it were an individual member.

Votes by joint holders

105. Where there are joint registered holders of any shares 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 either personally or by proxy then one of the said persons so present whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrator of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.

Vote in respect of deceased, insolvent and minor members

106. Any person entitled under the Transmission Article 67 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjournment meeting, as the case may be at which he purposes to vote, he shall satisfy the Directors of the right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-composmentis, he may vote whether on a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy on a poll. If any member is a minor, the vote in respect of his share may be given by his guardian. If more than one person claims to exercise the right of vote under this clause, the Chairman of the meeting may select in his absolute discretion any one person and will accept his vote.

Voting rights on show of hands

107. No member not present in person shall be entitled to vote on a show of hands, unless such member is a Company or Corporation present by proxy

or by a representative may vote on the resolution as if he were a member of the Company.

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|---|------|--|
| <i>Proxies permitted</i> | 108. | On a poll, votes may be given either personally or by proxy or in the case of a Company, by a representative duly authorised as aforesaid. |
| <i>Appointment of Proxies</i> | 109. | Any member of a Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not), as his proxy to attend and vote instead of himself but the proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except to vote on a poll. |
| <i>Instrument appointing Proxy</i> | 110. | The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if such appointer is a body corporate under its common seal or under the hand of its attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called a general proxy. |
| <i>Proxies to be deposited at the office</i> | 111. | The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notariaty certified copy of that power or authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. |
| <i>When vote by proxy valid through Authority revoked</i> | 112. | 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 revocation of the instrument or transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, insanity revocation or transfer shall have been received by the Chairman at the office before the meeting. Provided nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked. |
| <i>Form of Proxy</i> | 113. | Every instrument appointing a special proxy shall, as nearly as circumstances admit, be in any of the forms as set out in Schedule IX to the Act. |
| <i>Restriction on voting</i> | 114. | No member shall be entitled to exercise any voting rights, either personally or by proxy, at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien. |
| <i>Admission or rejection of vote</i> | 115. | (i) Any objection as to the admission or rejection of a vote, on a show of hands or on a poll made in due time shall be referred to the Chairman of the meeting who shall forthwith determine the same and such decisions shall be final and conclusive : |

- (ii) No objection shall be raised as to the qualification of any voter except at meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

Number of Directors 116. The number of Directors of the Company shall not be less than three and not more than Twelve inclusive of all kinds of Directors on the Board.

First Directors (a) The first directors of the Company shall be : —

1. Sh. Vinay Talwar
2. Sh. Sunil Dhamija
3. Sh. Mukesh Gambhir
4. Sh. Anil Kumar Bansal

Appointment of Nominee directors 117. 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 and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Financing Company or Body or Bank out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing corporation or Credit Corporation or any other Financing Company or Body or Bank (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body or Bank 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 out-standing 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 Directors/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.

The Board of Directors of the Company shall have no power to remove from office the Nominee Directors/s. At the option of the Corporation institution such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation institution such Nominee Directors shall not be liable to retirement by rotation of Directors. The Company agrees that if the Board of Directors of the Company but they shall be counted in determining the number of

retiring directors has constituted or proposes to constitute any management committee or other committee's. 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.

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 any 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 is 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 any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meeting, Board Meetings and all the Meetings of the Committee of which the Nominee Director/s is/are also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and 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.

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.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders

and have such rights as are usually exercised or available to a whole-time director, in the management of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

Debenture Directors

- (a) Any trust deed for securing debentures or debentures- stocks may if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of the debentures or debenture-stocks of some persons to be the Directors of the Company and may empower such trustees or holders of debentures or debenture stocks from time to time to remove any Director so appointed. The Directors appointed under this Article is herein referred to as "The Debenture Director" and the term "Debenture Director" means the Directors for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as any be arranged between the Company and the Trustees and such provisions shall have effect notwithstanding any other provisions herein contained.

Appointment of Directors of the Company and proportion on of those who are to retire by rotation

118. Not less than two-third of total number of Directors of the Company shall :
- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

Increase or reduction in number of directors

119. The Company in the General Meeting may, subject to provision of the Article 116 and Section 259 of the Act, by special resolution increase or reduce the number of its Directors.

Power to appoint additional directors

120. The Directors shall have powers, at any time and from time to time, to appoint any other person as a Director either to fill up a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting of the Company but shall be eligible for re-election at such Meeting.

Alternate Directors

121. Subject to the provisions of Section 313 of the Act or any statutory modifications thereof, the Board shall have power to appoint any person to act as alternate director for a director during the later's absence for a period of not less than three months from the State in which meetings of the directors 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 Board and to attend and vote thereat accordingly but he shall not require any qualification and shall 'ipso facto' vacate office if and when the absent Director returns to the State in which meetings of the Board are ordinarily held or if the absent director vacates office as a director.

Directors need not hold any qualification shares

122. A directors need not hold any share in the Company in his name as his qualification shares but nevertheless shall be entitled, to attend, speak and preside at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.

Remuneration of directors

123. Each Director, shall be paid a sitting fee not exceeding the amount as prescribed by Central Government, from time to time for each meeting of the Board of Directors or a Committee thereof attended by him. The directors may also be paid all the expenses as decided by the Board from time to time in attending the meeting of the Board or a Committee of Board and the remuneration of Directors by way of salary, commission etc. shall be in accordance with the provisions of Schedule XIII of the Act.

Expenses of Directors

124. In addition to the remuneration payable to the Directors under Article 123 hereof, the Directors may be paid all reasonable travelling, hotel and other expenses in attending and returning from the meetings of the Board of Directors or any Committee thereof or in connection with the business of the Company.

Extra remuneration of Directors

125. Subject to Sections 198, 309, 310 and 314 of the Act, if any Director of Directors being willing shall be called upon to perform extra service or to make any special exertion in going or residing outside the office for any of the purposes of the Company or in giving special attention to the business of the Company, the Board may remunerate such Director either by fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any remuneration to which he may be ordinarily entitled.

Directors may act notwithstanding vacancy

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

- When office of Director becomes vacant* 127. (1) The Office of a Director shall 'ipso facto' be vacated in any of the circumstances as set out in Section 283 of the Act or where he resigns from the office.
- Director may be directors of Companies promoted by the Company* 128. A Director of the Company may be or become a Director of any Company promoted by this Company or in which it may be interested as vendor; shareholder or otherwise and no such directors shall be accountable for any benefits received as a Director or members of such Company.
- Power to remove Directors* 129. The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution of which special notice according to Section 190 of the Act has been given, remove any Directors before the expiry of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his stead. A directors so appointed shall hold office until the date upto which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Directors under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provisions of Article 132.
- Board may fill casual vacancies* 130. If the office of any Directors appointed by the Company in General Meeting is vacated before his term of office will expire, in the normal course, the resulting vacancy may be filled by the Board at a meeting of the Board, but any person so appointed shall hold office only upto the date on which the Directors in whose place he is appointed would have held office if it had not been so vacated, provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of Directors under Article 131.
- Rotation and Retirement of Directors* 131. (a) At every Annual General Meeting, one third of such of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, then the Directors nearest to one third shall retire from office. The retiring Directors shall retain his office until dissolution of the meeting at which his successor is elected. An ex-officio Directors shall not be liable to retire by rotation within the meaning of this Article.
- (b) The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall, unless they otherwise agree amongst themselves, be determined by lot.
132. A retiring Director shall be eligible for re-election.

When candidate for office of director must give notice to file consent in writing

133. No person not being a retiring Director, shall be eligible for election to the office of Director at any General Meeting unless he or some other member intending to propose him has, not less than fourteen days and not more than two months before the Meeting, left at the office a notice in writing signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be, along with a deposit of Rs. 500/- (Five Hundred Rupees) which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director and unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar of Companies a consent in writing to act as such Director.

PROCEEDINGS OF DIRECTORS

Meetings of Directors

134. (a) The Directors may meet together for the dispatch of business and may adjourn and otherwise regulate their meetings and proceedings as they may think fit, subject to the provision of Section 285 of the Act.
- (b) The Chairman, Director or any Officer authorised by the Directors may call a meeting of the Board of Directors.
- (c) Subject to the provisions of Sections 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes and in case of any equality of votes the Chairman shall have a second or casting vote.

Notices

135. (a) Notice of every meeting of the Board or a Committee thereof shall ordinarily be given in writing to every Director for the time being at his usual address.
- (b) It shall not be necessary to give notice of a meeting of Directors to any Director for the time being away from India.

Quorum

136. (a) Subject to Section 287 of the Act, a quorum for the meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher. Provided that where at any time the number of interested Directors exceed or is equal to two third of the total strength, the number of remaining Directors, that is to say the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time.
- (b) If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the chairman shall appoint.

- Chairman may Summon Meetings* 137. The Chairman may, and on the requisition of a Director shall, at any time summon a meeting of the Board.
- Power to appoint Chairman* 138. The Directors, may choose some one of their numbers to be chairman and the Director so chosen shall continue as Chairman until otherwise determined by the Board. If at any meeting of the Board, the Chairman be not present within fifteen minutes, after the time appointed for holding the same the Directors present shall choose some one of their numbers to be the Chairman of such meeting.
- Powers of the Board Meetings* 139. A meeting of Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Act for the time being vested in or exercisable by the Board.
- Power to appoint committee and to delegate powers* 140. Subject to the provisions of Section 292 and 293 of the Act, the Board may, from time to time, delegate any of its powers to a committee consisting of such, member or members of their body, managers and other officers of the Company as it may think fit and may, from time to time, revoke such delegation. Any committee so formed shall, in exercise of the powers so delegated, confirm to any regulations that may, from time to time, be imposed upon it by the Board. The meetings and proceedings of any such committee, consisting of two or more members shall be governed by the provisions hereinafter contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereof and are not superseded by any regulations made by the Directors under this clause.
- When Act of Directors of Committees valid* 141. All acts done at any meeting of the Directors or of a Committee or by any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid or that they or any of them were disqualified be as valid as if every such Director or person had been duly appointed and was qualified to be a Director or a member of a Committee.
- Resolution without Board Meeting valid* 142. Save for the purposes of Sections 262, 292, 297, 316, 372(5) and 386 of the Act, a resolution shall be valid and effectual as if had been passed at a meeting of the Directors or of the Committee thereof duly called and constituted if it is circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors or members as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

POWER OF THE BOARD

*General Powers of
the Company vested
in the Board*

143. Subject to the provisions of the Act, control of the Company shall be vested in the Board, who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided further, that in exercising any such powers or doing any such Act, or thing the Board shall be subject to the provisions in that behalf contained in the Act, or any other statute or in the Memorandum of Association of the Company or in these Articles or in any regulations made by the Company in General Meeting but no regulations, made by the Company in General Meeting shall invalidate any prior act(s) of the Director which would have been valid if that regulation had not been made.

*Power to keep
foreign register*

144. The Company may exercise the powers conferred on it by Sections 157 and 158 of the Act with regard to keeping of a foreign Register and the Board may (subject to the provisions of these sections) make and vary such regulations as it may think fit in respect of the keeping of any such register.

Debentures

145. Every debenture or other instrument issued by the Company for securing the payment of the money may be so framed that the moneys thereby secured shall be assigned free from any equities between the Company and the person to whom the same may be issued. Any debentures debenture stock bonds or other instruments or securities may be issued at a discount, premium or otherwise and may be issued on a condition that they shall be convertible into any shares of any denomination and with any special privileges as to redemption, surrendar, drawing and allotment of shares or otherwise, provided that the debentures with right to conversion into or allotment of shares shall not be issued without the consent of the Company in General Meeting.

*Directors may pay
commission*

146. The Directors may at any time pay or agree to pay Commission to any person in consideration of his subscribing; underwriting or agreeing to subscribe or underwrite (whether absolutely or conditionally) debentures of the Company, but so that if the commission shall be paid or be payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the commission shall not exceed $2\frac{1}{2}\%$ (two and a half percent) of the face value of the debentures.

Drawings of negotiable and other Instruments

147. All deeds, agreements, documents, cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for the moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by the Managing Director or by such person and in such manner as the Board shall, from time to time, by resolution determine.

Management of Company's Affairs abroad

148. The Board may make such arrangement as may be thought fit for the management of the Company's affairs abroad and may for the purpose (without prejudice to the generality of their powers) appoint legal boards, and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient.

POWER OF DIRECTORS

Power of Directors

149. The business of the Company shall be managed by the Board of Directors, who may pay all expenses incurred in getting up and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to any regulation of these articles and to provisions of the said Act and to such regulations being not consistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Certain powers of the Board

150. Without prejudice to the general powers conferred by the last preceding Articles and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power.
- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
 - (2) To pay and charge to the capital account of the Company and commission or interest lawfully payable there out under the provisions of Section 76 and 208 of the Act.
 - (3) Subject to Sections 292, 297 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition to accept

such title as the Directors may believe or may be advised to be reasonably satisfactory.

- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (5) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it, is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe the perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Sections 292, 295, 369, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any persons liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such, mortgages may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expense of the Company.
- (15) To provide for the welfare of Directors or ex-Directors or employees of ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of house, dwellings or chawls or by grants of money pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee may to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise.
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of

the Act, to invest the several sums to set aside or so much thereof as require to be invested, upon such investments (other than shares of the Company) as they may think fit. and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board may apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or dividend of Reserve Fund to another Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment or Debentures or debenture-stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such, rate as the Board may think proper, not exceeding nine per cent per annum.

- (17) To appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistances, supervisors, clerks, agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration and to require security in such instances and to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.
- (19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration.
- (20) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities

and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such condition as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

- (21) At any time from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these present and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, directors, nominees, or managers, of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such Powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit; and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the Powers authorities and discretions for the time being vested in them.
- (22) Subject to Sections 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient.
- (23) From time to time to make, vary and repeal by laws for the regulation of the business of the Company its officers and servants.

MANAGING/WHOLE-TIME DIRECTORS

*Appointment of
Managing/whole time
Directors*

151. The Company by ordinary resolution or the Directors may, subject to the provisions of Sections 268, 269 and 314 of the Act, from time to time, appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Directors of the Company, for a term not exceeding five years at a time and may, from time to time, (subject to the

provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places and the remuneration of Managing or Whole-Time Director by way of salary and commission shall be in accordance with the provisions of Schedule XIII of the Act.

*What provisions he
will be subject to*

152. A Managing or whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation but subject to the provisions of any contract between him and the Company he shall be subject to the provisions as to resignation and removal as the other Directors of the Company and he shall 'ipso facto' and immediately, cease to be a Managing Director or whole-time Director if he ceases to be a Director from any cause. However, he shall be counted in determining the number of retiring directors.
153. Subject to the provisions of Section 198, 309, 310 and 311 of the Act, a Managing Director or whole-time Director shall in addition to the usual remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may, from time to time be sanctioned by the Company and may be by way of fixed salary or at a specified percentage of the net profits of the Company or both, provided that such percentage shall not exceed five percent for any one Managing or whole-time Director and 10% (ten percent) for all of them together.
154. The Directors may, subject to the provisions of Sections 291 to 297 of the Act, from time to time entrust to and confer upon a Managing Director, or whole-time Director for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may confer such powers either collaterally with or the exclusion of and substitution for, all or any of the powers of the Directors in that behalf and may, from time to time, revoke withdraw, alter or vary all or any such powers.

MANAGER

155. Subject to the provisions of the Act, and part I of Schedule XIII of the Act the Board shall have power to appoint or employ any person to be the Manager of the Company upon such terms and conditions as the Board think fit and the Board may subject to the provisions of Section 292 and 293 of the Act, vest in such manager such of the powers, vested in the Board generally, as it think fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determines and at such remuneration, subject to Section 387 of the Act, as it may think fit.

156. A Director may be appointed as Manager, subject to Sections 314, 386 and 388 of the Act.

SECRETARY

Director may be appointed as Manager/ Secretary

157. Subject to Section 383A of the Act, the Board may, from time to time, appoint or employ and at their discretion to remove any person to be the Secretary of the Company upon such terms, conditions and remuneration as it thinks fit, to perform any functions which by the Act or the Articles for the time being of the Company are to be performed by the Secretary and to execute any other purely ministerial or Administrative duties which may, from time to time, be assigned to the Secretary by the Board. The Board may also at any time appoint some person (who need not to be the Secretary) to keep the registers required to be kept by the Company.

Directors may be appointed as Secretary

158. Subject to the provisions of the Act, a Director may be appointed as Secretary.

THE SEAL

Directors to provide a Common Seal and its custody

159. (a) The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for the safe custody of the seal.

Use of seal

- (b) The Seal shall not be affixed to any instrument except in the presence of a director or an officer duly authorised who shall sign every instrument to which the seal shall be affixed. Provided, nevertheless, that any instrument other than a share certificate bearing the seal of the and issued for valuable consideration shall be binding on the Company notwithstanding any irregularly touching the authority of the Board to issue the same. Provided further that in respect of issue of share certificates the provisions of the Companies (Issue of Shares Certificates) Rules, 1960 shall apply.

Use of Official seal outside India

- (c) The Directors may provide for use in any territory outside India an Official seal subject to the provisions of the Section 50 of the Act.

ANNUAL RETURNS

Annual Returns

160. The Company shall make the requisite Annual return in accordance with Sections 159 and 161 of the Act.

RESERVES

Reserves

161. The Board may subject to Section 205 (2A) of the Act, from time to time, before recommending any dividend set apart any portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company or

for equalisation of dividends or for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investment (other than shares in the Company) as it may think fit and may, from time to time, deal with and vary such investments and dispose all or any part thereof for the benefit of the Company and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserve or any part thereof in the business of the Company and that without being bound to keep the same separated from the other assets. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

*Investment of the
money*

162. All moneys carried to the reserves shall nevertheless remain and be the profits of the Company. Subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all other moneys of the Company not immediately required for the purposes of the Company may subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or be kept at any Bank or deposit or otherwise as the Board may from time to time think proper.

CAPITALISATION OF PROFITS

Capitalisation

163. (1) The Company in General Meeting may, upon the recommendation of Board, resolve :
- (a) to capitalise whole or any part of the amount for the time being standing to the credit of any of the Company's reserve account, or to the credit of the profit and loss account or otherwise available for distribution, and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3), either in or towards:
- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively.
 - (ii) paying up in full, unissued shares, of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

(3) A share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this article.

*Board may make ap-
pointments*

164. (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any; and

(b) do all acts and things required to give effect thereto.

(2) The Board shall have full powers :—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fractions and also.

(b) to authorise any person to enter, on behalf of the members, entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares.

(3) Any agreement made under such authority shall be effective and binding on all such members.

INTEREST OUT OF CAPITAL

Interest out of capital

165. Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any work or building or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of the share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and the restrictions imposed by Section 208 of the Act and may charge the sum so paid by way of interest on Capital as part of the cost of construction of the work or building or the provisions of Plant.

DIVIDENDS

- | | |
|--|---|
| <i>How profit shall be divisible</i> | 166. Subject to the rights of members entitled to a share (if any) with preferential or special rights attached thereto the profit of the Company which shall from time to time be determined to be divided in respect of any year or other period shall be applied in the payment of dividend on the Equity shares of the Company, but so that the holder of partly paid up share shall be only entitled to such proportion of the distribution upon a fully paid up share proportionally to the amount paid or credited thereon during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly. Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits. |
| <i>Dividends</i> | 167. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up on the Shares held by them respectively. |
| <i>Declaration of Dividends</i> | 168. The Company, in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment. |
| <i>Amount of dividend</i> | 169. No larger dividend shall be declared than that recommended by the Board, but the Company in general meeting may declare a smaller dividend. |
| <i>Dividends out of profits only</i> | 170. No dividend shall be payable except out of the profit of the Company or out of moneys provided by the Central or State Government for the payments of dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company. |
| <i>What to be deemed to be net profits</i> | 171. The declaration of the Board as to the amount of net profits of the Company shall be conclusive. |
| <i>Interim Dividend</i> | 172. The Directors if in their opinion the position of the Company justifies may from time to time without the sanction of a general meeting pay interim dividend to one or more classes of shares to the exclusion of others at rates which may differ from class to class and when declaring such dividend they should satisfy themselves that the preference shares which have prior claim in respect of payment of dividend shall have their entire rated dividend at the time of final preparation of the accounts for the period. |
| <i>Debts may be Deducted</i> | 173. No member shall be entitled to receive payment of any dividend or interest in respect of his share or shares whilst any money may be due or owing |

from him as is presently payable to the Company in respect of such share or shares or otherwise on account of any debts, liabilities or engagements of the members of the Company, either alone or jointly with any other person or persons and the Directors may deduct from the dividend or interest payable to any member all sums of money so due from him to the Company, subject to Section 205-A of the Act.

- Dividend and call together* 174. Any general meeting declaring a dividend may make a call on the members of 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 member, be set off against the call, subject to Section 205-A and 205-B of the Act. The making of a call under this Article shall be deemed ordinary business of an annual general ordinary meeting which declares dividend.
- Effect of Transfer* 175. A transfer of share shall not pass the right to any dividend declared there to before the registration of the transfer by the Company.
- Retaining of dividend under transmission clause* 176. Subject to Section 205-A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
- Dividend, right share and bonus share to be held in abeyance* 177. Subject to the provisions of Section 206A of the Act the right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares.

Where any instrument of transfer of shares has been delivered to any Company for registration and the transfer of such shares has not been registered by the Company, it shall notwithstanding anything contained in any other provision of this Act, shall

- (a) transfer the dividend in relation to such shares to the special account referred to in Section 205-A of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of section 81 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of section 205 of the Act.

- Retaining of dividend on which the Company has lien* 178. Subject to Section 205-A of the Act, the Board may retain any dividend on which the Company has a lien and may apply the same in or towards

satisfaction of the debts, liabilities or engagement in respect of which the lien exists.

- Joint Holders* 179. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and any other payments in respect of such shares .
- Notice of any dividend* 180. Notice of any dividend, whether interim or otherwise, shall be given to the person entitled to share therein the manner hereinafter provided.
- Payment by post* 181. Unless otherwise directed in accordance with Section 206 of the Act, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto 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 or to such person and at such address as the member or person entitled or such joint holders as the case may be, direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders as the case may be direct.
- Unclaimed Dividends* 182. No unclaimed or unpaid dividend shall be forfeited by the Board and all unclaimed or unpaid dividends shall be dealt with as per section 205A of the Act and Rules made thereunder.
183. The Company shall not be responsible of the loss of any cheque dividend warrant or postal order sent by post in respect of dividends, whether by request or otherwise, at the registered address or the address communicated to the office before hand by the member or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof or by any other means.

BOOKS AND DOCUMENTS

- Books of Account to be kept* 184. The Directors shall cause to be kept in accordance with Section 209 of the Act, proper books of accounts with respect to :—
- (a) all sums of money received and spent by the Company and the matters in respect of which the receipt and expenditures takes place.
 - (b) all sales and purchases of goods by the Company.
 - (c) the assets and liabilities of the Company.
- Inspection by members* 185. (a) The books of accounts shall be kept at the Registered Office or at such other place as the Board thinks fit and shall be open to inspection by the Directors during business hours.

- (b) Printed copy of every Balance Sheet (including Profit and Loss Account, the Auditor's Report and every other document required by law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in Annual General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit will be sent to every member of the Company and to every trustee for the holders of any debentures issued by the Company, not less than twenty-one days before the date of the meeting, subject to the provisions of Section 219 of the Act.

186. The Directors shall, from time to time, subject to the provisions of Sections 168, 196 and 219 of the Act, determine whether and to what extent and at what time and places and under what conditions, the documents and registers or any of them maintained by the Company of which inspection is allowed by the Act, shall be kept open for the inspection of the members. Till decided otherwise by the Board such documents and registers shall be kept open for inspection to the persons entitled thereto between 11 A.M. to 1 P.M. on all working days. No member (not being a Director) shall have any right to inspection of any account or book or document of the Company except as conferred by law or by Act or authorised by the Directors or by resolution of the Company in general meeting and no member not being a director shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or process of or used by the Company.

AUDIT

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| <i>Audit</i> | 187. Once atleast in every year, the books of accounts of the Company shall be examined by one or more Auditor or Auditors. |
| <i>Appointment of Auditors</i> | 188. The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office until the conclusion of next Annual General Meeting and their appointment remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act. |
| <i>Branch audit</i> | 189. Where the Company has a branch office, the provisions of Section 228 of the Act, shall apply. |
| <i>Rights of Auditor to attend general meeting</i> | 190. All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have been sent to him shall also be forwarded to the Auditor of the Company and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as an auditor. |

- Auditor's report to be read* 191. The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company.
- When account to be deemed to be settled* 192. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive, in respect of transactions of the Company for the relevant year.

SERVICE OF NOTICE AND DOCUMENTS

- Service of documents and notice to members* 193. The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices.
- Accidental omission not to invalidate* 194. The accidental omission to give notice to or the non-receipt of notice, by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
- Transferees bound by prior notice* 195. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previous to his name and address being entered in the Register, shall be duly given to the person from whom he derives his title to such share.
- Mode of Signature* 196. The Signature to any notice to be given by the Company may be written, printed or lithographed.
- Member deceased* 197. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any share whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service for all purposes of the Articles be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any, jointly interested with him or her in any such share.
- When notice may be given by advertisement* 198. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.
- How to be advertised* 199. Any notice required to be or which may be given by advertisement shall be advertised once in one or more vernacular newspapers circulating in the neighbourhood of the registered office.

RECONSTRUCTION

- Reconstruction* 200. On any sale of the whole or any part of the undertaking of the Company, the Board or the Liquidators on a winding up may, if authorised by special

resolution, accept fully paid or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not either then existing or to be formed for the purchase in, the whole or in the part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any special Resolution may provide for the distribution or appropriation of cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the member contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall subject to the provisions of Section 395 of the Act be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation thereto save only in case the Company is proposed to be or is in course of being wound up and subject to the provision of Section 494 of the Act as are in capable of being varied or excluded by these Articles.

WINDING UP

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| <i>Rights of preference share holders</i> | 201. | On winding up preference shares will rank, as regards capital, in priority to equity shares, to the extent of the paid up value of the said shares but to no other rights of participating in its assets. |
| <i>Distribution of Assets</i> | 202. | <p>(1) Subject to the provisions of the Act, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst contributories in specie or in kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not.</p> <p>(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members.</p> <p>(3) The liquidator may, with the like sanction of a Special Resolution, vest the whole or any part of such assets in trustees upon such Trusts for the benefit of the contributories or any of them as the liquidator shall think fit.</p> |
| <i>Distribution of assets in specie</i> | 203. | <p>(1) In the event of the Company being wound up the holders of preference shares, if any, shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment to them of the amount paid up on the preference shares held by them respectively and any arrears of dividend upto the commencement of the winding up, whether</p> |

declared or not. If the surplus assets available as aforesaid shall be insufficient to repay the whole of the amount paid up on the preference shares and any arrears of dividend, such assets shall be disturbed amongst the holders of preference shares so that the losses shall be borne by the holders of preference shares as nearly as may be in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up and the arrears of dividend as aforesaid.

- (2) The assets, if any, available for distribution after payment to the preference share-holders as aforesaid shall be distributed amongst the holders of equity shares in proportion to the Capital, at the commencement of the winding up, paid up or which ought to have been paid up on the shares in respect of which they were respectively registered.
- (3) This Article is to be without prejudice to the rights and privileges amongst the holders of preference shares of different series.

SECRECY

Secrecy

204. Subject to the provisions of Section 635-B of the Act, every Director, Manager, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No member to enter the premises of the Company without permission

205. No member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company or to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or, subject to Article 190 to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be in expedient in the interest of the members of the Company to communicate.

INDEMNITY*Indemnity*

206. Subject to Section 201 of the Act, every Director, Managing Director, Manager Secretary or Officer of the Company or any person (whether an Officer of the Company or not) employed by the Company, and any person appointed by the Company as Auditors shall be indemnified out of the assets of the Company against, all bonafide liability incurred by him as such Director, Managing Director, Manager, Secretary, Officer or Auditor in defending any proceedings, whether civil or criminal in which judgement is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court.
207. Save and except so far as the provision of these Articles shall be aboided by Section 201 of the Act, the Managers, Auditors, Secretary and other Officers and Servants for the time being of the Company and Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them and every one of their executors and administrator shall be indemnified and secured harmless out of the assets and profits of the Company from and against all bonafide actions, costs, charges, losses, damages and expenses which they or any of them, their executors or administrators shall sustain by reason of any act done concurred in or omitted on or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through or by their own wilful neglect or default respectively and none of them shall be answerable for the act, receipts neglects or defaults of the other or either of them or for joining in any receipt for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall be deposited or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trust or in relation thereto unless the same shall happen by or through their own wilful neglect or default respectively.

Names, description, occupation and address of each subscribers	Signature of Subscribers	Name, address, description, occupation and signature of witness or witnesses
1. Vinay Talwar S/o Shri O. P. Talwar R-775, New Rajinder Nagar New Delhi-110 060 (INDUSTRIALIST)	Sd/-	<p style="text-align: center;">I witness the signatures of all the subscribers</p> <p style="text-align: center;">Sd/- (VIJAY BANSAL) S/o Shri Ramji Lal K-51, Laxmi Nagar, Delhi-110 092</p> <p style="text-align: right;">(Chartered Accountant in Practice) M. No. 88744</p>
2. Mukesh Gambhir S/o Late Shri S. N. Gambhir Unique Apartments Flat No. 2, Plot No. 2, Sector-13 Rohini, Delhi-110 085 (BUSINESS)	Sd/-	
3. Anil Kumar Bansal S/o Shri Moti Ram Bansal 3326, Kucha Kash Giri Bazar Sita Ram, Delhi-110 006 (BUSINESS)	Sd/-	
4. Sunil Kumar Dhamija S/o Shri R. S. Dhamija R/o 10/62 Old Rajinder Nagar New Delhi-110 060 (PROFESSION) (CHARTERED ACCOUNTANT)	Sd/-	
5. Mahendra Kumar Lohia S/o Shri D. P. Lohia R/o 129-D, Kamla Nagar, Delhi-7 (BUSINESS)	Sd/-	
6. Bhupendra Berry S/o Late Sh. M. L. Berry R/o 24/61, Punjabi Bagh New Delhi-110 026 (BUSINESS)	Sd/-	
7. Ram Saroop Dhamija S/o Shri F. C. Dhamija B-58, Shakti Apartments Plot No. 5, Sector IX Rohini, Delhi-110 085 (CONSULTANT)	Sd/-	