

UNDER THE COMPANIES ACT, 1956
(1 OF 1956)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF

USG TECH SOLUTIONS LIMITED

CONSTITUTION OF THE COMPANY

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Gurinder Singh
Mehar Singh
Secretary*



1. Constitution:

The regulations contained in TABLE 'A' of the First Schedule 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.

INTERPRETATION CLAUSE

2. Interpretation:

The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings, unless excluded by the subject or context:

- (a) 'The Act' means the 'The Companies Act', 1956
- (b) 'The Board' or 'The Board of Directors' means a meeting of directors duly called and constituted or as the case may be the Directors assembled at a Board Meeting or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.
- (c) 'The Company' of 'This Company' means USG TECH SOLUTIONS LIMITED
- (d) 'Directors' means the Directors for the time being of the Company or as the case may be the Directors assembled at the Board Meeting.
- (e) 'In writing' include printing, lithography, typewriting and any other usual substitutes for writing.

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- (f) 'Members' shall mean Members of the Company holding a share or shares of any class and registered in the share Register of the Company including the subscribers to the Memorandum of Association of the Company and Beneficial owner as defined in clause (g) of this Article.
- (g) 'Beneficial Owner' means a person or persons whose name is recorded as such with a depository.
- (h) 'Depository' means a company, formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1962.
- (i) 'SEBI' means Securities and Exchange Board of India.
- (j) 'Security' means such security as may be specified by SEBI from time to time.
- (k) 'Month' shall mean the Calendar month.
- (l) 'The Office' means the Registered Office of the Company.
- (m) 'Paid up' shall include "Credited as such paid up".
- (n) 'Persons' shall include any corporation as well as individuals.
- (o) 'Proxy' includes attorney duly constituted under a power of Attorney.
- (p) 'These Presents' or 'Regulations' means these Articles of Association as originally framed or altered from time to time and in force for the time being and include the Memorandum of Association where the context so requires.
- (q) 'The Register' shall mean the Register of Members to be kept as required by Section 150 of the Act.
- (r) 'The Seal' means the Common Seal for the time being of the Company.
- (s) 'Special Resolution' shall have the meaning assigned thereto by Section 189 of the Act.
- (t) Words importing the masculine gender shall include the feminine gender and vice versa.
- (u) Words importing the singular shall include the plural and words importing the plural shall include singular.
- (v) 'Section' means Section of the Companies Act., 1956.
- (w) 'Year' means of account of the Company.

CAPITAL

3. Share Capital

The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law.

4. Board's right to issue shares

The Board may, at its discretion, issue any part or parts of the unissued shares upon terms and conditions and with such rights and privileges annexed thereto as the Board at its discretion and subject to the provision of Section 81 of the Act thinks fit.

Provided that option or right to call shares shall not be given to any person or persons without the sanction of the company in General Meeting.

5. Allotment return

The Board shall duly comply with the provisions of Section 75 of the Act, with regard to all allotment of shares from time to time.

Allotment

The Board may, at any time increase the subscribed capital of the company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital but subject to section 81 of the Act and the following provisions, namely.

6. Where the offer and allotment of such shares are made within two years from the date of incorporation of the company or within one year from the first allotment of shares made after Incorporation, which ever is earlier the Board shall be at liberty to offer the shares and allot the same to any person or persons at their discretion.
7. (a) In respect of offers and allotments made subsequent to the date set out in clause (a) above, the Directors shall subject to the provisions of Section 81 of the Act and of Sub-clause (c) here under observe the following conditions.
 - (i) Such new shares shall be offered to the persons who at the date of the offer, are holders of the Equity shares of the Company, in a proportion as nearly as circumstances admit, to the capital paid up on those shares at that date.
 - (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer if not accepted will be deemed to have been declined.
 - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person, and the notice referred to in clause (ii) shall contain a statement of this right.
 - (iv) After the expiry of the time specified in the notice aforesaid or earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off them in such manner as it thinks most beneficial to the Company.
- (b) The Directors may with the sanction of the Company in General Meeting offer and allot shares to any person at their discretion provided that such sanction is accorded either by
 - (i) a special resolution passed at any General Meeting, or
 - (ii) by an ordinary resolution passed at a General Meeting by majority of the votes cast and with the approval of the Central Government in accordance with Section 81 of the Act.

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 - (i) a special resolution passed at any General Meeting, or
 - (ii) by an ordinary resolution passed at a General Meeting by majority of the votes cast and with the approval of the Central Government in accordance with Section 81 of the Act.

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

- (i) to convert Such debentures or loans into shares in the company or
- (ii) to subscribe for shares in the Company.

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

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

9. **Power of General Meeting**

In addition to and without derogating from the powers for that purpose conferred on the Board (under Article 7 the Company in General Meeting may determine that any shares whether forming part of the original capital or of any increased capital of the Company) shall be offered to **Such Persons** (whether Members or holders of debentures of the company or not) in such proportions and on such terms and conditions and either at a premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, as such General Meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or allotted shares of any class of the company either at a premium or at par, or (subject to compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such considerations may be directed by such General Meeting or the Company in General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

10. **Variation of Rights**

The rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing of the holders of three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every, such separate meeting the provisions of these Articles relating to General Meetings shall mutatis mutandis apply except that the necessary quorum shall be two persons atleast holding or representing by prox one third of the issued shares of that class.

11. **Issue of further shares pari passu shall not affect the right of shares already issued**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

12. No issue with disproportionate rights

The Company shall not issue any shares, not being Preference Shares, which carry voting rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.

13. Commission for placing shares, debentures etc.,

- (1) Subject to the provisions of Section 76 of the Act the Company may on any Public issue pay a commission to any person for subscribing or agreeing to subscribe (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company but so that the statutory conditions and requirements shall be observed and complied with the amount of rate of commission shall not exceed five percent of the price at which the shares are issued and in case of debentures the rate of commission shall not exceed two and a half percent of the price at which the debentures are issued.
- (2) The Company may also, on any issue, pay such brokerage as may be lawful.

14. Issue other than for cash

- (1) The Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred goods or machinery and appliances supplied or for services rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business, and any shares which may be so allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid up shares.
- (2) The said power vested in the Board by this Article shall not be exercised except by the unanimous consent of all the Directors or with the previous sanction of a special resolution passed at a General Meeting of the Company

15. Joint Holders

Where two or more persons are registered as joint holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship, subject to the following provisions

- (a) The person whose name stands first on the register in respect of such share shall alone be entitled to delivery of certificate thereof.
- (b) Any one of such persons may give effectual receipts for any dividend, bonus or return of capital payable in respect of such share and such joint holders shall be severally, as well as jointly liable for payment of all installments and calls due in respect of such share/ shares.
- (c) Any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof. Several executors or administrators, of a deceased member in whose name any share stands shall for the purpose of this Article, be deemed joint holders, thereof.

- (d) In case of death of any or more of such joint holders, the survivors shall be the only persons, recognized by the Company as having any title to or interest in such share, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
- (e) All notices directed to be given to the members shall be given to such person who is named first in the register, and notice so given shall be sufficient notice to all the holders of such shares.

SHARE CERTIFICATES

16. Issue of Share Certificate

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

SHARE AND DEBENTURE CERTIFICATES

17. Rights to Certificate

- (1) Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
 - (a) One certificate for all his shares; or
 - (b) Where the shares so allotted at any one time exceed the number of shares fixed as marketable lot in accordance with the usage of the Stock Exchange, or at the request of the shareholder, several certificates one each per marketable lot and one for the balance.
- (2) The Company shall within ten weeks of closure of subscription list or within one month after application for the registration of the transfer of any share or debentures Complete and have ready for delivery, the certificate for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares or debentures otherwise provide.
- (3) Every certificate shall be under the seal and shall specify the shares or debentures to which it relates and the amount paid up thereon.
- (4) The provisions of clause (2) & (3) above shall apply mutatis mutandis to debentures and debenture stock allotted or transferred.
- (5) No fee shall be charged for the issue of a new share certificate either for sub-division of the existing share certificates or for the consolidation of several share certificates in to one or for issue of fresh share certificates in lieu of share certificates on the back of which there is no space for endorsement for transfer or for registration of any probate, letters of administration succession certificate or like document, or for registration of any Power of Attorney or other similar documents

Dematerialisation of Securities

18. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities in a dematerialized form pursuant to the Depositories Act, 1996.,

Options for Investors

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

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

- (a) Notwithstanding any thing to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting right or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the **depository** shall be deemed to be a member of the Company. The beneficial owner of securities shall be **entitled** to all the rights and benefits and be all the liabilities in respect of his securities, which are held by a depository.

Service of documents

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

Transfer of Securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with in a depository

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

Distinctive numbers of Securities held in a depository

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

Register and Index of beneficial owners

The Register and Index of beneficial owners maintained by a depository under Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles

19. One Certificate for Joint holders

In respect of **any shares held jointly by several persons**, the Company shall not be bound to issue more than **one certificate for the same shares and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid the joint holders shall be entitled to apply for several certificates each for one or more shares held by them in accordance with Article 16 above.**

20. Endorsement of Transfer

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing **share certificate** and **authorise any Director Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate in lieu of and in cancellation of the existing certificate, in the name of the transferee.**

21. Renewal of Certificate

If a certificate be worn out, defaced, destroyed or lost or if there is no further **space on the back thereof for endorsement of transfer**, it shall if requested, be replaced by a new certificate **free of charge provided however that such new certificate shall not be granted except upon delivery of the worn-out or defaced or used up certificate for the purpose of cancellation, in accordance with the Companies (Issue of Share Certificates) Rules, 1960 or upon proof of destruction or loss, and on such indemnity as the Board may require in the case of the certificate having been destroyed or lost. Any duplicate certificate shall be marked as such.**

22. Company's lien on shares

The company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof **for all moneys (whether presently payable or not) call 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 this Article will have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer or shares shall operate as a waiver of company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this Clause.**

23. Enforcing of lien by sale

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being, or to the person entitled to the shares, by reason of the death, or insolvency of the registered holder.

24. Authority of transfer

To give effect to such sale, the Board of Directors may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

25. Application of proceeds of sale

- (1) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any, shall, subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

26. Application of any money due to a share holder

Any money due from the Company to a shareholder, may with the consent of such shareholder, be applied by the company in or towards payment of any money due from him either alone or jointly with any other person to the Company in respect of calls or otherwise.

CALLS ON SHARES

27. Calls

Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time make such calls as they think fit upon the members in respect of all 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 date, time and place or at the dates, times and places appointed by the Board of Directors.

28. Call when deemed to be made

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no such date is fixed the call shall be deemed to have been made on the date on which the resolution of the Board making the call was passed.

29. Notice for call

Not less than thirty days notice of any call shall be given specifying the date, time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

30. Sums payable at fixed date to be treated as calls

If by the terms of issue of any share or otherwise any amount is made payable at any fixed date or by installments at fixed dates whether on account of the nominal value of share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of calls all relate to such amount or installment accordingly.

31. Calls to carry interest

- (1) If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding six percent per annum as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of the actual payment, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part.
- (2) The provisions of this Article as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed date, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

32. Payment of call in advance

The Board of Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate not less than (without the sanction of the Company in General Meeting) 15 percent per annum as may be agreed upon between the member paying the sum in advance and the Board of Directors but shall not in respect of such advance confer a right to the dividend or to participate in profits or to any voting rights.

33. Partial payment not to preclude forfeiture

Neither a judgment nor a decree in favour of the Company, for calls or other moneys due in respect of any share, nor any part payment of satisfaction thereunder, nor the receipt by the company of a portion of any money which shall, from time to time, be due from any member in respect of any share, either by way of principal or interest, nor any indulgence granted by the company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be registered holder of the share or his legal representative or representatives, if any.

BUY BACK OF SHARES

- 34.** Funds of the Company may be applied in the purchase of any shares of the Company subject to the provisions of the Companies Act, 1956 (as amended) in this regard for the time being in force.

TRANSFER AND TRANSMISSION OF SHARES

35. Procedure as to transfer of shares

- (1) The instrument, of transfer of any shares in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. The instrument of transfer shall be in respect of only, one class of shares and should be in the form prescribed under Section 108 of the Act.
- (2) The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company along with the certificate relating to the shares and such other evidence as the Company, require to prove the title of the transferor or his right to transfer the shares.

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

- (3) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid shares be effected unless the company gives notice of the application to the transferee and the Company shall, unless objection is made, by the transferee, within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
- (4) For the purpose of sub-clause (3) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
- (5) Nothing in clause (4) shall prejudice any power on the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
- (6) No fee shall be charged for transfer of shares/debentures or for effecting transmission or for registering, any letters of probate, letters of administration and similar other documents.

36. Form of transfer

The shares in the Company shall be transferred by instrument in writing in the prescribed form, duly stamped and in the manner provided under the provisions of Section 108 of the Act and any modification thereof and the Rules prescribed thereunder.

37. Board's right to refuse to register

- (1) Subject to the provisions of Section 111 of the Act and provisions of Section 22A of securities contracts and Regulations Act of 1956, the Board may at any time in their absolute discretion and without assigning any reasons decline to register any transfer of or transmission by operation of law- the right to a share, whether fully paid-up or not and whether the transferee is a member of the Company or not and may also decline to register any transfer of shares on which, the Company has a lien.

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

- (2) If the Board refuses to register any transfer or transmission of right, they shall within 1 month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be.
- (3) In case of such refusal by the Board, the decision of the Board shall be subject of the right of appeal conferred by section 111 of the Act.
- (4) The provisions of this clause shall apply to transfers of stock also.

38. Further right to Board of Directors to refuse to register.

The Board of Directors may also decline to recognise any instrument of transfer unless,

- (a) The instrument of transfer is accompanied by the certificate of shares to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of transferor to make the transfer, and
- (b) The instrument of transfer is in respect of only one class of shares.

39. Endorsement of transfer and issue of certificate

- (1) Every endorsement up on the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some other person for the time being duly authorised by- the Board of Directors in this behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate in respect of which the said transfer has been applied for and upon his delivering up to cancel every old or existing certificate which is to be replaced by a new one.
- (2) Notwithstanding any other provisions to the contrary in these presents, no fee shall be charged for any of the following, viz.,
 - (a) for registration of transfer of shares and debentures, or for transmission of shares and debentures;
 - (b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading;
 - (c) for sub-division of renounceable Letters of Right
 - (d) for issue of certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised;
 - (e) for registration of any power of attorney, probate, letters of administration or similar other documents.

40. Register of Members

The Company shall keep a book to be called the 'Register of Members' and therein shall be entered the particulars of every transfer or transmission of any shares and all other particulars of shares required by the Act to be entered in such register.

41. Custody of Transfer deeds

The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of 6 years or more.

42. Closure of Register of Members

The Board of Directors may after giving not less than 7 days previous notice by advertisement in some newspapers circulation in the district in which the Registered Office of the company is situated close to the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate 45 days in each calendar year but not exceeding 30 days at any one time.

43. Transmission of Registered Shares

- (1) The executors or administrators of a deceased member (not being one of several joint holders) shall be the only one person recognised by the Company, as having any title to the shares registered in the name of such member and in the case of death of any one or more of the joint holders of any registered shares, the survivors shall be only persons recognised by the Company as having any title to or interest in such shares.

Provided that if the member should have been a member of a Joint Hindu Family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonging to the Joint Family may recognise the survivors or the Kartha thereof as having title to the shares registered in the name of such member. Provided further in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letter of administration or other legal representation up on such terms as to indemnity or otherwise as the Board may deem just.

- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any shares, which were jointly held by him with other persons.

44. Rights and Liabilities of legal representatives

- (1) Any a person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either
- (a) to be registered himself as holder of the shares: or
 - (b) to make such transfer of the shares as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration, as they would have had, if the deceased or insolvent member had transferred the shares before his death or insolvency.

DEVALUATION OF RIGHTS

45. Notice of Election by legal Representative

- (1) If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing by him stating that he so elects.

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

46. If call or installment not paid notice may be given

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

47. Form of notice of forfeiture

The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and shall state that, in the event of nonpayment on or before the day named, the shares in respect of which the call was made will be liable to be forfeited.

48. Board's right to forfeit if requirements of notice are not complied with

If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time there after before the payment required by the notice has been made, be forfeited by a Resolution of the Board of Directors to that effect.

49. Sale of forfeited shares

A forfeited share maybe sold or otherwise disposed of on such terms and in such manner as the Board of Directors may think fit and at any time before a sale or disposition, the forfeiture maybe cancelled on such terms as the Board of Directors may think fit.

50. Liability after forfeiture

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding remain liable to pay and shall forthwith pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company receives payment in full of the nominal amount of shares.

51. Declaration of forfeiture

A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and that declaration and receipt of the Company for the consideration, given for the shares on the sale or disposition thereof, shall constitute a good title to the share, and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by way of any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

52. Non-payment of sums payable at fixed times

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

CONVERSION OF SHARES INTO STOCK

53. Conversion of shares

The Company may by ordinary resolution convert all or any of its fully paid up shares of any denomination into stock and vice versa.

54. Transfer of stock

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

55. Rights to stockholders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as if they had the shares from which the stock arose; but not such privileges or advantage except participation in the dividends and profits of the Company and in the assets on winding up shall be conferred by the amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

56. Regulations applicable to shares (paid up) apply to stock or stockholders

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

ALTERATION OF CAPITAL

57. Alteration and Consolidation of Capital

The Company may from time to time but subject to the provisions of Section 94 of the Act alter any conditions of its Memorandum as follows: -

- (a) Increase its share capital by such amount as it thinks expedient by issuing new shares;
- (b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) Convert all or any of its fully paid up shares into stock and reconvert that stock into fully paid up shares of any denominations;
- (d) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by Memorandum so however, that in the sub-division the proportion between the amount, if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced shares are derived.
- (e) Cancel any share, which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled;
- (f) The resolutions whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the others.

58. Application of provision to new shares

The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

59. Reduction of Capital etc., by Company

The Company may by special Resolution, reduce in any manner and with, subject to, any incident authorised and consent required by law:

- (a) its share capital
- (b) any capital redemption reserve account or
- (c) any share premium account.

SHARE WARRANTS

60. Issue of share warrants

- (1) The Company may issue share warrants subject to and in accordance with provisions of sections 114 and 115 of the Act, and accordingly, the Board may in their discretion, with respect to any Share registered as fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate if any of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time prescribe, issue a share warrant and may provide by coupon or other wise for the payments of the future dividends on the shares specified in the share warrant.
- (2) A share warrant shall entitle the bearer to the shares included in (1) and the shares shall be transferred by the delivery of the share warrant and the provisions of the Articles of the Company with respect to transfer and transmission of shares shall not apply thereto.

GENERAL MEETINGS

65. Annual General Meeting

The Company shall in addition to other meetings hold a General Meeting, which shall be styled as its annual General Meeting at intervals and in accordance with the Provisions specified below:

- (a) The first Annual General Meeting of the Company shall be held within eighteen months of its incorporation subject to section 210(3) of the Act.
- (b) Thereafter an Annual General Meeting of the Company shall be held once in every calendar year within 6 months after the expiry of each financial year, subject, however, to the power of the Register of Companies to extend the time within which such a meeting can be held for a period not exceeding 3 months and subject thereto not more than fifteen months shall elapse from the date of one Annual General Meeting and that of the next.
- (c) Every Annual General Meeting shall be called for at a time during the business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated.
- (d) Notice calling such meetings shall specify them as the Annual General Meetings.
- (e) All other meetings shall be referred to as extraordinary General Meetings.

66. Extra-ordinary General Meetings

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

67. Extra-ordinary General Meeting by requisition

- (a) The Board of Directors shall on the requisition of such number of members of the Company as is specified below proceed duly to call an Extra-ordinary General Meeting of the Company and comply with the provisions of the Act in relation to meetings on requisition.
- (b) The requisition shall set out matters for consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the company by registered post addressed to the Company at its Registered Office.
- (c) The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- (d) The number of members entitled to requisition a meeting with regard to any matter shall be such number of them as held at the date of deposit or dispatch to the Registered Office of the requisition, not less than 1/10th of the such of the paid up capital of the Company as at that date carries the right of voting in regard to the matter set out in requisition.

- (e) If the Board of Directors do not, within twenty one days from the date of deposit of requisition with regard to any matters, proceed duly to call a meeting for the consideration of those matters on a date not later than forty five days from the date of the deposit of the requisition the meeting may be called by the requisitionists themselves or such of these requisitionists as represent either majority in value of the paid up share capital held by all of them or of not less than 1/10th of such paid up capital of the Company as is referred to in sub-clause (d) above.

68. Length of notice for calling meeting

A General Meeting of the Company may be called by giving not less than 21 days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the members, in any other case by members of the Company holding not less than 95% of that part of the paid up share capital which gives the right to vote on the matters to be considered at the meeting provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former resolution or resolutions and not in respect of the latter.

69. Accidental omission to give notice not to invalidate meeting

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

70. Special Business

- (a) All business shall be deemed special that is transacted at an Extra-ordinary General Meeting and also that is transacted at the Annual General Meeting with the exception of business relating to:
- i) The consideration of the accounts, Balance Sheet, Report of the Directors and Auditors;
 - ii) The declaration of dividend,
 - iii) The appointment of Directors in the place of those retiring, and
 - iv) The appointment and fixing of the remuneration of the Auditors.
- (b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest if any therein of every Director and the Managing Director, if any, where any item of business consists of the according of approval to any document in place at which and the time during which such a document can be inspected shall be specified in the statement aforesaid.

Provided where any item of special business as aforesaid is to be transacted at the meeting of the Company relates to or affects any other Company, the extent of share holding interest in that other Company of every Director and the Managing Director of the Company, shall also be set out in the statement if the extent of such share holding interest is not less than 20% of the paid up share capital of that other Company.

PROCEEDINGS AT GENERAL MEETINGS QUORUM

71. Quorum

Five members personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business.

72. If quorum not, present when meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon by the requisition of members, shall be dissolved, in any other case, it shall stand adjourned to the same day in the next week at the same time and place or such other day and at such other time and place as the Board may determine and if at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

73. Chairman of General Meeting

The Chairman, if any, of the Board of Directors shall preside over the chair at every General Meeting of the Company.

74. When Chairman absent, choice of another to take the chair

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

75. Adjournment of Meeting

The Chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn that meeting from time to time and from place to place, but no business, shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

76. Question at General Meeting how decided

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman, that a resolution, on a show of hands, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against that resolution.

77. Taking of poll

If a poll is duly demanded in accordance with the provisions of Section 179 of the Act it shall be taken in such a manner as the Chairman directs in accordance with the provisions of the Act and Sections 184 & 185 of the Act and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

78. Chairman to have Casting vote

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

79. In what case poll taken without adjournment

A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time when demand was made, as the Chairman may direct.

VOTES OF MEMBERS

80. Voting right of Members

- (1) Every member holding any equity shares shall have a right to vote in respect of such shares on every resolution placed before the meeting. On a show-off hands every such members present in person shall have one vote. On a poll, his voting right in respect of his equity shares shall be in proportion to his share of the paid up capital in respect of the equity shares.
- (2) In the event of the company issuing any preference shares the holders of such preference shares shall have the voting rights set out in that behalf in Section 87 of the Act.

81. Business may proceed notwithstanding demand for poll

A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person who made the demand.

82. Voting rights of joint holders

In the case of joint holders the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

83. Voting by Members of unsound mind

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or order legal guardian and any such committee or guardian may, on a poll, vote by proxy.

84. No member entitled to vote while call due to Company

No member shall be entitled to vote in any General Meeting unless all calls or other sums presently payable by him in respect of his shares in the Company have been paid.

85. Proxies Permitted on poll

On a poll, votes may be given either personally or by proxy.

86. Proxies

Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint any person whether a member or not as his proxy to attend and vote instead of himself, but the proxy so appointed shall not unless he be a member have any right to speak at the meeting and shall not be entitled to vote except on the poll.

87. Instrument of Proxy

- (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointee is a Corporation either under the common seal or under the hand of an Officer or attorney so authorised. Any person may act as proxy whether he is a member or not.
- (2) Corporate body (whether a Company within the meaning of the Act or not) may, if it is a member or a creditor a debenture holder of the Company, by the resolution of its Board of Directors or other Governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members of the Company or at any meeting of the creditors of the company held in pursuance of the provisions contained in any Debenture or Trust Deed as the cases may be. The person so authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.
- (3) So as an authorization under clause (2) above is in force, the power to appoint proxy shall be exercised only by the person so appointed as representative.

88. Proxy to be deposited at the office

The instrument appointing a proxy and the power of the attorney if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

89. Validity of vote by proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of proxy or transfer of shares in respect of which the proxy is given. Provided that no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the company before the commencement of the meeting or adjourned meeting at which the proxy is used.

90. Instrument

Every instrument appointing a proxy shall be retained by the Company and shall be in either of the forms specified in Schedule IX of the Act or a form as near there to as circumstances will admit.

91. Chairman's ruling regarding votes final

Subject to the provisions of the Companies Act, 1956 the Chairman of a General Meeting shall be the sole and absolute judge of the validity of every vote tendered at such meeting, or at a poll demanded at such meeting, and may allow or disallow any vote tendered, according as he shall be of opinion that the same is or is not valid.

DIRECTORS

92. Number of Director

Unless otherwise determined by a General Meeting the number of directors shall not be less than three and not more than twelve, including all kinds of directors.

93. First Directors

The persons hereinafter named shall become and be the first Directors of the Company.

FIRST DIRECTORS

- (1) Mr. P.HARINADHABABU
- (2) Mr. P.V. SHYAM PRASAD

94. Share qualification not necessary

Any person whether a member of the Company or not may be appointed as a Director and no qualification by way of holding share shall be required of any Director.

95. Director's power to fill up casual vacancy

Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

96. Additional Directors

The Board of Directors shall have power at any time and from time to time, to appoint one or more persons as additional Directors, provided that the number of Directors and additional Directors together shall not exceed the maximum number fixed. Any additional Director so appointed shall hold office up to the date of the next annual general meeting, but he shall be eligible for election by the company at that meeting.

97. Alternate Directors

The Board of Directors may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An alternate Director so appointed shall vacate office if and when the office of original Director is determined before he so returns to the State aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original, and not to the alternate Director.

98. Nomination of Directors by Financial Institutions

If and so long as the Company is indebted to any financial institutions, bank, corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the company or guarantee given of any loan borrowed or liability incurred by the company or so long as any such institution, bank, corporation or body remains a member of the Company, the Board may agree that such institution, bank, corporation or body shall, subject to the provisions of Section 255 of the Act and to the extent agreed by the Board, jointly or severally be entitled from time to time to appoint one or more persons to be a

Director or Directors and appoint any other person or persons to be a Director or Directors in his place or their places and to fill any vacancy, otherwise occurring in the office of such Directors. The Directors so appointed shall not, subject to the provisions of Section 255 of the Act and to the extent agreed by the Board, be liable to retirement by rotation. Such Directors shall be entitled to attend the General Meetings of the Company.

99. Nominee Directors

At the option of, the Corporation, such Corporation Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation, such Corporation Director/s, shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Corporation 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.

100. Remuneration of Directors.

Every Director shall be paid a sitting fee of not exceeding Rs.1000/- for each meeting of the Board of Directors or of any committee thereof attended by him and shall be paid in addition thereto all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with the business of the Company to and from any place.

101. Remuneration for extra services

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from the town in which the registered office of the Company may be situated for any purposes of the Company or in giving special attention to the affairs of the Company then, subject to Sections 198, 309, 310 and 314 the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

102. Continuing Directors may act

The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may act for the purposes of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.

103. Vacation of office of Directors

The office of a Director shall be vacated, if:

- (a) he is found to be of unsound mind by a court of competent jurisdiction: or
- (b) he applies to be adjudicated or is adjudged an insolvent: or
- (c) he fails to pay dues on him in respect of shares held by him within six months from the last date fixed for the payment of the call unless the Central government has by notification in the official gazette, removed the disqualification incurred by such failure: or

- (d) he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months or
- (e) he absent himself from three consecutive meetings of the Board or from all the meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
- (f) lie (whether by himself or by any person for his benefit or on his account), or any firm in which he is a partner or any private company of which he is a Director accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295; or
- (g) he acts in contravention of Section 299; or
- (h) he becomes disqualified by an order of Court under Section 203; or
- (i) he is removed in pursuance of Section 284: or
- (j) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company. **Provided** that notwithstanding any thing in sub-clauses (b), (d) and (h) above the disqualification referred to in those clauses shall not take effect;
 - (a) for thirty days from the date of the adjudication, sentence or order.
 - (b) Where any appeal or petition, is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the removal of sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of, or
 - (c) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

104. Directors may contract with company

1. Subject to the provisions of the Act, the Directors including the Managing Director, if any shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any contract or arrangement entered into by or on behalf of the Company with any Director or the Managing Director or with any company or partnership of or in which any Director or the Managing Director shall be a member or otherwise interested be avoided nor shall any director or Managing Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director or the Managing Director holding that office or of the fiduciary relation thereby established, but the nature of the interest must be disclosed by him or them of the meeting of the Board in accordance with the provisions of Section 299 of the Act.

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

Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the company or to any contract or arrangements entered into or to be entered into with a public company or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely in his being a Director of such Company and the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than 2% of its paid up share capital.

(2) A Director may be or become, a Director or member of any Company promoted by this Company or in which this Company may be interested as vendor, share holder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.

105. **Equal power to Directors**

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

ROTATION OF DIRECTORS

106. **Nomination of Directors**

Subject to the provisions of Sections 255 & 256 of Companies Act, 1956, so long as the First Directors and friends or relatives hold or continue to hold not less than 20% (twenty per cent only) of the paid up Equity Capital of the Company from time to time, the said shall have the right to nominate up to a maximum of 4 (four) persons or 1/3 rd of the Directors which ever is less as Director or Directors on the Board of Company and to remove such person or persons from the Board and to nominate other or others in their places.

107. **Rotation**

- (a) Not less than one-third of the total number of the Directors including Directors nominated under Article 104 above of the Company for the time being holding office shall be Directors whose period of office is liable to be determined by retirement by rotation.
- (b) At the First Annual General Meeting of the Company the whole of the Board of Director shall retire from office and at the Annual General Meeting in every subsequent year, one third of such of the Directors as are liable to retire by rotation for the time being or if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.

108. **Retiring Director eligible for re-election**

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

109. **Which Directors**

Subject to the provisions of Section 256 of the Act, if at any Meeting at which an election of Directors ought to take place, the place of the vacating Directors is not filled up and the Meeting has not expressly resolved not to fill up the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a

public holiday at the same time and place and if at the adjourned Meeting the place or retiring Director is not filled up and the meeting has also not expressly resolved not to fill up the vacancy then the retiring Directors or such of them as have not had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.

110. Power to General Meeting

Subject to the provisions of sections 252, 255 & 259 of the Act the Company in General Meeting may by ordinary resolution increase or reduce the number of its Directors within the limit fixed by Article 90.

111. Power to remove Directors by ordinary resolution

Subject to the provisions of Section 284 of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint **another person** instead the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

112. Right of persons

A person **not** being a retiring Director shall be eligible for appointment to the office of a Director at any General Meeting if he or some other member intending to propose him as a Director not less than 14 days before the meeting has left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for that office as the case may be.

PROCEEDINGS OF THE DIRECTORS

113. Meeting of the Board

The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings, as it thinks fit provided that at least four such meetings shall be held in every year.

114. How to convene

The Managing Director may at any time summon a meeting of the Board and the Managing Director or a Secretary on the requisition of a Director shall at any time summon a meeting of the Board- Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

115. Quorum

The quorum for a meeting of the Board shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher provided that where at any time the number of interested Directors is equal to or exceeds two third of total strength the number of remaining Directors, that is to say the number of Directors who are not interested to present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at that time.

116. Questions how decided

Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

117. When the votes equal

In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.

118. Election of Chairman of Board

- (1) The board may elect from their body of Directors a Chairman of its meetings and determine the period for which he is to hold office.
- (2) If no such chairman is elected, or if at any meeting the Chairman, is not present within five minutes after the time appointed for holding the meeting, the Directors present shall choose one of their number to be Chairman of the meeting.

119. Delegation of powers

- (1) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body, as it thinks fit.
- (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that maybe imposed on it by the Board.

120. Election of Chairman of Committee

- (1) If the Chairman of the Board is a member of the Committee, he shall preside over all meetings of the Committee. If the Chairman is not a member thereof, the Committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the Meeting.
- (2) The quorum of a committee maybe fixed by the Board of Directors and until so fixed if the Committee is of a single member or two members, shall be one and if more than two members, shall be two.

121. Questions how Determined

- (1) A committee may meet and adjourn, as it thinks proper.
- (2) Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of vote, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.

122. Validity of acts done by Board or a Committee

All acts done by any meeting of the Board or of a Committee there of or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

123. Resolution by Circulation

Save as otherwise expressly provided in the Act, a resolution in writing 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 the meeting of the Board or the committee, as the case may be, and to all other directors or members at their usual addresses in India and approved by such of the Directors as and then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.

124. General Powers of Company vested in Directors

The Business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company as are not by the act or any statutory modification thereof for the time being in force, or by those present, required to be exercised by the Company in General Meeting subject nevertheless to any regulation of these presents, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as maybe prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made,

125. Specific powers of Directors

Without prejudice to the generality of the foregoing, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power,

- (1) To carry on and transact the several kinds of business specified in clause III of the Memorandum of Association of the Company.
- (2) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders. Government promissory notes, other Government instruments, bonds, debentures or debentures stocks of corporation, Local Bodies, Port Trusts, improvement Trust or other corporate Bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- (3) At their discretion, to pay for any property rights or privileges acquired by or services rendered to the company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares maybe issued either as fully paid up or with such amount credited as paid up thereon as maybe agreed upon, and any such bonds, debentures or other securities as maybe either specifically charged upon all or any of the property of the company or not so charged.
- (4) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accounts, cashier agents, commission agents, dealers, brokers, foremen, servants, employees of every description and to employ such professional or technical or skilled assistants

as from time to time may in their option be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Directors think fit.

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

126. Powers to delegate to Committee

Subject to the provisions of Section 292 of the Act and other provisions of the Act, the Board may delegate, from time to time and at any time to a committee formed out of the directors, all or any of the powers, authorities and discretions for the time being vested in the Board and any such delegations may be made on such terms and subject to such conditions as the Board may think fit.

127. Attorney of the Company

The Board may appoint, at any time and from time to time by a power of attorney under the Company's seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board 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 or any firm or company, or the members, Directors, nominees or managers of any firm or Company or otherwise in favour of any body of persons nominated directly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.

128. Power to authorise delegation

The Board may authorise any such delegate or attorney as aforesaid to sub delegate all or any of the powers, authorities and discretions for the time being vested in it.

129. Duty to maintain Register & etc records of minutes

1. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges effecting the properties of the Company or created by it and to keeping a register of the Directors and to sending to the Registrar an annual list of members and summary of particulars of shares and stocks and copies of special resolutions and other resolutions of the Board as are required to be filled with the Registrar under Section 192 of the Act, and a copy of the Register of Directors and notification of any changes therein.
2. The Company shall comply with the requirements of section 193 of the Companies Act, in respect of the minutes of all proceedings of every meeting of the Board or any Committee of the Board.
3. The Chairman of the meeting may exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person, irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.

130. Secretary

The Board shall have power to appoint as the Secretary a person possessing the prescribed qualifications and fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as they may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Directors.

131. Powers as to commencement of business or branch office

Any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch of kind of business.

132. Delegation of Powers

Subject to the provisions of Section 292, the Board may delegate all or any of their powers to any Directors jointly or severally or to any one Director at their discretion.

BORROWING

133. Borrowing

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

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

2. The Directors may by a resolution at a meeting of the Board delegate the above powers to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director if any, within the limits prescribed.

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

134. Assignment of Debentures

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

135. Terms of debenture issues

- (a) Any such 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 of the Company, appointment of Directors or otherwise, debentures, debenture stocks, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with the sanction of the company in General Meeting.
- (b) Any trust deed for the securing of any debenture stock and or any mortgage deed and or other bond for securing payment or moneys borrowed by or due by the Company and or any contract or any agreement made by the Company with any person, firm, body corporate Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgages, lender, trustees or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company, such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall terminate on the discharge or repayment of the respective mortgage, loan or debt or debentures or on the termination of such contract and any person so appointed as Director, under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.

The Director or Directors so appointed by or under a mortgage deed, debenture trust deed or other bond or contract, as aforesaid shall be called 'Nominated Directors'. The words 'Nominated Director' shall mean the Director appointed as aforesaid and for the time being holding such office. The Nominated Director shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as maybe arranged between the Company and mortgage, lender, trustee or contracting party as the case maybe and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.

136. Register of Mortgages

The Directors shall cause a proper register to be kept in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

137. Subsequent assignees of uncalled capital

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

138. Charge in favour of Directors for indemnity

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

139. Powers to be exercised by Board only at Meeting

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

MANAGING DIRECTORS/WHOLE-TIME DIRECTORS

140. Appointment of Managing Director(s)/Whole time Director(s)

- (a) The Board may from time to time with such sanction of the Central Government as may be required by law, appoint one or more persons to the office of the Managing Director or Managing Directors or Whole-time Director(s).
- (b) The Directors may from time to time resolve that there shall be either one or more Managing Directors or Whole time Directors.
- (c) In the event of any vacancy arising in the office of a Managing Director or Whole-time Directors if the Directors resolve to increase number of Managing Directors or whole-time Directors, the vacancy shall be filled by the Board of Directors and the Managing Director or Whole-time Director so appointed shall hold the office for such period as the Board of Directors may fix and approved by the Central Government.
- (d) If a Managing Director or Whole-time Director ceases to hold office as Director, he shall if so fact and immediately cease to be a Managing Director/Whole-time Director.

- (c) The Managing Director or Whole-time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or Whole-time Director.

141. Powers and duties of Managing Director or Wholetime Director

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

142. Remuneration of Managing Directors/Whole time Directors

Subject to the provisions of the Act and subject to such sanction of the Central Government as may be required for the purpose, the Managing Directors/Whole-time Directors shall receive such remuneration (whether by way of salary, commission, or participation in profits, or partly in one way and partly in another) as the Company's General Meeting may from time to time determine.

143. Reimbursement of expenses

The Managing Director/Whole-time Director shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company.

144. Business to be carried on by Managing Director/Whole time Directors

1. The Managing Director/Whole-time Director shall have subject to the supervision control and discretions of the Board, the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties in relation to the Management of the affairs and transactions of the Company, except such power said such duties as are required by law or by these present to be exercised or done by the Company in General Meeting or by the Board of Director and also subject to such conditions, or restrictions, imposed by the Companies Act or by these presents.
2. Without prejudice to the generality of the foregoing and subject to the supervision and control of the Board of Directors, the business of the Company shall be carried on by the Managing Director/Whole-time Director and he shall have and exercise all the powers set out in Article 123 above, except those which are by law or by these presents or by any resolution of the Board required to be done by the Company in General Meeting or by the Board.

COMMON SEAL

145. Common Seal.

The Board shall provide a common seal for the Company and they shall have power from time to time to destroy the same substitute a new seal in lieu thereof, and the common seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

146. **Seal how affixed**

The seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee thereof and unless the Board otherwise determines every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company be signed by atleast one Director, in whose presence the seal shall have been affixed and countersigned by the Managing Director, Secretary or such other person as may from time to time be authorised by the Board provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same. The share certificate shall however be sealed and signed in accordance with the provisions of the Companies (issue of share certificates) Rules 1960.

DIVIDENDS

147. **Right to dividend**

- (a) The profits of the Company, subject to any special rights relating to thereto created or authorised to be created by these presents and subject to the provisions of these presents, as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.
- (b) Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry, interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

148. **Declaration of dividend**

The Company in General Meeting may declare dividend but no dividend shall exceed the amount recommended by the Board.

149. **Interim dividend**

The Board may from time to time pay to the members such interim dividend as appear to them to be justified by the profits of the Company.

150. **Dividends to be paid out of profits only**

No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 205 of the Act.

151. **Reserve Funds**

- 1 The Board may before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends and pending such application may, at the like discretion either be employed in the business of the Company or be invested in such investment (other than shares of the Company) as the Board may, from time to time, think fit.
- 2 The Board may also carry forward any profits when it may think prudent not to divide, without setting them aside as Reserve.

152. Deduction for arrears

The Board may deduct from any dividend payable to any members all sums of money, if any presently payable by him to the Company on account of calls or otherwise in relation to the shares of Company.

153. Adjustment of dividends

Any General Meeting declaring a dividend or bonus may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be 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 members be set off against the call.

154. Payment by Cheque or warrant

1. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post direct to the Registered address of the holders or in the case of joint holders to the registered address of that one of the joint holders who is firm named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.
2. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
3. Every such cheque or warrant shall be posted within forty two days from the date of declaration of dividend.

155. Receipt of joint holders

Any one of two or more joint holders of share maybe given effectual receipt for any dividends bonuses or other moneys payable in respect of such shares.

156. Notice of dividends

Notice of any dividends that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.

157. Dividends not to bear interest

No dividend shall bear interest against the Company.

158. Unclaimed Dividend

1. Where dividend has been declared by the Company but as not been paid or the warrant in respect thereof has not been posted within forty two days from the date of declaration to any share holder entitled to the payment of dividend, the company shall within 7 days from the date of expiry of the said period of forty two days transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted with in the said period of 42 days to a special account to be opened by the Company in that behalf in any scheduled Bank to be called Unpaid Dividend Account of V&K Softech Limited.

2. No unclaimed dividend shall be forfeited by the Board of Directors and the Company shall comply with all the provisions of Section 205A of the Act, in respect of unclaimed and unpaid dividend.

159. Transfer of shares not to pass prior to dividends

Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

CAPITALISATION OF PROFITS

160. Capitalization of Profits

1. The Company in General Meeting may on recommendation of the Board, resolve;
 - (a) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or the credit of the Profit and Loss accounts or otherwise available for distribution; and
 - (b) That such sum be accordingly set free for distribution in the manner specified in sub clause (2) amongst the members who would have been entitled thereto is distributed by way of dividend and in the same proportion.
2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-clause (3) either in or towards;
 - (i) Paying up any amounts for the time being unpaid on 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 proportions aforesaid or
 - (iii) Partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
3. A share premium account and a capital redemption reserve account may, for the purpose of this regulation only, be applied in paying up of unissued shares to be issued to members of the of company as fully paid bonus shares.
4. The Board shall give effect to the resolutions passed by the Company in pursuance of the regulation.

161. Powers of Directors for declaration of bonus

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 capitalized thereby and all allotments and issues of fully paid shares, if any, and
 - (b) Generally do all acts and things required to give effect thereto.

2. The Board shall have full power:

(a) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares becoming distributable in fraction, and also

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

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

ACCOUNTS

162. Books of account to be kept

1. The Board of directors shall cause true accounts to be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company.
2. If the Company shall have a Branch Office, whether in India or outside, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns, made up to date at intervals of not more than three months, shall be sent by the Branch office to the Company at its Registered Office or to such other place in India, as the Board thinks fit, where the main books of the Company are kept.
3. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions.

163. Where books of Account to be kept

The Books of account shall be kept at the Registered office or at such other place in India as the Directors thinks fit.

164. Inspection by members

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

165. Statement of accounts to be furnished to General Meeting

The Board of directors shall lay before each Annual General Meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Register under the Provisions of the Act.

166. Form of Balance Sheet & Profit & Loss Account

1. Subject to the provisions of Section 211 of the act every balance sheet and profit and loss account of the company shall be in the forms set out in parts I & II respectively of Schedule VI of the Act, or as near there to as circumstances admit.
2. So long as the Company is a holding Company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.

167. Authentication of Balance sheet & Profit & Loss Account

1. Every Balance sheet and every profit and loss Account of the Company shall be signed by the secretary, if any, and by not less than two Directors of the Company, one of whom shall be the Managing Director where there is one.
2. The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.

168. Profit & Loss Account to be annexed and Auditor's Report to be attached to the Balance Sheet.

1. The Profit and loss Account shall be annexed to the Balance sheet and the Auditors Report shall be attached thereto.

169. Board's Report to be attached to Balance Sheet

1. Every Balance sheet laid before the Company in Annual General Meeting shall have attached to it a report by the Board of Directors with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any Reserves in such Balance Sheet, and the amount, if any, which it recommends to be paid by way of dividend material changes and commitments if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.
2. The Board shall also give the fullest information and explanation in its report in cases falling under the provision to Sec.222 in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors Report.
3. The Board's Report and addendum (if any) thereto shall be signed by the Chairman if he is authorised in that behalf by the Board, and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (1) and (2) of Article 165.

170. Rights of Members to copies of Balance Sheet & Auditor's Report

The Company shall comply with the requirements of Section 219 of the Act.

ANNUAL RETURNS

171. Annual Returns

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

AUDIT

172. Account to be audited

Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter set out.

173. Appointment of Auditors

1. The First Auditor of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the auditor or auditors so appointed shall hold office until the conclusion of the first annual general meeting.
2. The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment with in seven days. Provided that before the appointment or re-appointment of Auditor or Auditors is made by the Company at any General Meeting a written certificate shall be obtained by the Company from the Auditor or Auditors proposed to be so appointed to the effect that the appointment or appointments if made will be in accordance with the limits specified in sub-section 1-B of section 224. Every Auditor so appointed shall within 30 days of the receipt from the Company of the intimation of his appointment, shall inform Registrar of Companies in writing that he has accepted or refused to accept the appointment.
3. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors (if any) may act. where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

174. Audit of Branch Office

The Company shall comply with the provision of Section 228 of the Act in relation to the audit of the accounts of Branch Office of the Company.

175. Remuneration of Auditors

The remuneration to the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill any casual vacancy maybe fixed by the Board.

176. Report of Audit

1. All notice of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
2. The auditor shall make a report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by this Act to be part of or annexed to the Balance Sheet or Profit and Loss Account which are laid before the Company in Annual General Meeting during his tenure of office, and the report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view.

16

3. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

177. Accounts when audited and approved to be conclusive

Every account of the Company when audited and approved by a General Meeting shall be Conclusive.

SERVICE OF DOCUMENT AND NOTICE

16

178. Service of documents on the Company

A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.

179. How Documents are to be served on members

16

1. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement or any other documents in relation to or in the winding up of the Company) may be served or sent by the company on or to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

46

2. All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the holders of such share.

3. Where a document is sent by post:

- (a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgment due and has deposited with the company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

- (b) Unless the contrary is proved, such services shall be deemed to have been effected,

- (I) in case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and

171

- (II) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

180. Members to notify address in India

171

Each registered holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed his place of residence.

181. Service on persons acquiring shares on death or insolvency of member,

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

182. Person entitled to Notice of General Meeting

Subject to the provisions of the act and these articles. Notice of General Meeting shall be given:

- (i) To the members of the Company as provided by the Articles in any manner authorised by Articles 177 and 178 as the case may be or as authorised by the Act.
- (ii) To the person entitled to a share in consequence of the death or insolvency of a member as provided by Article 179 or as authorised by the Act,
- (iii) To the Auditor or Auditors for the time being of the Company. in the manner authorised by Article 177 as in the case of a member or members of the company.

183. Notice by advertisement

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the members, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a news paper circulating in the District in which the registered office is situated.

184. Members bound by document given to previous holders

Every person, who by the operation of law, transfer or other means whatsoever shall become entitled to any shares shall be bound by every document in respect of such share which, previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derived his title to such share.

185. Notices by the Company

Any notice to be given by the Company shall be signed by the Managing Director or by such Director or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

AUTHENTICATION OF DOCUMENTS

186. Authentication of documents and proceedings

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

WINDING UP

187. Application of Assets

Subject to the provisions of the act as to preferential payments the assets of the Company, shall on its winding up, be applied in satisfaction of its liabilities paripassu and subject to such application shall be distributed among the members according to their rights and interest in the Company.

188. Division of assets of the Company in winding up

If the company shall be wound up whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories in specie or kind, any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the liquidators to sell his proportion and pay him net proceeds and the liquidators shall, if practicable, act accordingly.

INDEMNITY AND RESPONSIBILITY

189. Director's and others right to indemnity

(a) Subject to the provision of Section 201 of the Act, the Managing Director and every Director, Manager, Secretary and other officer or Employee of the Company shall be indemnified by the Company against any liability, and it shall be the duty of Directors out of the funds of the Company to pay, all costs and losses and expenses (including travelling expense) which any such Director, officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.

(b) Subject to as aforesaid the Managing Director and every Director, Manager, Secretary or other officer or Employee of the Company shall be indemnified against any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under section 633 of the act in which relief is given to him by the Court.

190. Not responsible for acts of others

1. Subject to the provisions of section 201 of the Act no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity or for loss or expense happening to the company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the company, or for the insufficiency or deficiency of any security in or upon which any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person, company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by, any error of judgement or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own willful act or default.

2. Without prejudice to the generality of foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

SECURITY CLAUSE

191. **Secrecy**

No member shall be entitled to inspect the company's works without the permission of the Directors, or Managing Director, or 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 a trade secret mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the Directors it will be inexpedient in the interests of Company to communicate to the public.

192. **Duties of officers to observe secrecy**

Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company, shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration 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 Directors or any general meeting or by a Court of law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these articles or Law.

Complied the copy
Ravi S. Venkata
Company Secretary
V. K. OFTECH LIMITED
HYDERABAD

Sl. No	Signature Names, Addresses, description and occupation, of Subscribers	Signature of Witness with Name address description and Occupation
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1. P. HARINADHA BABU
S/o. P. Veeranjanyulu,
C-23, Road No. 8,
Film Nagar,
Jubilee Hills,
HYDERABAD

OCC: BUSINESS.

C. RAMACHANDRAM
S/o. C. Krishna Reddy,
3/5-45/6/2,
Edenbagh, Ram Kote,
HYDERABAD-500 001.
Chartered Accountants

2. P. VENKATA SHYAM PRASAD
S/o. Harinadha babu
C-23, Road No.8,
Film Nagar,
Jubilee Hills,
HYDERABAD.

OCC: BUSINESS.

Company Secretary
Ganvinder Singh Nage
Company Secretary
HYDROTECH LIMITED
HYDERABAD