PEC LTD.

Memorandum
and
Articles of Association

Registered and incorporated as Private Limited Company
under the Companies Act, 1956

on

the 21st day of April, 1971.

CIN-U74899DL1971GOI005600

Regd. Office : 'Hansalaya', 15 Barakhamba Road, New Delhi-110 001.
Email: pec@peclimited.com
Website: www.peclimited.com

सत्यमेव जयते

COMPANY NO. 55-5600

FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT UPON CHANGE OF NAME

In the Office of the Registrar of Companies, N.C.T. Of Delhi & Haryana
[under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF THE PROJECTS AND EQUIPMENT CORPORATION OF INDIA LIMITED

I hereby certify that THE PROJECTS AND EQUIPMENT CORPORATION OF INDIA LIMITED which was originally incorporated on TWENTY FIRST day of APRIL One Thousand Nine Hundred SEVENTY ONE under the Companies Act, 1956 (Act I of 1956) under the name THE PROJECTS AND EQUIPMENT CORPORATION OF INDIA LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 read with Government of India, Department of Company Affairs Notification No. G.S.R. 507(E) dated 24-6-1985 by Registrar of Companies, N.C.T. of Delhi & Haryana, New Delhi vide letter No. 21/55-5600/788 dated 12-11-97 the name of the said Company is this day changed to PEC LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at NEW DELHI this TWENTY FIFTH day of NOVEMBER One Thousand Nine Hundred and Ninety SEVEN.

(N. N. JHA)
ASSTT. REGISTRAR OF COMPANIES,
N.C.T. OF DELHI AND HARYANA

Memorandum

of

PEC LTD.

(As amended upto 01.09.2013)

Registered and incorporated as Private Limited Company under the Companies Act, 1956

on

the 21st day of April, 1971.

MEMORANDUM OF ASSOCIATION
of
PEC LTD.

I. The name of the Company is 'PEC LTD'.

II. The Registered Office of the Company will be situated in the Union Territory of Delhi.

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

(A) MAIN OBJECTS

1. To take over from the State Trading Corporation of India Ltd., the business and activities at present being handled by its Engineering Division and Railway Equipment Division together with rights and liabilities pertaining to such business; and to carry on the business of buying, selling, importing, exporting, merchandising, offshore trading, acting as Agents for purchase and sale of and to deal in :-

   i) capital equipment, plant and machinery for engineering and non-engineering industries; boats and offshore and inshore petrol vessels; castings and forgings;

   ii) equipment, stores, apparatus, accessories, assemblies, sub-assemblies, instruments, tools, components, devices and gadgets of engineering and non-engineering types including agricultural, medical and scientific sector, computer hardwares and softwares, telecommunication and defence equipment and stores;

   iii) railway locomotives, coaches, wagons and allied material equipment and transport vehicles;

   iv) natural and processed and semi-processed foods, marine products, agricultural based raw-materials, products and commodities;

   v) consumer durables, commodities, consumables, man-made fibres, cotton, cotton yarn, silk yarn and fabrics, pharmaceuticals, drugs and chemicals, leather and leather products, ready-made garments and materials;

   vi) building materials and hardwares, building related products and services;

   vii) industrial raw materials, both primary and secondary.

2. To process, convert, fabricate, manufacture, produce, refine, prepare, treat and otherwise deal in all products related to which the Company trades in imports, exports or third country trading as permitted by other relevant clauses of this Memorandum.

3. To enter either alone or jointly with any other companies or persons and specially outside India into contracts (on turnkey basis or otherwise) for the erection, construction, maintenance, alteration, repair, pulling down and restoration of railways, factories, mills, industrial plants, engines, machinery, works of all descriptions, including railways, tramways, waterways, road bridges, warehouses, factories, mills, engines, machinery, railway carriages and wagons, ships and vessels of every description, gas works electric works, water works, drainage and sewage works and other public utilities, wharfs, docks, piers and buildings of every description.

4. To carry on specially outside India all or any of the businesses of engineering and management consultants, and as advisers on problems relating to the administration and organisation of industry and business, and the training of personnel and industry and business, and to advise upon the means and methods for extending, developing and improving all types of businesses or industries and all systems or processes relating to the production, storage, distribution, marketing and sale of goods and/or relating to the rendering of services, and to engage in research into all problems relating to personnel, industrial and business management and distribution, marketing and selling to collect, prepare and distribute information and statistics relating to any type of business or industry and to promote or propose such methods, procedures and measures as may be considered desirable or beneficial.

5. To aid, counsel, assist, cooperate with, protect and promote the interests of engineering and railway equipment industry, manufacturing industries and exporters and to provide them with capital, credit, means, resources, and technical and managerial assistance, and to take other suitable measures to enable them to improve methods and techniques of production, management and marketing.

6. To carry on the business of trading in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities.

7. To carry on business as brokers, sub-brokers, market makers, arbitrageurs, investors and/or hedgers in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities permitted under the laws of India.

8. To become members and paticipate in trading, settlement and other activities of commodity exchange/s in India (including national multi-commodity exchange/s) facilitating, for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.

(B) OBJECTS ANCILLARY AND INCIDENTAL

9. To buy, sell exchange, install, work, repair, alter, refine, improve, manipulate, prepare for market, let out on hire plants, machinery, equipment, works, carriers, vehicles, apparatus and appliances, which are necessary or convenient for carrying on any business which the Company is authorised to carry on or is required by any customers of or persons dealing with the Company or which may seem to the Company capable of being profitably dealt with by the Company and to experiment with and to render marketable, process, convert, fabricate and manufacture such articles, commodities and goods as may be necessary or may seem to the Company capable of being undertaken, conveniently in furtherance of its objects or may be calculated directly or indirectly to enhance the value of such articles, commodities and goods.

10. To carry on any other business, whether trading or otherwise, which may seem to the Company capable to being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.

11. To purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company.

12. To purchase, acquire, take on lease, rent, let out on hire, build, construct, execute, carry out, equip, improve, work, develop, administer, manage, maintain, enlarge, pull down, remove, replace, rebuild in India and/or elsewhere, works and conveniences of all kinds, which expression includes, among other things, roads, railways sidings, jetties, piers, wharfs, bridges, canteens, warehouses, stores, buildings, offices and/or otherwise, and for experiments, etc. and to pay or contribute to the expenses of acquiring, constructing, maintaining, improving any such works and conveiences, for the attainment of main objects.

13. To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents, patent rights brevets d'inventions, trade marks, designs, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purpose of the Company, or the acquisition of which may seem to be calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, invention or rights.

14. To acquire and undertake the whole or any part of the business, property, and/or liabilities of any person or Company carrying on/or proposing to carry on any business which the Company is authorised to carry on, or possessed of property suitable for the purpose of the Company, or business which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

15. To amalgamate, enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint venture, joint marketing or reciprocal concession or for limiting competition with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

16. To improve, manage, develop, grant right or privileges in respect of or otherwise deal with, all or any part of the property and rights of the Company.

17. To subscribe for, take or otherwise acquire, and hold shares, stocks, debentures, or other securities of any other company, co-operative society or society registered under the Societies Registration Act, 1860.

18. To invest and deal with the moneys of the Company not immediately required in any manner as the Company may determine from time to time.

19. To lend and advance money or give credit to such persons or companies and on such terms as may seem to be expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities.

20. To receive money on deposit not amounting to banking transactions or on loan and borrow or raise money from any person or bank or company of Governments in such manner and to such extent as the Company thinks fit, and in particular by the issue of debentures or debenture stock; perpetual or otherwise and to secure the repayment of any money so borrowed, raised or owing by mortgage, or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or Comapny of any obligation undertaken by the Company or any other person or Company, as the case may be.

21. To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

22. To enter into any arrangements with any government or authorities, municipal, local or otherwise that may seem to be conducive to the objects of the Company, or any of them, and to obtain from any such government, authorities, person or Company any rights, privileges, charters, contracts, licences and concessions which the Company may think desirable to obtain and to carry out, exercise and comply therewith.

23. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident and/or pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any company which is a subsidiary of the Company, or is allied to or associated with the Company, or with any such subsidiary company, or who are or were at any time Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons and also establish and subsidies and subscribe to any such institutions, associations, clubs or funds calculated by the Company to be for the benefit of or to advance the interest and well-being of the employees of the Company or of any such other company as aforesaid, and make payments to, or towards the insurance of any such persons as aforesaid, and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

24. To provide for the welfare of employees or ex-employees of the company and their wives and families and the wives and families of their dependents or connections by building or contributing to the building of houses or dwellings, or by grants-in-aid, pensions, allowances, bonus or other payments, and by providing or subscribing or contributing towards buildings and maintenance of places of instruction and recreation, hospitals and dispensaries, medical and other assistance as the Company may think fit, and to subscribe, or otherwise to assist, of to grant money to charitable, benevolent, religious, scientific, national, public or other institutions, objects or purposes, provided such institutions proposed to be helped with money are not pure political party organisations.

25. To procure and arrange for registration, incorporation or recognition, of the Company in or under the laws in any part of the world outside India, to establish and appoint branches or agencies of the Company at any place in India or elsewhere and to discontinue the same and to do all acts necessary for carrying on in any colony, domination or foreign country, any business of the Company, to petition either singly or jointly with other legislatures, authorities, local municipal and other bodies, British, colonial or foreign, for the purpose of getting enacted Acts or for obtaining decrees, interests, orders, rights and privileges that are conducive to the interest of the Company or to protest against petitions and transactions as are likely to be perioducial to the interest of the Company and to take such steps as may be necessary to give the Company rights and privileges in any part of the world as are possessed by local companies or partnership of a similar nature.

26. To establish, promote, undertake or concur in the formation of or establishing or promoting any company or companies or any institutions for the purpose of acquiring all or any of the property, rights and liabilities of this Company or other companies or for any other purpose which may seem directly or indirectly calculated to benefit the Company or form any subsidiary company or companies and underwrite, subscribe for or otherwise acquire all or any part of shares, debentures or other securities of any such other company.

27. To promote and establish organisations, advisory boards and other suitable bodies as may be deemed necessary in order to carry out the aforesaid objects of the company effectively.

28. (a) To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit.

    (b) To transfer, if the Company thinks fit, without consideration any property, assets or undertaking of the Company or any part thereof to any company, the share capital of which has been entirely subscribed by the Central Government.

29. To act as agents, indenters or/and trustees for any person or company or government and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, alone or jointly with others and either by or through agents, sub-contractors, trustees or otherwise.

30. To undertake and execute any trusts the undertake of which may seem to benefit the Company either gratuitously or otherwise.

31. To adopt such means of making known the commodities in which the Company deals or is interested as may seem expendient and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art of interest, by publication of books and periodicals and by granting prizes, rewards and donations.

32. To hold or assist in holding exhibitions in India and elsewhere of the products and articles in which the Company is interested.

33. To collect and circulate statistics and other information relating to trade, commerce and industry.

34. To establish, provide, maintain, conduct, subsidise, undertake, carry on and promote studies, research laboratories, experimental workshops for scientific and technical researches and experiments, tests of all kinds and scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing, or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award, scholarships, prizes, grants to studies, researches, investigations, experiments, tests and inventions of any kind that may be considered by the Company likely to assist in business which the Company is authorised to carry on.

35. To create, or to contribute to any depreciation fund, reserve fund, sinking fund, insurance fund, development fund or any other special fund including funds for payment of subsidies whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for amortisation of capital or for any other purpose conductive to the interest of the Company.

36. To act as insurers or underwriters of the property of the Company either wholly or partially, and either solely or together with another or other person or persons or body or bodies, and to ensure the whole or any part of the property of the Company either fully or partially, to protect and indemnify the Company from liability or loss in respect thereof, either fully or partially and also to ensure, protect and indemnify either on mutual principle or otherwise, and to accept the whole or any part of the marine risk and liability of the Company as underwriters.

37. To manufacture, store, maintain, sell, buy, repair, alter, exchange, let on hire, export import, and deal in all kinds of articles and things (including all kinds of conveyance and all components, parts, fittings, tools, implements, accessories materials, and all articles and things used or capable of being used in connection therewith in any way whatsoever) which may be required for the purpose of any business of the Company or are commonly supplied or dealt in by persons engaged in any such business and which may be capable of being profitably dealt with in connection with any of the business of the Company.

38. To acquire, establish, construct, provide and maintain and administer factories, townships, railway sidings, building yards, wells, water reservoirs, channels, pumping installations, purification, plants, pipe lines, landing grounds, hangars, garages, storage sheds and accommodation of all description in connection with the business of the Company.

39. To purchase, charter, hire. build or otherwise acquire vehicles and vessels of any or every sort or description for use on land or under land or water or in the air and to employ, equip and load the same for the carriage of merchandise of all kinds, in which the Company deals.

40. To employ and pay experts, Indian and foreign consultants, etc., in connection with the business of the Company.

41. To subsidise or contribute to or otherwise assist in or take part in the construction, maintenance, improvement, management, working, control or superintendence of any operations or works or buildings useful or expedient or convenient or adoptable for the purposes of the Company which may be constructed by or may belong to or be worked by and/or under the control or superintendence of others and to subsidise or otherwise assist any persons or companies responsible for or concerned or interested in any undertaking or operation in conjuntion with the Company.

42. To buy, sell, process and deal in goods, wares and merchandise including all conveniences or necessities of life which may be used or required by workmen or others whether employed by the Company or not and to open and keep shops or stores.

43. To establish, maintain and operate hospitals, dispensaries, first-aid centres and other medical institutions, public health installations, markets, shops and stores, clubs, cinemas and entertainment places, motor transport services, housing colonies, hotels and restaurants, guest houses, hostels, dhobikhanas, dairies, fire service stations for the benefit of employees and their families and others.

44. To form, incorporate or promote any joint stock Company, or Companies, for carrying into effect any of the objects of the Company and to take or otherwise acquire and hold shares in any such company and generally in any Company the business of which is capable of being conducted so as directly or indirectly to benefit the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.

45. To remunerate any person, firm, or company for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or obtain subscriptions for or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company or any stock, shares, bonds, debentures, held or owned by the Company or in which the Company may have an interest in or about the formation of any other company or in which the Company may have any interest.

46. To obtain order or Act of the legislature in India. U.K., or other places or order, Act or authority from the authorities of any country, Sate or Dominion for enabling the Company to obtain all powers and authorities necessary, or expedient to carry out or extend any of the objects of the Company, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which seem calculated directly or indirectly to prejudice the company's interest.

47. To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or with trade or commerce generally and particularly with the trade including any association, institution of fund for the protections of the interests of masters, owners and employers against loss by bad debts, strikes, combinations, fire accidents or otherwise or for the benefits of any clerks, workmen or others at any time employed by the Company or any of its predecessors in business or their families or dependents.

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

49. To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority or any trustees on behalf of any of the same or of the public.

50. To distribute, among the members, in specie any property of the Company or any proceeds of sale or disposal or any property of the Company in the event of its winding up.

51. To take up all or any one or more of the above objects simultaneously or one after the other or to keep any one or more of the objects in abeyance for any period of time, if and when necessary.

52. To do all such other things that the Company may consider incidental to, or may think conducive to the attainment of the above objects or any of them.

(C) OTHER OBJECTS

53. To carry on all or any of the businesses of electrical, mechanical and general engineers and contractors, ironmaster, iron and brass founders, metal workers, millwrights, machinists, smiths, steel makers and converters and manufacturers of and workers and merchants and agents for and dealers in engineering specialities in metals and alloys of all description, wood workers, joiners, and carpenters, electro-platers, nickel platers, painters, varnishers, lacquers, enamellers, polishers, welders, gilders, metal and glass makers and refiners.

54. To instal, set up, construct, acquire, purchase, hire, maintain, run, operate and establish in India and/or abroad such machinery, plants, works, factories, equipments, apparatus and appliances and to do such other acts as may be necessary, ancillary and incidental to and/or convenient for the Company for the preceding objects.

55. To construct buildings, erect, maintain and carry on either by the Company, or other parties, any works or undertakings of any, description whatsoever, either upon lands acquired by the Company or upon others' lands.

56. To let out, to hire and to trade in any vehicles, vessels or any part thereof when not required for the Company's business.

And it is hereby declared that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not.

IV. The liability of the members is limited.

V. The Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crore) divided into 60,00,000 (Sixty Lakh) equity shares of Rs. 100/- (Rupees One Hundred) each.

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

Name of the subscriber	Address, description and occupation, if any	No. of Shares	Signatures of subscribers	Signatures of witnesses and their addresses, description and occupation
1	2	3	4	5

Total

Dated ths 21st day of April, 1971.

Articles

of

Association

PEC LTD.

(As amended upto 01.09.2013)

Registered and incorporated as Private Limited Company
under the Companies Act, 1956

on

the 21st day of April, 1971.

Articles of Association of PEC LTD.

PRELIMINARY

Article 1

Interpretation

(1) Unless the context otherwise requires words or expressions contained in these regulations shall bear the same meanings as in the Companies Act, 1956, or in any statutory modification thereof in force at the date on which these regulations become binding on the Company.

(2) The marginal notes hereto shall not affect the construction hereof.

The Act

(a) "The Act" means the Companies Act, 1956 or any statutory modifications thereof.

Board

(b) "Board" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board meeting or acting through a Resolution passed by circulation under these Articles.

By-laws

(c) "Bye-laws" means the Bye-laws which may be made by the Directors of the Company under these Articles and which may for the time being be in force.

The Company

(d) "The Company" means PEC LTD.

Chairman

(e) "Chairman" means the Chairman of the Board of Directors for the time being of the Company.

Capital

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

The Directors

(g) "The Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board meeting or a Committee thereof or acting through a resolution passed by circulation under these Articles.

Dividend

(h) "Dividend" includes bonus.

In Writing and written

(i) "In Writing and written" include printing, lithography and other modes representing or reproducing words in a visible form.

Managing Director

(j) "Managing Director" includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company

Month

(k) "Month" means calendar month.

Office

(1) "Office" means the registered office for the time being of the Company.

Proxy

(m) "Proxy" includes attorney duly constituted under a power of attorney.

Person

(n) "Person" includes corporations and firms as well as individuals.

Register

(o) "Register" means the register of members to be kept pursuant to the Act.

Seal

p) "Seal" means the Common Seal of the Company for the time being.

The President

(q) "The President" means the President of India.

Article 2

Table 'A'

The Regulations contained in the Table marked 'A' in the First Schedule to the Companies Act, 1956. Shall not apply to the Company except as far as the same are repeated, contained, or expressly made applicable in these Articles or by the Act.

Article 3

Private company

The Company is a "Private Company" within the meaning of Section 3 (1) (iii) of the Companies Act, 1956 and accordingly:

(a) No invitation shall be issued to the public to subscribe for any shares in or debentures of the Company.

(b) the number of members of the Company exclusive of persons in the employment of the Company and those who become members while in its employment and continue to be members after the employment ceases, shall be limited to 50 provided that where two or more persons hold one or more shares jointly in the Company, they shall be treated as a single member.

(c) the right to transfer shares in the Company shall be restricted in the manner and to the extent hereinafter appearing.

CAPITAL AND SHARES

Capital

Article 4

The share capital of the Company is Rs. 60 crore divided into 60 lakh Equity shares of Rs. 100/- each, with power to increase or reduce the capital in the manner prescribed in Section 94 of the Act.

Article 5

Subject to such direction as the President may issue from time to time and subject to the provision hereinafter contained, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Board things fit.

CERTIFICATE

Member's right to certificate

Article 6

(1) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name, or if the Board so approves, to several certificates, each for one or more such shares, but in respect of each additional certificate, the Company shall be entitled to charge a fee of Rs. 2 or such less sum as the Board may determine.

(2) The Company shall in compliance with the provisions of Section 113 of the Act complete and have ready for delivery all certificates within three months after the allotment of any of its shares, debenture-stock and within two month after the application for the registration of the transfer of any such shares etc.

Article 7

Certificate

(1) Every certificate shall specify :

(a) The name(s) of the person(s) in whose favour the certificate is issued;

(b) The distinctive numbers of shares to which it relates; and

(c) the amount paid thereon.

(2) Every share certificate shall be issued under the seal of the Company, which shall be affixed in the presence of (i) two Directors or persons acting on behalf of the Directors under a duly registered Power of Attorney; and (ii) the Secretary or some other person appointed by the Board for the purpose.

Article 8

Certificate in place of one defaced. lost or destroyed

(1) If any certificate be worn out or defaced or whereon the space for recording of transfers has been filled up, then upon the production of the said certificate to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof.

(2) If any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on giving of such indemnity as the Directors may deem adequate, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate; provided that in such a case the member to whom such certificate is given shall if so required by the Directors, also bear and pay to the Company, all costs and other expanses of the Company incidental to the investigation by the Company of the evidence of such destruction or loss and to the preparation of such indemnity and the cost of issue of new certificate.

Entries on Duplicate Certificate

(3) When any duplicate certificate is issued in any of the circumstances mentioned above, it shall state on the face of it and against the stub or counterfoil to the effect : "Issued in lieu of Share Certificate No...... ....sub-dividend/replaced/on consolidation of shares and when any certificate is issued in place of one lost or destroyed as mentioned in sub-clause (2) of this clause it shall state on the face of it and against the stub or counterfoil to the effect "Duplicate issued in lieu of shares certificate No. ...." Further the word "DUPLICATE" shall be stamped or punched on the face of such* certificates.

LIEN

Article 9

Company's Lien Paramount

(1) The company shall have a first and paramount lien-

(a) on every shares (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and

(b) on all shares (other than fully-paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company. Provided that Board may declare any share to be wholly or in part exempt from the provisions of this clause.

The Company's lien, if any, on a share shall extend to all dividends payable thereon.

Sale of shares on which company has alien

Article 10

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has alien

Provided that no sale shall be made :-

(a) unless a sum in respect of which the lien exists is presently payable, or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the shares or the person entitled thereto by reason of his death or insolvency.

Sale of shares on which the company has alien

Article 11

(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) 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 proceeding in reference to the sale.

Board may make calls

Article 12

(1) The Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not make payable at fixed times by the conditions of allotment thereof.

(2) Each member shall pay to the company the amount of every call so made on him at the time and place fixed by the Board.

(3) A call may be made payable by installments.

The Board may extend

Provided, however, that the Board may from time to time at their discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members but no member shall be entitled to such extension save as a matter of grace and favour.

Joint and several liability on calls

Article 13

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

Interest

Article 14

(1) 11 a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at six percent per annum or at such lower rate, if any, as the Board may determine.

Waiver of interest

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 15

Sum payable on allotment or at fixed date to be paid on due dates

(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue sum becomes payable.

Interest on non-payment

(2) in case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified

Article 16

Voluntary advances of uncalled share capital

(a) The Board may it thinks fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and

laterestonadvances of uncalled share capital

(b) upon all or any of the moneys so advanced, may until the same would, but for such advance, become presently payable pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, six percent per annum as may be agreed upon between the Board and the member paying the sum in advance and the Directors may, at any time, repay the amount so advanced upon giving to such member three months notice in writing.

FORFEITURE OF SHARES

Article 17

If call or instalment not paid, notice to be given

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

Article 18

The notice aforesaid shall

Form of notice

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

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

Forfeiture of shares a default of payment

Article 19

if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Article 20

Disposal of fortelted shares

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

Power to annul forfeiture

(2) At any time before a sale or disposal as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.

Article 21

Liability to pay money owing at the time of forfeiture

(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture, remain liable to pay to the company all moneys, which at the date of forfeiture were presently payable by him to the company in respect of the shares.

(2) The liability of such person shall cease if and when the company shall have received payment in full of all such money in respect of the shares.

(3) The transferee shall thereupon be registered as the holder of the share.

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

Article 22

Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time

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

TRANSFER OF SHARES

Article 23

Transfer to be executed by both parties

(1) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

Transfer deemed holder untifl registration

(2) The transferor shall be deemed to remain a holder of the share untill the name of the transferee is entered in the register of members in respect thereof.

Form of transfer

Article 24

Shares in the company shall be transferred in such form, as may be prescribed, under the Act.

Article 25

Restriction on transfer of shares

The right of members to transfer their shares shall be restricted as follows :-

(a) A share may be transferred by a member or other person entitled to transfer to a person approved by the President;

(b) Subject as aforesaid, the Directors may in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares;

(c) If the Directors refuse to register the transfer of any shares they shall, within two months after the receipt of application for registration of transfer, send to the transferee and the transferor notice of the refusal;

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

Article 26

Closing of Register

The Board may, subject to the provisions of Section 154 of the Act, close the register during the fourteen days immediately preceding the annual general meeting in each year.

Article 27

Transfer fee

The Board may decline to recognise any instrument of transfer unless :

(a) A fee not exceeding Rs. 2 is paid to the company in respect thereof; and

(b) The instrument of transfer is accompanied by the Certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

Article 28

Notice of refusal

If the Board refuses to register a transfer of any share, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal.

Article 29

Powers of the President in regard to transfer or transmission of shares held by his nominees

So for as it concerns any share held by any person as a nominee of the President. (i) on the President requiring him to transfer any such share to the President or to any other persons or persons nominated by him and on his failure to effect such transfer or (ii) any such person becoming of unsound mind or becoming or being adjudicated an insolvent, or dying, or on such person being a company, being would up voluntarily or by the Court or subject to the supervision of the Court, the following provisions shall take effect, namely :-

(i) The President may at any time serve the Company with a requisition to enforce the transfer of any such share.

(ii) The Company shall thereupon forthwith give to the holder of such share, or where the holder has become of unsound mind, to his committee or other guardian, or where the holder has become or been adjudicated an insolvent, to the assignee of his estate and effects, or where the holder is dead, to his heirs or legal representatives, or where the holder, being a Company, has been wound up as aforesaid to its liquidator, notice in writing of the requisition and unless within 14 days afterwards, the holder or as the case may be, the committee or guardian or assignee or heirs or legal representatives of such holder shall execute in favour of the President or of any person or persons nominated by him a proper transfer form in respect of such share and hand over the same ' alongwith the relative certificate in respect of such share to the President or any other person or persons nominated by him in that behalf, the Company may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder or of his estate and the same shall be deemed to have been duty and properly executed for and on behalf of such holder or of his estate, and thereupon the holder. Or his estate shall cease to have any interest whatsoever in such share and the certificate of such share, if not handed over as aforesaid, shall thereupon stand cancelled and be and become void and of no effect, and the company shall be entitled thereafter to issue a new certificate in lieu thereof in favour of the President or such person or persons as it may nominate.

Registration of shares on death of Insolvency of holder

Article 30

(1) Any person becoming entitled to a share in consequence of death or insolvency of a member may, upon such evidence being produced as may from time to time properly 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 share 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 in would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Article 31

Rights of person entitled to share on death or insolvency

A person becoming entitled to a share by reason of 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 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 meeting 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 to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, untill the requirements of the notice have been complied with.

ALTERATION OF CAPITAL

Article 32

Increase of Capital

Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue be offered to members in proportion as nearly as the circumstances admit to the existing shares held by each member. The offer shall be made by notice specifying the number of shares offered, and limiting a time being not less than ten days from the date of the offer within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that the declines to accept the shares offered, the Board may dispose of the same in such manner as it thinks most beneficial to the Company. The Board may likewise so dispose of any new shares which by reason of the ratio which the new shares bear to the shares already held by persons entitled to an offer of new shares cannot, in the opinion of the Board, be conveniently offered under this Article.

Same as original Capital

Article 33

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

Sub-division and consolidation of shares

Article 34

The Company may by ordinary resolution :-

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

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

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

Reduction of capital

Article 35

Subject to such directions as may be issued by the President in this behalf, the Company may by special resolution reduce in nay manner and with, and subject to any incident authorised and consent required by law.

(a) its share capital

(b) any capital redemption reserve fund, or

(c) any share premium account.

BORROWING POWERS

Article 36

Power to borrow

Subject to the provisions of the Act, the Board may from time to time borrow and/or secure the payment of sum or sums of money for the purpose of the Company by means of a resolution passed at a meeting of the Board.

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

Article 37

Securities assignable free from equities

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

GENERAL MEETING

Article 38

All general meetings other than annual meeting shall be called extraordinary general meetings.

Article 39

Extraordinary General Meeting

The Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than on-tenth of the issued capital on which all calls or other sums then due have been paid and as at that date carries the right of voting in the matter, forthwith proceed to convene an Extraordinary General Meeting and in the case of such requisition the following provisions shall have effect :

(1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists. In case of joint holders of shares, all such holders shall sign the requisition

(2) If the Directors of the Company do not proceed within twenty one days from the date of the requisition being so deposited to cause a meeting to be called for the consideration of these matters on a day not later than forty-five days from the date of the deposit of the

requisition, the requisitionists or a majority of them in value may themselves convene the meeting but any meeting so convened shall be held within three months from the date of the deposit of the requisition.

(3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors. If after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a qourum any Director may convene an extra-ordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the Directors.

Article 40

Notice of Meeting

Subject to the provisions of the Act relating to special resolutions, 21 days notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) for special business to be transacted at the meeting, shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in general meeting to such persons as are, under the Act or the regulations of the Company entitled to receive such notice from the Company.

Provided that with the consent in writing of the members obtained in accordance with Section 171 of the Act, a meeting may be convened by a shorter notice than as aforesaid and in any manner the members thinks fit.

Article 41

Omission to give notice not to invalidate resolution

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

Article 42

Business of Annual General Meeeting

The business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet, and the report of Directors and the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at an annual general meeting.

All other business transacted at an annual general meeting and all business transacted at an extraordinary general meeting shall be deemed special

Article 43

Quorum

(1) No business shall be transacted at any general meeting unless a Quorum of members is present at the time when the meeting proceeds to business

(2) Save as herein otherwise provided, two members present in persons shall be a quorum

Article 44

Proceedings in absence of Quorum

If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and such other time and place as the Board may by notice to the shareholders determine, and if at such adjourned meeting a qourum is not present those members who are present shall be a qourum and may transact the business for which the meeting was called.

Article 45

Chairman of General Meeting

The Chairman of the Board shall preside as Chairman at every general meeting of the Company

Article 46

Election of Chairman

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, then the members present shall choose some one of them to be Chairman of the meeting.

Article 47

Adjoumment

(1) The Chairman may, with the consent of any meeting at which a qourum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place.

Business of adjoumed Meeting

(2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Notice of adjourned Meeting

(3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting

(4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Article 48

Decisions in the first instance by show of hands

(a) Every question submitted to a meeting shall be decided in the first instance by a show of hands. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

Evidenceof resolution where poll not demanded

(b) At any general meeting a resolution put to the vote of the meeting shall be decided on show of hands. Unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorised representative and unless a poll is so demanded a declaration by the Chairman that a resolution has. On a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book provided for the purpose shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution.

Manner of taking poll and result thereof

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

Poll demanded to be taken at the meeting

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

Chairman to be the sole judge

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

Objection to vote

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

Chairman to judge validity

(g) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Article 49

Demand for poll not to prevent transaction of other business

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Article 49 (A)

Right of the President to appoint any person as his representative

(1) The President may, so long as he is a share holder of the Company, from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meeting of the Company.

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

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

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

(5) Any person appointed by the President under this Article may. If so authorised by such order, appoint a proxy whether specially or generally.

Article 50

Votes

(a) On a show of hands every member present in person or by proxy shall have one vote.

(b) On a poll every member shall have one vote, in respect of each share held by him. Provided, however, that so far as the President is concerned, a vote may be given on behalf of the President on a show of hand or on a poll by any person whether a member or not, authorised by him to be present and vote at all or any of the meetings of the Company The President may at any time revoke or cancel the authority, of any person to vote on behalf of the President as aforesaid and make fresh authorisation.

Article 51

When uncalled capital is charged subsequent charges to be subject to the prior charge

Wherever any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take 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.

Article 52

Voting by joint holders

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

For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 53

Voting in case of 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 hand or on a poll, by his committee or other legal guardian.

Article 54

No members to vote unless calls are paid up

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

Article 55

Appointment and qualification of proxy or attorney

A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote. No member shall appoint more than one proxy to attend on the same occasion. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Form of proxy

Article 56

An instrument appointing a proxy shall be as per form in Schedule IX to the Act or as near thereto as circumstances admit.

Deposit of instrument of appointment

Article 57

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power of attorney, shall be deposited at the office of the Company not less than 48 hours before the time 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.

Vote of proxy not invalid if notice of revocation not received

Article 58

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given; Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

Number of Directors

Article 59

The President shall from time to time determine the number of Directors of the Company and which shall be not less than 5 and not more than 12 including the Chairman. These Directors may be either whole-time functional Directors or 'part-time Directors.

Appointment of Directors

Article 60

(1) The Chairman of the Board of Directors shall be appointed by the President and other Directors (including the Managing Director

and the Financial Advisor, if the Financial Advisor is a member of the Board of Directors) shall be appointed by him in consultation with the Chairman.

(2) Appointment of Directors including Chairman shall be in such number and for such period as the President may determine from time to time.

Removal of Director

Article 61

The President shall have the power to remove any Director including the Chairman and Managing Director from office at any Time in his absolute discretion.

Alternate Director

Article 62

The Board may with prior approval of the President appoint an alternate director to act for a Director (hereinafter called 'Original Director') during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee whilst he holds office as an alternate Director shall be entitled to notice of meetings of the Directors and to attend and to vote thereof accordingly, but he shall not require any qualification shares and he shall ipso-facto vacate office if and when the Original Director returns to the state in which the meetings are ordinarily held or vacate office as a Director.

Remuneration of Director

Article 63

(1) The Directors, Managing Director including Chairman, so appointed shall be entitled to such pay and allowances, travelling allowances, leave, provident fund, medical and other facilities as may be determined by the President at the time of their appointment or thereafter.

(2) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accure from day to day.

(3) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them:

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or

(b) in connection with the business of the Company.

Share qualification

Article 64

The Directors shall not be required to hold any qualification shares.

General powers of the Company vested in the Board

Article 65

(1) The business of the Company shall be managed by the Board, 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 these Articles, required to be exercised or done by the Company in general meeting, subject nevertheless to the provisions of these Articles, the provisions of the Act and the directives, if any, the President may issue from time to time and to such regulations being not inconsistent with the aforesaid provisions as may be prescribed by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors, which would have been valid if that regulation had not been made.

Specific powers given to Directors

(2) Without prejudice to the general powers conferred as above and the other powers conferred by these Articles, the Directors shall have the following powers, that is to say powers .

To acquire property

(a) To purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit

Work of capital nature

(b) To authorise the undertaking of works of capital nature and the acquisition of capital assets of an immovable nature subject to the condition that all cases involving capital expenditure exceeding Rs. 5 crores shall be referred to the President for his approval before authorisation, provided that funds required for such capital works are provided in the capital budget by the Board and, wherever required, approved by the Govt., after consideration by the Board and provided further that no capital expenditure on township and residential quarters and other items involving policy matters, where specific Govt. approval is needed be incurred without prior approval of the Govt.

To pay property in debentures, etc.

(c) 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 such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bond, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

To secure contracts by mortgage

(d) Subject to the provision of Section 292 of the Act, to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner, as they may think fit

To create posts and to appoint officers etc.

(e) To create posts below the board level in respect of pay and to make appointments and at their discretion to censure, with-hold increments or promotions, recover from pay the whole or part of pecuniary loss caused to the Company by negligence or breach of orders, to reduce to a lower grade or post or to a lower time scale or to a lower stage in the same scale, to remove from service which shall not be a disqualification for .future employment or to suspend or to dismiss from service which shall ordinarily be a disqualification for future employment, such secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may, from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and of amount as they think fit. Provided that no re-employment or extension of service of an employee in the Company who has attained the age of 60 years shall be made in respect of posts below Board level. Provided further that the Board shall not create post(s) below the Board level on the scales of pay equivalent to those in the Board level.

To appoint trustees

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

To bring and defend action, etc.

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

To refer to arbitration

(h) To refer any claims or demands by or against the Company to arbitration; and observe and perform the awards.

To give receipt

(i) To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.

To authorise acceptance, etc.

(j) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.

To appoint attorneys

(k) To appoint attorneys from time to time to provide for the management of the affairs of the Company in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.

To invest rnoney

(l) Subject to the provisions of Section 292 of the Act to invest in the Reserve Bank of India or in such securities as may be approved by the President and deal with any of the money of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit, and from time to time vary or realise such investment.

To give security by way of indemnity

(m)To execute in the name and on behalf of the Company in favour of any Director or other person who may incurr or about to incurr 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.

To give percentage

(n) Subject to the approval of the President to give to any person employed by the Company, a commission on the profits of any particular business transaction, or a share in the general profits which shall be treated as part of the working expenses of the Company.

To give bonus

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

To create Provident Fund

(p) Before declaring any dividend and subject to the approval of the President to set aside such portion of the profits of the Company as he may think fit, to form a fund to provide for such pension, gratuities or compensation, or to create any Provident or Benefit Fund in such manner as the Directors may deem fit.

To establish Local Board

(q) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any persons to be members of such Local Board and to fix their remuneration and from time to time and at any time, to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make call; and to authorise the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation.

To make contracts, etc.

(r) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

Article 66

Bye-laws

The Directors may, as and when they think fit, make any bye-laws not inconsistent with the objects of the Company as set out in the Memorandum of Association nor with these Articles for the conduct and regulation of the business of the Company and its Directors, officers and servants, and may in like manner, vary and repeal any such bye-laws.

Article 67

To sub-delegate powers

Subject to Section 292 of the Act, Board may sub-delegate any of the powers, authorities and discretion for the time being vested in it, subject, however, to the ultimate control and authority being retained by it.

Managing Director/ Manager

Article 68

The President may from time to time appoint one or more of the Directors to the office of Managing Director or Managing Directors or Manager or Managers of the Company for such term and at such remuneration (whether by way of salary or commission or participation in profits or otherwise or partly in one way or partly in another) as it may think fit, and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places. Any such Director appointed to any such office shall, if he ceases to hold the office of the Director from any cause, ipso-facto and immediately ceases to be a Managing Director or Manager, as the case may be.

Compliance with Act, etc.

Article 69

The Directors shall duly comply with the provisions of the Act or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors, and to sending to the Registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital or conversion of shares into stock, and copies of special resolutions.

Drawing & accepting negotiable Instruments

Article 70

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

Minute Book

Article 71

The Directors shall cause minutes to be recorded in book provided for the purpose

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of the Directors and of any Committee of the Directors; and

(c) of all resolutions and proceedings at all meetings of the

Company and of the Directors, and of Committees of Directors and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

Article 72

Decisions to be reserved for the President

(1) The Managing Director and/or Chairman shall reserve for the decision of the President, any proposals or decisions which in his opinion should be so reserved.

(2) Without prejudice to the generality of the above provisions, the Chairman/Managing Director shall reserve for the decision of the Central Govt:

(i) Any programme of capital expenditure exceeding the value of Rs. 5 crores.

(ii) Creation of reserve and special funds.

(iii) Sale, lease, disposal or otherwise of the whole or substantially the whole of the undertaking of the Company.

(iv) Formation of a subsidiary of the Company

(v) Division of capital into different classes of shares.

(vi) Winding up of the Company.

(vii) Participation by providing Share Capital to a new or any existing Corporations or Companies.

DISQUALIFICATION OF DIRECTORS

Article 73

Directors to vacate office

(1) The office of a Director shall be vacated if :

(a) he is found to be of unsound mind by a court of competent jurisdiction;

(b) he applies to be adjudicated as an insolvent;

(c) he is adjudged an insolvent;

(d) he is convicted by a court in India, of any offence, and is sentenced in respect thereof to imprisonment for not less than six months;

(e) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board.

(f) he 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.

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

(h) he becomes disqualified by an order of court under Section 203 of the Act;

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

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

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

(a) for thirty days from the date of adjudication, sentence or order;

(b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of;

(c) where within 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 appeal or petition is disposed of.

THE SEAL

Article 74

Custody and procedure for affixation of seal

(1) The Board shall provide for the safe custody of the Seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or the Committee of Management.

authorised by it in that behalf and except in the presence of at least one Chief General Manager/General Manager to be nominated by the Board of Directors/Committee of Management and the Company Secretary or such other person as the Board may appoint for the purpose and any such CGM/GM and the Company Secretary or such other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

PROCEEDINGS OF THE BOARD

Article 75

Board to meet once 3 months

The Board may meet at least once in every three months for the despatch of business. The Board may adjourn and otherwise regulate its meetings as it thinks fit.

Article 76

Secretary to summe meetings

Director may and the Secretary on the requisition of a Director shall, at any time, summon a meeting of Directors.

Article 77

Decision by majority votes

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote.

Article 78

Resolution by circulation

Except where any provision of the Act or of the Articles requires a thing to be done only at a meeting of the Board and subject to the provisions of Section 289 of the Act, a resolution in writing circulated to all Directors or the members of a Committee of Directors for the time being in India and approved by a majority of them shall be as valid and effectual as if it had been passed at a meeting of the Directors or Committee of Directors duly called and constituted.

Article 79

Quorum

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

Article 80

Continuing Directors may act

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

Board may delegate to Committee

Article 81

The Board may delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit; any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Article 82

Election of Chairman of Committee

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

Article 83

Committee to regulate its meetings

(1) A committee may meet and adjourn as it may think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the Chairman shall have a second or casting vote.

(2) The proceedings of such a Committee shall be placed before the Board in its next meeting.

Article 84

Acts of Board or Committee not invalidated for want of formalities

All acts done by any meeting of the Directors, or a Committee of Directors, 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 such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if such Director or such person had been duly appointed and was qualified to be a Director.

Article 85

Right to issue directives

Notwithstanding any thing contained in any of these Articles, the President may from time to time issue such directive(s) or instruction(s) as may be considered necessary in regard to the finance, conduct of business and affairs of the Company. The Company shall give immediate effect to the directives or instructions so issued; provided that all directives issued by the President shall be in writting addressed to the Chairman. The Board shall, except where the President considers that the interest of the national security require so otherwise, incorporate the contents or directives issued by the President in the Annual Report of the Company and also indicate its impact on the financial position of the Company.

DIVIDENDS AND RESERVES

Article 86

Declaration of dividend

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Article 87

interim dividend

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

Article 88

Dividend to be paid only out of profits

No dividend shall be paid otherwise than out of profits of the year or any other undistributed profits.

Article 89

Dbadend to be on amounts paid-up

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividend shall be declared and paid according to the amounts paid or credited as paid on the shares but if and so long as nothing is paid upon any of the shares in the Company, dividend may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall, while carrying interest, be treated
for the purpose of this Article as paid on the shares.

Article 90

Creation of Reserve Fund out of profits

(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 to meeting contingencies or for equalising dividends, or for any other purpose to which profits of the Company may be properly applied, 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 tit.

(2) The Board may also carry forward any profit which it may think prudent not to divide without setting it aside as a reserve.

Article 91

Dividends may be paid by cheque or warrant payable to order

(1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first 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.

Article 92

Effectual receipt by joint holders

Any one of two or more joint holders of a share may give effectual receipt for any dividend, bonus or other money payable in respect of such share.

Article 93

Recoveries from dividend

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

Article 94

Set off of dividend against calls

Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed dividend payable to him, and the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members, be set off against the call. The making of a call under this clause shall be deemed ordinary business of a general meeting which declares a dividend.

Article 95

Dividend subsequent to transfer of shares

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

Article 96

Retention in certain cases

The Director may retain the dividend payable upon shares in respect of which any person is, under the transmission clause entitled to become a member, or any person under that clause is entitled to transfer, untill such person shall become a member in respect of such shares or shall duly transfer the same.

Article 97

Natice of any dividend

Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the person entitled to share therein.

Article 98

Investment of unclaimed dividends

All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company untill claimed, and all dividend, unclaimed for six years after having been declared, may be forfeited by the Directors for the benefit of the Company and if the Directors think fit, they may be applied in augmentation of the reserve fund.

Article 99

be n erest on dividend

No dividend shall bear interest against the Company.

ACCOUNTS

Article 100

Directos to keep proper books

The Directors shall cause to be kept proper books of accounts with respect to :-

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

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

(c) the assets and liabilities of the Company.

Article 101

Account books to be kept at registered office

The books of accounts shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours

Article 102

inspection of account books by members

(1) The Board shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being Directors;

(2) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company expect as conferred by law or authorised by the Board or by the Company in general meeting.

Article 103

Annual accounts and Balance Sheet

Subject to the provisions of Section 210 of the Act, the Directors shall, at some date, not later than 18 months after the incorporation of the Company and subsequently once at least in every calendar year, lay before the Company in annual general meeting a balance sheet and profit and loss account, in the case of the first account since the incorporation of the Company and in any other case since the proceeding account made upto a date not earlier than the date of the meeting by more than six months.

Article 104

Particulars of Profit and Loss account

Forms of Balance Sheet and Profit and Loss Account shall be in accordance with the Provisions of Section 211 of the Act. The Profit and Loss Account shall, in addition to the matters referred to as above, show arranged under the most convenient heads the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters, every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be brought into account and laid before the meeting and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

Article 105

Annual Report of Directors

The Directors shall in accordance with Section 217 of the Act make out and attach to every Balance Sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund. General Reserve or Reserve Account shown specifically on the Balance Sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in subsequent Balance Sheet The report shall be signed by the Chairman of the Board of Directors, if authorised, in that behalf by the Directors and where if he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account by virtue of Sub-Sections (1) an (2) of Section 215 of the Act.

Article 106

Balance Sheet and other documents to be sent to the addrebs of every member.

Subject to the provisions of Section 219 of the Act. the Company shall send a copy of such Balance Sheet and Profit and Loss Account together with a copy of the auditor's report to the register address of every member of the Company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company and shall deposite a copy at the Registered Office of the Company for inspection of the members of the Company during a period of atleast twenty-one days before that meeting.

Article 107

Directors to comply with Sections 209 to 222 of the Act

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

AUDIT

Article 108

Accounts to be audited annually

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

Article 109

Appointment of Auditors

The Auditor or Auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor-General of India and his/their rights and duties shall be regulated, by Sections 224 to 233 of the Act.

Article 110

Auditor's right to attend meetings

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

Article 111

Powers of the Comptroller and Auditor General

The Comptroller and Auditor-General of India shall have power :-

(a) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors appointed in pursuance of Article 109 hereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such; and

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

Comments upon or supplement to audit report by the Comptroller and Auditor General to be placed before Annual General Meeting

Article 112

The auditor/auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor-General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the Audit Report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the Audit Report.

When accounts to be deemed finally settled

Article 113

Every account of the Company when audited and approved by a general meeting shall be conclusive expect as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the said period the account shall forthwith be corrected and thenceforth shall be' conclusive.

CAPITALISATION OF PROFITS

Powers of Company in General Meeting to capitalise profits

Article 114

(1) The Company in general meeting may, upon 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 reserves account, or to the credit of the Profit & Loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

Application of sum available for distribution

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) either in or towards :

(i) Paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) Paying up in full, unissued shares or debentures 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 suc-clause (ii).

Application of share premium account and capital redemption eserve

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

The Board to give effect to Company's resolution

(4) The Board shall give 'effect to the resolution passed by the company in pursuance of this regulation.

Article 115

Procedure for giving effect to Company s resolution

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

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and allotment and issue of fully paid shares or debentures, if any.

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

(2) The Board shall have full powers.

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

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

Agreement binding on all members

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

WINDING UP

Article 116

Distribution of assets on winding

(1) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction, shall think fit but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

SERVICE OF NOTICES

Article 117

Notice how given to members

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

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

Article 118

Registered share-holders to notify address

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

Article 119

Notice by advertisement

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

Article 120

Notice to Joint Holdets

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

Nolice to legal representatives

Article 121

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

Notice of General Meeting

Article 122

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

Transferee bound by notice to transfer

Article 123

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

Notice how signed

Article 124

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

Secrecy clause

Article 125

No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.

Directors and others right to indemnity

Article 126

Subject to the provisions of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against and it shall be duty of the Directors to pay out of the funds of the Company, all costs, losses, damages and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Manager, or other officer or servant or in any way in the discharge of his duties including travelling expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, or other officer, or servant in defending any proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

Article 127

No vicarious responsibility

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

Name, address, description and occupation of subscriber	Signature of subscriber	Name, address and description of witnesses to the signature
1	2	3

Dated this 21st day of April, 1971.