
MEMORANDUM AND ARTICLES OF ASSOCIATION
OF VELJAN DENISON LIMITED



FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON
CHANGE OF NAME

COMPANY NUMBER : 1670

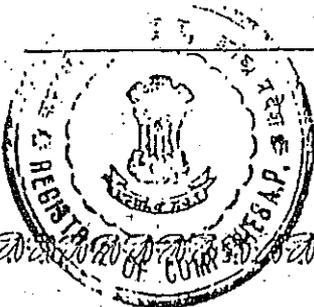
IN THE MATTER OF Denison Hydraulics India Limited

I hereby certify that Denison Hydraulics India Limited

which was originally incorporated on 19th day of December, 1977 under
the Companies Act, and under the name Denison Hydraulics India
Limited
having duly passed the necessary resolution in terms of the Central Government
signified in writing having been accorded thereto in the DEPARTMENT OF
COMPANY AFFAIRS, Office of the Registrar of Companies, Andhra Pradesh,
Hyderabad. Letter No. RAP/STA/1670/Sec.21/89 dated 9th
day of February, 1989 the name of the said company is this day
changed to HAGGLUNDS DENISON LIMITED and this certificate is issued
pursuant to section 23 (1) of the said Act.

Given under my hand at HYDERABAD this 9th day of February

(One thousand nine hundred and Eighty Nine.)



R. Vasudevan
(R. VASUDEVAN) 957
REGISTRAR OF COMPANIES
Andhra Pradesh

Company No: 01 - 1670



FRESH CERTIFICATE OF INCORPORATION
CONSEQUENT ON CHANGE OF NAME

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

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

HAGGLUNDS DENISON LIMITED

IN THE MATTER OF _____

HAGGLUNDS DENISON LIMITED

I hereby certify that M/s. _____

originally incorporated on 19th day of December, 1975 was

under the companies Act, 1956, under the name M/s. DENISON HYDRAULICS INDIA
LIMITED and changed it's name to HAGGLUNDS DENISON

LIMITED on 9-2-1989.

HAGGLUNDS DENISON LIMITED

The said M/s. _____

_____ having duly passed necessary resolution un-
der section 21/22(1)(e)/22(1) (b) of the companies Act, 1956 and also having obtained the
approval of the Central Government in writing vide letter No. RAF/TA. VI/Sec. 21/1670/
dated 09-10-2000 of Registrar of Companies, Andhra Pradesh, Department of
Company affairs has changed its name to M/s. DENISON HYDRAULICS INDIA
LIMITED

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

Given under my hand at Hyderabad, this 9th day of OCTOBER
One Thousand-Nine Hundred and TWO THOUSAND



(S. R. V. V. SATYANARAYANA)

DEPUTY REGISTRAR OF COMPANIES,
ANDHRA PRADESH, HYDERABAD

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, आंध्र प्रदेश

नाम परिवर्तन के पश्चात नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L29119AP1973PLC001670

मैसर्स DENISON HYDRAULICS INDIA LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
DENISON HYDRAULICS INDIA LIMITED

जो मूल रूप में दिनांक उन्नीस दिसम्बर उन्नीस सौ तिहत्तर को कम्पनी अधिनियम, 1956 (1956 का 1) के अंतर्गत मैसर्स
DENISON HYDRAULICS INDIA LIMITED

के रूप में निगमित की गई थी. ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा
लिखित रूप में यह सूचित करके की उसे भारत का अनुमोदन, कम्पनी अधिनियम, 1956 की धारा 21 के साथ पठित, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि 507 (अ) दिनांक 24.6.1985 एस्. आर्. एन. A75018796 दिनांक 28/01/2010 के द्वारा
प्राप्त हो गया है, उक्त कम्पनी का नाम आज परिवर्तित रूप में मैसर्स
VELJAN DENISON LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा हैदराबाद में आज दिनांक अठारह जनवरी दो हजार दस को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Andhra Pradesh

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L29119AP1973PLC001670

In the matter of M/s DENISON HYDRAULICS INDIA LIMITED

I hereby certify that DENISON HYDRAULICS INDIA LIMITED which was originally incorporated on Nineteenth day of December Nineteen Hundred Seventy Three under the Companies Act, 1956 (No. 1 of 1956) as DENISON HYDRAULICS 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 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A75018796 dated 28/01/2010 the name of the said company is this day changed to VELJAN DENISON LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Hyderabad this Twenty Eighth day of January Two Thousand Ten .



Satyajit Roul
(SATYAJIT ROUL)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies
आंध्र प्रदेश
Andhra Pradesh

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

VELJAN DENISON LIMITED
PLOT NO.44, 4TH FLOOR, CHIKOTI GARDENS,, BEGUMPET, ,
HYDERABAD - 500016,
Andhra Pradesh, INDIA

MEMORANDUM OF ASSOCIATION

OF

VELJAN DENISON LIMITED

- I. The name of the Company is VELJAN DENISON LIMITED.
- II. The Registered Office of the Company will be situated in the State of Andhra Pradesh.
- III. The Objects for which this company is formed are as follows:-

(A) THE MAIN OBJECTS OF THE COMPANY ARE:-

1. To carry on the business of manufacturers, builders and assemblers of various hydraulic mechanisms and machinery and controls including pumps, motors, valves, actuators, accumulators, fluid conveying, connecting, filtration and sealing systems, Power units, presses and allied equipment.
2. To carry on the business as Fluid Power engineers, civil, mechanical, electrical and consulting engineers, internal combustion, mining and marine engineers, planning and research engineers and to tackle all kinds of engineering problems and to act as technical consultants on problems arising in the manufacture or use of engines or equipment of any nature, and in connection therewith, to establish, maintain and run foundries and workshops and also suitable establishments for experimental work.
3. To carry on business as manufacturers of, and dealers in engines, power units, industrial, mining and quarrying implements and appliances, implements and tools of every description, and accessories or part thereof, dealers, merchants, traders, and contractors and in connection therewith, to establish, maintain and run suitable factories, assemble plants, workshops, mills and any other industrial works and commercial establishments and to undertake and execute any contractors for works involving the supply or use of the machinery and to carry out any ancillary or other works comprised in such contracts.
4. To carry on in all or any of its branches the business of manufacturers of, and dealers in all kinds of goods, appliances, devices, tools, machines equipment and things which may from time to time be capable of being used in connection with any part of the business of the Company and to act as warehousemen, shop proprietors, storage and cold storage proprietors engineers, joiners, and wood -workers and to repair, alter, remodel, clean renovate, convert and resell any articles of any kind for the time being dealt in by the Company.

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

1. To buy, sell, manufacture, plant, cultivate, produce, prepare, treat, repair, alter, manipulate, exchange, hire, let on hire. Import, export dispose of and deal in all kinds of articles and things which may be required for the purposes of any of the business which the Company is expressly or by implication authorised by this memorandum to carry on.
2. To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of this Company.
3. To enter into partnership or any other arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession, with any person or Company carrying on or engaged in, or about to carry on or engaged in, any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money, to guarantee the contracts of, or otherwise assist any such person or Company, and to take or otherwise acquire shares and securities of any such Company and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.
4. To promote any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of this company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
5. Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any movable or immovable property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any lands, buildings, easements, machinery, plant and stock-in-trade.
6. To construct, maintain or alter any buildings, factories, ware-houses, godowns, shops or other structures or works necessary convenient or expedient for the purposes of the Company.
7. To purchase plant, engines, machinery, tools and implements from time to time and the selling or disposing of the same.
8. To purchase and sell in India or elsewhere any materials of any description on commission or otherwise, and to undertake or execute any work on commission or by contract or otherwise.
9. To employ or otherwise acquire technical experts, engineers, mechanics, foremen and skilled and unskilled labour for any of the purposes of business of the Company.
10. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the Company.
11. To apply for, purchase or otherwise acquire any patents, brevets d'invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to 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 calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired.

12. To enter into arrangements with any governments or authorities, supreme, municipal, local, or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such government or authority, any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
13. Generally to carry on the business as financiers and guarantors and to undertake and to carry out all such operations and transactions(except insurance business within the meaning of the Insurance Act and business of banking within the meaning of the Banking Regulations Act) as an individual capitalist may lawfully undertake and carry on.
14. To apply for, tender, purchase or otherwise acquire contracts, sub-contracts licenses, and concessions for all or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same and to sublet all or any contracts from time to time and upon such terms and conditions as may be thought expedient.
15. To pay for any business, property or rights acquired or agreed to be acquired by this Company and generally to satisfy any obligation of this Company, by the issue or transfer of shares of this Company, or any other company credited as fully or partly paid up, or of debentures or other securities of this or any other company.
16. To accept payment for any property or rights sold or otherwise disposed of or dealt with by this Company, either in cash, by installments, or otherwise, or in shares of any company with or without deferred or preferred, rights in respect of dividends or repayment of capital or otherwise, or in debentures or debenture-stock or other securities or any company or corporation, or by mortgages, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, deal with or dispose of any consideration so received.
17. To pay, satisfy or compromise any claims made against the Company, which it may seem expedient to pay, satisfy or compromise notwithstanding that the same may not be valid in law.
18. To receive money on deposit, with or without allowance of interest, to advance and lend monies upon such securities or without securities therefore as may be thought proper and to invest such of the Company's money not immediately required in such manner as may from time to time be determined by the directors of the Company.
19. To borrow and secure the payment of money in such manner and on such terms as the Directors may deem expedient, and at mortgage or charge the undertaking and all or any part of the property and rights of the company, present or future, including uncalled capital.
20. To open an account or accounts with any person or Company, or with any bank or bankers or shroffs and to pay into and withdraw monies from such account or accounts whether they be in credit or otherwise.
21. To draw, make, accept, endorse, discount, execute, and issue, negotiate, assign, buy and sell or otherwise deal in cheques, drafts, promissory notes, bills of exchange, hundies, debentures, bonds, bill of lading, railway receipts, warrants and coupons and all other negotiable and transferable securities, instruments and documents.
22. To remunerate any person or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital, or any debentures, debenture-stock or other securities of the Company, or in or about the formation or promotion of the Company, or the conduct of its business.

23. To adopt such means for making known the business and/or products of this Company or any company in which this Company is interested as its agent, representative or in any other way by advertisements in papers, periodicals, magazines ,through cine slides and films, by issue of circulars, posters, calendars, show-cards, playing cards, hoardings, by radio programmes, exhibitions, by publication of books, periodicals and by granting prizes, rewards and donations.
24. To establish and support funds and institutions calculated to benefit employees or ex employees of the. Company or its predecessors-in-business or the dependents or connections of such persons, and to grant pensions, and allowances and to subscribe or guarantee money for charitable objects.
25. To provide for the welfare of the directors, officers, employees and ex-directors, ex-officers and ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling of chawls, or by grants of money pensions, allowances, bonus or other payments: or by creating and from time to time subscribing or contributing to provident or to other associations, institutions, funds or trusts, and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the company shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific national, public or other institutions and objects which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.
26. To train or pay for training in India or abroad of any of the Company's employees or any other candidates in the interests and for the furtherance of the Company's objects and business.
27. To create any depreciation fund, reserve fund, or any other special fund whether for repairing improving, extending or maintaining any of the property of the Company or for any other purpose conducive to the interests of the Company.
28. To procure the registration or other recognition of this Company in any Country, State or place and to establish and regulate agencies for the purpose of the Company's business.
29. To amalgamate with any other Company having objects altogether or in part similar to those of this Company.
30. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any other Company having objects altogether or in part similar to those of this Company.
31. To payout of funds of Company all expense which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
32. To pay all preliminary expenses of any company promoted by the Company or any Company in which this company is or may contemplate being interested, including in such preliminary expenses all or any part of the costs and expenses of owners of any business or property acquired by the Company.
33. To distribute any of the property of the Company amongst members in specie or in kind and in particular by the distribution of paid-up shares or debentures, or debenture-stock of the Company or any other company for bonus or any other payment declared or due but so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for the time being required by law.

34. Subject to the provisions of the Act, to place, to reserve or to distribute dividends or bonus among the members or otherwise to apply, as the company may from time to time think fit, any money received by way of premium on shares or debentures issued at a premium by the Company any money received in respect of dividends, accrued on forfeited shares, and money arising from the sale by the Company of forfeited shares of from unclaimed dividends.
35. To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors, or otherwise, and either alone or in conjunction with others and either by or through agents, sub contractors, trustees or otherwise.
36. To do all such other things as are incidental or conducive in the opinion of the Board of Directors to the above main objects or any of them.

C. Other objects:

1. To undertake and execute any trusts the undertaking whereof may seem desirable, and either gratuitously or otherwise.
 2. To carry on the business of manufacturers and distributors of and dealers in engravings, prints, pictures, drawings and any written, engraved, painted or printed productions in all their branches.
- IV. The liability of the members is limited.
- V. The Authorized Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each with power to increase or reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights privileges or conditions, as may be determined, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

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

Sl. No.	Names, Address, Occupations and Descriptions of Subscribers and Signatures	Number of equity Shares by each Subscriber	Names, Occupations Addresses and Descriptions of Witnesses and Signature
1.	<p>Velamati Chandra Sekhara Janardan Rao S/o. Seeta Rama Brahmam 19, Srinagar Colony Yellareddyguda Hyderabad - 500 038</p> <p>Business</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	
2.	<p>Udayvar Raghupati Acharya S/o Dr.U.K.Achar 22-B Sanjeeva Reddy Nagar Yellareddyguda Hyderabad - 500 038</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	<p>Atluri Madhusudana Rao S/o Veeranjaneyulu Chartered Accountant 920, Tilak Road Hyderabad - 500 001</p> <p>sd/-</p>
3.	<p>Doddaballapur Narasimha Murthy S/o. D. Subba Rao 14, Teachers Colony East Maredpally Secunderabad</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	
4.	<p>Francis Eulogio Cordeiro S/o Franklin Cordeiro 3-5-810, Frankville Hyderguda Hyderabad - 500 001</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	

Sl. No.	Names, Address, Occupations and Descriptions of Subscribers and Signatures	Number of equity Shares by each Subscriber	Names, Occupations Addresses and Descriptions of Witnesses and Signature
5.	<p>Daggaubati Madhavaiah S/o. Nayudamma Choudary 85-2RT, Sanjeeva Reddy Nagar Hyderabad - 500 038.</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	
6.	<p>Bellur Venkatesha Murthy S/o. Late B.Krishna Rao 21-B,Sanjeeva Reddy Nagar Hyderabad - 500 038</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	<p>Atluri Madhusudana Rao S/o Veeranjanyulu Chartered Accountant 920, Tilak Road Hyderabad - 500 001</p> <p>sd/-</p>
7.	<p>Yellamanchili Yugandra Butchi Babu S/o. Y. Rama Mohan Rao 19, Srinagar Colony Yellareddy guda Hyderabad - 500 038</p> <p>Business</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	
	<p>Total Equity shares taken up</p>	<p>700 (Seven Hundred equity shares only)</p>	

Date : 12th December 1973

Place: Hyderabad

ARTICLES OF ASSOCIATION

OF

VELJAN DENISON LIMITED

1. PRELIMINARY

1. Save as reproduced herein the regulations contained in Table "A" in the first schedule to the Companies Act, 1956, shall not apply to the Company. Table "A" not Applicable
2. The provisions of the Companies Act, 1956, and/or any statutory modifications thereof at any time shall apply to the Company. Wherein the construction or interpretation of any of the following regulations it is found that the same are inconsistent or repugnant to the provisions of the aforesaid Act, the provisions of the Companies Act, 1956, with any statutory modifications thereof shall apply.

The marginal notes hereto shall not effect the construction hereof, in these present, unless there is something in the subject or context in consistent therewith.

Words and expressions' contained in these regulations shall bear the same meaning as in the Companies Act, or any statutory modification thereof.

"The Company" means: **VELJAN DENISON**

"The Act" means the Companies Act, 1956.

"The Office" means the registered office for time being of the Company.

"The Register" means the Register of Members to be kept pursuant to the said Act.

"The Proxy" includes Attorney duly constituted under a power of attorney.

"Dividend" includes Bonus.

"Month" means English Calendar month.

"Year" means English Calendar year.

“In Writing” or “Written” means and includes words printed, lithographed, represented or reproduced in any mode in a visible form.

“The Directors” means the Directors for the time being of the Company and includes, alternate Directors.

“Executor” or Administrator” means a person who has obtained probate or Letters of Administration. As the case may be, from some competent Court having effect in India and shall include an Executor or Administrator or the holder of a certificate, appointed or granted by such competent Court and authorised to negotiate or transfer the shares of the deceased member.

Words importing the singular number include the plural and vice versa.

Words importing person include corporation, words importing the masculine gender shall include the feminine gender and vice versa.

Hagglunds means “A B Hagglund & Soner, a Corporation organized and existing under the laws of the Kingdom of Sweden with its principal Offices at Bjomavagen 41,89182,Ornskoldsvik, Sweden”.

Veljan Means “Veljan Hydrair Ltd, a limited liability Company incorporated and existing under the laws of India, with its Registered Office at A18, & 19, A. P. I.E., Balanagar, Hyderabad-500 037, India”.

“Rao” means V.C. Janardan Rao a promoter - shareholder of the Company and, residing at Begumpet, Hyderabad.

II. SHARES

- | | | |
|--|----|--|
| Division of Capital | 3. | The Authorized Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company. |
| Redeemable Preference Shares | 4. | Subject to the provisions of Section 80 of the Act and these Articles the Company shall have power to issue. Preference shares carrying a right to redemption out of profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be so redeemed at the option of the Company. |
| Shares at Discount | 5. | With the previous authority of the Company in General Meeting and the, sanction of the Court ‘and upon otherwise complying with Section 79 of ‘the Act, it shall be lawful for the Board of Directors to issue at a discount Shares of a class already issued. |
| Further issue of Same class of Shares. | 6. | The rights conferred upon the holders of the shares of any class with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. |

- | | | |
|-----|---|--|
| 7. | Subject to the provisions of the Companies Act, 1956 and these Articles, the shares shall be under the control of the Directors, who may allot or other wise dispose of the same to such persons, on such terms and conditions, and at such times as the directors think fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in General Meeting and where at any time it is proposed to increase the subscribed capital of the Company by the issue of new shares then, subject to the provisions of Section 81 of the Act, the Board shall issue such shares in the manner provided therein. | Shares at the disposal of the Directors |
| 8. | The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls and interest on installments and calls due in respect of such shares. | Liability of joint holder of share |
| 9. | The Company shall cause to be kept a Register and Index of Members in accordance with Section 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members resident in that state or country. | Address of Shareholders |
| 10. | Shares may be registered in the name of any person, the joint holders, or any limited Company, but not in the name of a minor, nor shall more than four person be registered as joint holders of any share. | In whose name shares may be Registered. |
| 11. | Subject to the provisions of Section 153A, 153 B and 187 B of the Act, and except as required by law, no person shall be recognized by the Company as holding any shares upon any trust, and the Company shall be not, save as ordered by some Court of competent jurisdiction, be bound by or be compelled in any way to recognize (even when having notice thereof), any Benami, equitable, contingent, future or partial interest in any share or any interest in any fractional apart of a share or except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right there to in the person from time to time registered as the holder or holders thereof. | Trust not recognised |
| 12. | The Directors may allot and issue shares in the capital of the Company in payment or part payment for any property sold or transferred goods or machinery supplied or for services rendered to the Company in or about the formation or promotion of the Company, or the conduct of its business and any shares which may be so allotted, may be issued as fully paid up shares and if so issued shall be deemed to be fully paid up shares. | Directors may allot shares as fully paid up. |

III BROKERAGE & COMMISSION

- | | | |
|----|---|-----------|
| 13 | The Company may on any issue of shares or debentures pay such brokerage as may reasonable and lawful. | Brokerage |
|----|---|-----------|

Commission 14. In addition to the payment of any reasonable sums as brokerage, the Company may at any time pay a commission to any persons for sub-Scrubing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debenture or debenture stock in the Company, or procuring or agreeing to procure subscription (whether absolutely or conditionally) for any shares debentures or debenture stock in the Company but so that (if the commission shall be paid or payable out of the capital) the commission shall not exceed 5 percent of the price at which the shares are issued or 2%% of the price at which debentures are issued.

Method of Payment of Commission 15 The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

IV. CERTIFICATES

16 Every person whose name is entered as a member in the Register of Members shall be entitled to receive within three months after allotment or two months after the application for the registration of the transfer of any share or within such other period as the conditions of issue shall provided.):

a). One certificate for all his shares of each class without payment, or

b). Several certificates, each for one or more of such shares, upon payment of one rupee for every certificate after the first, or such less sum as the Directors may determine. The expression "transfer" for the purpose of this article means transfer duly stamped & otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

Signature on Certificates 17 Every Share Certificate shall be issued under the Common Seal of the Company and shall be signed by (i) two directors (ii) a Secretary or any othe person authorized for the purpose by the board of Directors. Every certificate shall specify the shares to which it relates and the amount paid up thereon.

One certificate For joint Share Holders 18 In respect of any share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for share to one of several joint-holders shall be sufficient delivery to all such holders.

Renewal of Certificates 19 If any Certificate be worn out or defaced, or if there is no further cages on the back thereof for the endorsements of transfer, the upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate is proved to have been lost or destroyed, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof may given to the party entitled to such lost destroyed certificate.

Fee for new Certificate 20. The sum of two rupees, the out of pocket expenses incurred by the Company in investigation for evidence and the advertisement cost or such less sum as the

Directors may determine shall be paid to the Company for every such new certificate and the like fee shall be payable in respect of each sub-division of certificates.

Provided that no fee shall be charged for sub-division or consolidation of share certificates into lots of the market unit or for issue of new certificates in replacement of those which are old, decrepit or worn out or where cages on the reverse for the endorsements for transfer have been fully utilised.

21. None of the funds of the Company shall be employed in the purchase of, or lent on, shares of the Company, and the Company shall not except as permitted by Section 77 of the Act, give any financial assistance for the purpose of, in connection with any purchase of shares in the Company.

Company's shares not to be purchased.

V. CALLS ON SHARES

22. The Board of Directors may by a resolution passed at a meeting of the Board from time to time, subject to any terms on which any shares may have been issued, make such calls as they think fit upon the share holders in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board. A Call may be made payable by installments.

Calls

23. A Call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing such call was passed.

When call deemed to have been made.

24. At least fourteen clear day's notice of any call shall be given by the Company (either by letter to the members or by advertisement) specifying the time and place of payment, and to whom such call shall be paid.

Notice of call

25. (i) If by the terms of issue of any share or otherwise any amount is made payable on allotment or at any fixed time or by installments at fixed times, whether on account of the nominal amount of the share or by way of premium, every such amount of installment shall be payable As if it were a call duly made by the Directors and of which due notice had been given, and all the provisions herein contained in respect of Calls shall relate to such amount or installment, accordingly.

Amount payable at fixed times or by installments payable at calls.

(ii) In the case of non-payment of such sum all the relevant provisions of the Articles 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.

26. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 9 percent per annum or of such rate as the Directors may determine from time to time,

When Internal on Call or installment Payable

from the day appointed for the payment thereof to the time of actual payment. The Directors shall be at liberty to waive payment of any such interest wholly or in part.

- Payment of Calls in Advance
27. The Directors may, subject to Section 92 of the Companies Act, 1956, receive from any member willing to advance the same all or any part of money unpaid upon the share held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of calls then made, upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such sum in advance and the Directors agree upon. Money so paid in excess of the amount of calls shall not rank for dividend or participate in profits until it is appropriated towards satisfaction of any call: The Directors may at any time repay the amount so advanced.
- Amount and Time of call
28. No call shall exceed one-fourth of the nominal value of a share, or be payable at less than one month from the date fixed for the payment of the last proceeding call. A call may be revoked or postponed at the Discretion of the Board.
- Evidence in Action for Call
29. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the members sued is entered in the Register as the holder, or one of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member, in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

VI. FORFEITURE, SURRENDER & LIEN

- if Call or instalment not paid, notice to be given
30. If any Member fails to pay any call, or installment, on or before the day appointed for payment thereof, the Directors may at any time thereafter during such time as the call or installment remains unpaid, serve notice on him to pay the same together with any interest that may have accrued, and any expenses that may have been incurred by the Company by reason of such non-payment, and stating that in the event of non-payment on or before some day to be named in the notice (such day not being less than fourteen days from the date of service of such notice) and at some place (either the *Office* or a Bank) named in such notice, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
- If notice not complied with shares may be forfeited
31. (i) If the requisitions of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, installments, interest and expenses due in respect thereof may be forfeited by a resolution of the Board of Directors, and the forfeiture shall be recorded in the Directors Minutes Book and the holder of such share shall thereupon cease to have any interest therein, and his name shall be removed from the register as such holder, and thereupon, notice shall be given to him of such.

removal, and an entry of the forfeiture with the date thereof shall be any manner invalidated by any omission or neglect to give such notice to make such entry as aforesaid.

(2) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Effect of Forfeiture

32. Any person whose shares shall be so forfeited shall cease to be a member in respect of the forfeited share, ; but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the company all call or installment, interest, and expenses owing upon or in respect of such shares at the time of forfeiture until payment at the rate of 12 percent per annum, or at such rate as the Directors may determine. The liability of such person shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares.

Arrears to be Paid
not with standing forfeiture.

33. Any share so forfeited shall be deemed to be the property of the Company and the Board of Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit.

Forfeited share to become
property of the Company.

34. The directors may at any time before any share so forfeited shall have been sold, re-allotted. Cancel the forfeiture there of upon such conditions as they think fit.

Power to annual forfeiture.

35. A duly verified declaration in writing that the declarant is a Director or the Secretary of the Company, and that as share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Declaration for Forfeiture of
Shares.

36. Shares, which are fully paid-up, shall be free from all lien and the case of partly paid shares, the Company shall have lien which shall be restricted to money called or payable at a fixed time in respect of such shares.

Lien on Shares

37. The Director shall be entitled to give effect to such lien by sale or forfeiture and re-issue of the shares subject thereto or by retaining all dividends and profits in respect thereof or by any combination of the said means but to sale or forfeiture shall be made, until such period as aforesaid shall have arrived, and unless, a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell or forfeit shall have been served on such member, his executors or administrators and default shall have been made by him or by them in the payment, fulfillment, or discharge of such debts liabilities or engagements for seven days after such notice.

As to enforcing a lien by sale

38. Upon any sales after forfeiture or for enforcing lien in purported exercise of the powers herein before given, the Directors may cause the Purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person.

Validity of Sale

Application of Proceeds of sale 39. (i) The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, subject to a like lien for sums and presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale, or to his executors, administrators, committee, curator or other representative.

Directors may issue new Certificates 40. Where any shares under the powers in that behalf herein contained are sold by the Directors, and the certificate there of has not been delivered to the company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.

Surrender of shares 41. Subject to the provisions of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

VII SHARE WARRANTS

Power to issue share warrants 42. With the previous approval of the Central Government, the company may issue share warrants subject to and in accordance with the provisions of Section 114 and 115 of the Act; and accordingly, the Board may in its discretion, with respect to any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any), as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

Rights of depositor of share warrant 43. (i) The bearer of a share warrant may at any time deposit the warrant of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the date of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall on 'two days' written notice, return the deposited share warrant to the depositor.

Rights of bearer of share warrant 44. (i). Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote, or exercise any other privilege of member at a meeting of the company, or be entitled to receive any notices from the company, nor shall share warrants be taken into account for purposes of share qualification of a Director .

(ii). The bearer of a share warrant shall be entitled in other respects to the same privileges and advantages as if he were named in the register of members as the holder of a share included in the warrant, and he shall be a member of the Company.

45. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Renewal of share
warrant

45A. Notwithstanding anything to the contrary contained herein, if at anytime, either Rao and Veljan on the one hand or Hagglands on the Other or their respective heir(s), successor(s) executor or administrator, is desirous of selling or transferring any or all the shares held by them in the Company, they shall give notice of their intention of the other party. Within ninety(90) days after the receipt of such notice from the selling party, the recipient party shall have the option to purchase such shares at the price and upon terms and conditions to be mutually agreed between the parties. However, if no agreement is reached between the parties on the purchase price during such ninety(90) days period, the price shall be determined for the initially purchased 117000 Shares, by the auditors of the Company in accordance with the following formula:

While the purchase price for the 117000 shares under the Rights Issue shall be the price paid by Hagglands therefor.

$$Vt = \frac{(1) \times (S + 2A)}{Nt \quad 3}$$

$$A = \frac{8(100 - Tc) \times (3PY^1 + 2 \times PY^2 + PY^3)}{100 \quad 6}$$

Where

Vt = The Value of each share at the time of offer.

Nt = The number of shares at the time of offer.

S = The actual value of the Company which shall be the true actual substance value as shown by the audited financial statements as of the end of the first fiscal year preceding the offer with such adjustment for hidden reserves as may be made by the said auditing firm with the advice of any expert appraiser that such firm of its discretion solicits.

A = Yield Value

Tc = Valid corporation tax paid in India at the time of sale of Shares.

P = Profit before taxes and extraordinary appropriation.

Y¹ = 1 st fiscal year preceding the year of offer.

Y² = 2nd fiscal year preceding the year of offer.

Y³ = 3rd fiscal year preceding the year of offer.

If the recipient party does not exercise its option to purchase the selling party's shares under this Article, the selling party shall have the right to sell such shares to a third party within six months after the ninety day period above mentioned, provided, however, that such sales shall not be on terms more favorable to such third party than those offered to the recipient party or decided by the auditors.

After said six month period any sale of shares shall be subject to the conditions the Shareholders' Agreement dated 12th September 1991 and modificati thereto.

If Hagglunds is the recipient party and is prevented by the laws of India from acquiring further shares in the Company, Hagglunds right shall be converted in to right to appoint a shareholder not so prevented from the acquisition.

Provided however, nothing contained herein shall apply to a transfer by Rao to Veljan or vice versa or by Rao to any of his relative as defined in Schedule IA of Companies Act, 1956".

VIII. TRANSFER & TRANSMISSION OF SHARES

- Transfer of shares
46. The transfer of shares and debentures shall be effected by an instrument in writing duly stamped, and all the provision of section 108 of the companies Act and of modifications thereof for the time being shall be duly complied within respect of the transfer of shares and the registration thereof, and shall be executed both by the transferor and the transferee, whose executions shall be attested by atleast one witness, who shall add his address and occupation, and the transferee shall deemed to remain the holder of such shares until the name of the transferee shall have been entered in the register in respect thereof.
- Instrument of transfer to be deposited
47. Every instrument of transfer shall be deposited with the company, and no transfer shall be registered until such instrument shall be deposited together with the certificate of the shares or debentures to be transferred, and together with any other evidence the Director may require to prove the title of the transfer, or his right to transfer the shares of debentures. The instrument of transfer, shall, after registration, be kept by the company but all instruments or transfer, which the directors may decline to register, shall be returned to the person depositing same. One instrument of transfer should be in respect of only one class of shares. The Directors may waive the production of the instrument of transfer of any certificate upon evidence satisfactory to them of its loss or destruction, and on terms as to indemnity as the Board of directors may think fit.
- Power of Board to refuse registration to transfer
48. The Board may, without assigning any reasons but subject to the right of appeal conferred by section III, decline to register any transfer shares or debentures upon which the company has a lien, and in case for shares which are not fully paid up, may refuse to register transfer to a transferee of whom the Board does not approve. No transfer shall be made to an infant or person of unsound mind.

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

- | | | |
|-----|---|---|
| 49. | If registration of the transfer of a share or debenture of the Company is refused, the Directors shall within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal. | Notice refusal |
| 50. | The Directors may, on giving 'seven days' previous notice by advertisement in some newspaper circulating to the district in which the Registered office of the Company is situated, close the register of members for any time or times not exceeding thirty days at a time, but not exceeding on the whole Forty five days in each year. | Closing of share transfer books & register |
| 51. | The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person, whom, the Company shall recognise as having any title to the shares registered in the name of such member, and, in case of the death of anyone or more of the joint-holders of any registered shares, the survivors shall be the only persons recognized by the 'Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator or legal heir, the Directors may require him time to obtain a grant of probate or letters of administration or succession certificate or other legal representation, as the case may be, from some competent Court provided nevertheless that in any case where the Directors in their absolute discretion think fit, it shall be lawful of the Director to dispense with the production of probate or letters of administration upon such terms as to indemnity or otherwise as the Directors may consider desirable. Provided, also that if the member of a joint Hindu Mitakshara family, the Directors on being satisfied to that effect, that the shares standing in his name in fact belonged to the joint family, may recognize the survivors thereof as having title to the shares registered in the name of such members but this provision shall in no way be deemed to modify or nullify the provisions contained in Articles 10 and 11 hereof. | Transmission of registered shares |
| 52. | Any committee or guardian of a lunatic or infant member, or any person becoming entitled to or to transfer shares or debentures in consequence of the death, bankruptcy or insolvency of any member, or otherwise than by transfer may, with consent of the Directors (which they shall not be Under any obligation to give), be registered as a member upon such evidence of his title being produced, as may from time to time, be required by the Directors, or such person, instead of being, registered himself, may, subject to the regulations as to transfer herein before contained transfer such shares. The Board shall, in either case, have the same right to decline or suspend registrations as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. | As to transfer of Shares of deceased Of bankrupt Member |
| 53. | (i) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(ii) If the person so becoming entitled shall elect to be registered as holder of the . share himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. | As to notice of Election on Transmission. |

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of the transfers of shares shall be applicable to any such notice or transfer as aforesaid, as if the death or insolvency of the member had not occurred, and the notice or transfer were a transfer signed by that member.

Transmission Clause 54. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share.

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 within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share, until the requirements of the notice have been complied with.

IX. ALTERATION OF CAPITAL

Increase of capital 55. The Company in General Meeting may, from time to time, increase the by creating and/or issuing new shares. The new capital may be divided into Preference shares or Equity shares and may be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation and/or issuing thereof shall direct, and if no direction be given, as the Board of Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

Same as original Capital 56. Any capital raised by the creation and/or issue of new shares shall be considered as part of the original capital in all respects, so far as may be, subject to the foregoing provisions, with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien and surrender, unless it may be otherwise resolved by the General Meeting sanctioning the increase.

Reduction of Capital 57. The Company may, subject to confirmation by the Court, from time to time, by Special Resolution, reduce its capital in any way, and in particular and without prejudice to the generality of the foregoing powers by exercising the powers mentioned in Section 100 of the Companies Act, 1956.

58. The Company may, by Special Resolution, reduce in any manner and with and subject to, any incident authorized and consent required by law-

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

59.	The Company may consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.	Consolidation of Shares
60.	The Company may convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denomination.	Conversion of Shares
61.	The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulation under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstance admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of shares from which the stock arose.	Transfer of stock
62.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advance (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.	Right of Stockholders
	Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid up shares shall apply to stock and the words "Shares" and "Shareholders" in those regulations shall include "Stock" and "Stockholders" respectively.	
63.	The Company may subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived ..	Sub-division of Shares
64.	The Company may cancel shares which, at the date of the passing of the resolution in that behalf, have not been or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.	Cancellation of Shares
65.	The resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such division one or more of such class of shares shall have some preference or special advantage as regards dividend, capital, or otherwise over or as compared with the others or other.	Sub-division Into preferred & equity
66.	Whenever the capital by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights & privileges attached to each class in the Capital for the time being of the Company may be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided that such agreement is rectified in writing by the holders of at least	Modification of Rights

75% in nominal value of the issued shares of the class, or is confirmed by a special resolution passed at a separate General meeting of the holders of shares of the class. The powers conferred upon the Company by this Article are subject to Section 106 and 107 of the Act.

x. BORROWING POWERS

Power to borrow

67. a) Subject to the provisions of the Act, and without prejudice to the powers conferred by any other article or articles, the Directors may, from time to time at their discretion, borrow or secure the payment of any sum or sums of money for the purpose of the Company either from any Director or elsewhere on security or otherwise and may secure the repayment or payment of any sum or sums in such manner, and upon such terms & conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on the undertaking or the whole or any part of the property, present or future, or the uncalled capital of the Company, or by the issue of debentures or debenture stock of the Company, perpetual or redeemable, charged upon the undertaking of all or any part of the property of the Company, both present and future including its uncalled capital for the time being and the Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon, and shall be entitled to receive such payment as consideration for the giving of any such guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise.

b) The Directors may at any time by a Resolution passed at a Board meeting delegate to any category of managerial personnel or any Committee of Directors or any other principal officer of the Branch Office of the Company, the powers specified in sub-clause (a) above provided the Resolution delegating powers to such managerial personnel or committee to borrow moneys shall specify the total amount upto which the moneys may be borrowed by him or them.

Restrictions on borrowing powers

68. The Directors may, subject of the provisions of the Sections 293 of the Act, borrow any sum of money and where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, the sanction of the General Meeting should be obtained and every resolution passed by the Company in relation to the exercise of the power referred to in the Article shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

Director's Loans & Guarantees

69. The Directors shall be entitled to receive such interest on loans made by them to the Company as may be agreed between the Company and the directors. The Directors, including the Managing Director, may guarantee any loan made to the Company and shall be entitled to receive such payment on account of his having given any such guarantee as may be determined by the Board.

70. If any uncalled capital of the Company be Included in or charged by any mortgage or other security, the Directors may by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make Calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either to the exclusion of the Director's power or otherwise & shall be assignable if expressed so to be.

Mortgage of uncalled Capital

XI. GENERAL MEETINGS

71. a) The Board of Directors shall hold Annual General Meetings of the Company in accordance with the provisions of Section 166 of the Companies Act.
- b) The Board of directors may, suo moto, call any other General Meeting, besides the Annual General Meeting.

Annual General Meeting

72. The Meetings referred to in Article 71 (a) shall be called Annual General Meetings and all other meetings of shareholders shall be called Extraordinary General Meetings.

Distinction between Annual & other General Meetings

73. The Board of directors of the Company, shall on the requisition of such number of members of the Company as is specified in sub-section(4) of Section 169 of the Act forthwith proceed duly to call an Extra-ordinary General Meeting of the Company and the provisions of Section 169 Act Shall apply thereto.

Extra-Ordinary General Meeting

74. Five members personally present shall be the quorum for the General Meeting. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the meeting.

Quorum

75. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting and if there be no such Chairman any meeting he shall not be present within fifteen minutes after the time Appointed for holding such meeting or is unwilling to act, the members present shall choose another Directors as Chairman and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall choose one of their number being a member entitled to vote to be the Chairman.

Chairman of General Meeting

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

When if Quorum Not present, Meeting to be Dissolved & When to be Adjourned

Business to be transacted at Adjourned Meeting.	77. The Chairman with the consent of the meeting, may adjourn any General Meeting from time to time and place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place, and which might have been transacted at that meeting. It shall be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
How question to be decided at meeting	78. Except where otherwise provided by the Companies Act, 1956, or by these present every question to be decided by any General Meeting shall, in the first instance, be decided by a show of hands. In case of an equality of votes, the Chairman shall both on a show of hands and at a poll have a casting vote, in addition to the vote or votes to which he may be entitled as a member.
When poll may be demanded	79. Poll may be demanded and taken in accordance with and subject to the provisions of Sections 179, 184 & 185 of the Companies Act, 1956.
What is to be evidence of the passing of a Resolution where poll not demanded	80. Unless a poll is demanded in accordance with Section 179 of the Companies Act, 1956, before or on the declaration of the result by the show of hands, a declaration of the Chairman, that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minutes of the proceedings of the meeting shall be sufficient evidence of the fact so declared without proof of the number or proportion of the votes given for or against the resolution.
Poll	81. If a poll is demanded as aforesaid, it shall be taken subject to Sections 180 to 185 of the Companies Act, 1956 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 of otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
Minutes	<p>82. The Company shall cause minutes of all proceedings of every General Meeting and of its Board of Directors or of every Committee of the Board, to be kept by within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of very such book shall be initialed or signed and the last page of the record of proceeding of each meeting in such books shall be dated and signed:</p> <p>a) in the case of minutes of proceedings of a Meeting of the Board or of a Committee thereof, by the Chairman of the said meeting or the Chairman of next succeeding meeting:</p> <p>b) in the case of minutes of proceedings of a General Meeting by the Chairman the same meeting within the aforesaid period, of thirty days or in the event of death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>In no case the minutes of Proceedings of a meeting shall be attached to any such books as aforesaid by pasting, or otherwise.</p>

83.	On a show of hands, every member present in person, or by proxy, or attorney, an being a holder of Equity (ordinary) shares, and-entitled to vote shall have one vote. On a poll the voting rights of member shall be as laid down in the Act. Preference shareholders shall have right to vote in accordance with the provisions of Section 87 of the Act.	Vote of Members
84.	If two or more persons are jointly registered as holders of anyone Share any of such persons may vote at any meeting, either personally, Or by proxy or attorney, as if he were solely entitled thereto, and if more Than one such joint-holders be present at any meeting personally or by Proxy, or attorney, one of such persons so present whose name stands First in the register in respect of such share, shall alone be entitled to Vote in respect of the same. Several executors or administrators of a Deceased member in whose names any share stands shall, for the purpose ofthis clause, be deemed joint-holders.	Joint holders
85	Any guardian, or other person entitled under the transmission clause (Article 54 hereof) to transfer any shares, may vote at any General meeting in respect thereof, as if he was the registered holder of such shares provided that at least 24 hours before the holding of the meeting he shall satisfy the Directors of his right to act in that capacity, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	Right of Vote Under transmission clause
86.	No member shall be entitled to be present, or to vote at any General Meeting. Either personally, or by proxy, or attorney whilst any call or other sum is due and presently payable to the company, or in regard to which the Company has, and has exercised any right of lien.	No member Entitled to vote Etc. while call Due to Company
87.	A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, And any such committee or guardian may, on a poll, vote by proxy.	Right of vote to A member of Unsound min.
88.	i) No objection shall be raised to the qualification of any voter except at the meeting a adjourned meeting at which the vote objected to is given or rendered and every vote not disallowed at such meeting shall be valid for all purposes. ii) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.	As to objection To a Voter
89.	Subject to Section 176 of the Companies Act, 1956, votes may be given either personally or by proxy or by agent acting under a duly executed Power of attorney.	Proxy
90.	The instrument appointing a proxy, and every power of attorney or other authority, (if any) under which it is signed, or notarially certified copy of that power of authority, shall be deposited at the registered office of the company, not less than 48 hours before the time of holding the meeting, at which the person named in such instrument proposes to vote, and in default the Instrument of proxy shall not be treated as valid.	Time for deposit of instrument of proxy

- | | |
|------------------------------------|--|
| Form of Proxy | 91. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit. |
| Proxy need not be a member | 92. Any member of the Company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself. but a proxy so appointed shall not have any right to speak at the meeting. |
| As to Validity of vote given proxy | 93. A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or attorney, or transfer of share in respect of which the vote is given, unless an intimation in writing of the death, revocation, or transfer, shall have been received at the office of the company before the meeting. |

XII. MANAGEMENT

- | | |
|---------------------|--|
| Directors | 94. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Companies Act, 1956 or any statutory modification thereof for the time being in force, or by these articles required to be exercised by the Company in General Meeting, subject nevertheless to such regulations, not inconsistent with the aforesaid provisions, as may be prescribed by the Company in General Meeting, but no such regulations shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. |
| Number of Directors | 95. 'Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture Directors, Permanent Directors, Special Directors and Nominated Directors if any) shall not be less than 3 and not more than 12. |
| First Directors | 96. First Directors: Sarvasri VC. Janardan Rao, Bernard Gillbert Drummond, Anumolu Krishana Prasad, Satya Brata Ghosh, Bruce Ratcliffe Horne the promoters shall be the first Directors of the Company.

M/s Veljan Hydrair (p)Limited, the principal promoter of the Company shall have power to have two Directors on the Board of the Company to represent on their behalf, so long as M/s Veljan Hydrair (P) Limited. Sri VC.Janardan Rao and Associates, as a Group hold not less than 23% of the paid up Capital of the Company. |

97.	The Directors shall have power from to time to time and at any time to appoint any other persons to be Directors, but so the total number of Directors shall not at any time exceed the maximum number fixed as above. But any Directors so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election.	Appointment of Directors
98.	A Director shall not be required to hold any qualification shares.	Qualification Shares
99.	The fee payable to a Directors (other than the Managing Director or whole Time Director, if any) for attending each meeting of the Board or a Committee thereof shall be such amount subject to the limits prescribed under the Companies Act, 1956, as the Board may determine from time to time.	Directors fee & other remuneration
100.	The Directors may subject to the provisions of Sections 198 & 309 of the Companies Act, 1956 also receive remuneration of commission or participation of profits or partly in one way or partly in another, and such remuneration shall be divided among the Directors, equally or in such other proportion as they may determine from time.	Directors Commission
101.	If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going are residing away from the place of the registered office of the company for any of the purpose of the company, or giving attendance to the business of the company, the company may pay to the Directors so doing either by a fixed sum, or by a percentage on profits or otherwise, as may be determined by the Directors, subject to obtaining the sanction of the Central Government.	As to extra Service performed By Directors
102.	Any Trust deed for securing debentures or debentures-stock may if so arranged provide for the appointment from time to time by the Trustee thereof or by the holders of debentures or debenture-stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture-stock from time to time remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the Debenture Director means a Director for the time being in Office under this article. A-Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the company. The Trust Deed may contain such ancillary provision as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of other provision herein contained.	Debentures Director
	(A) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the company to the Industrial Development Bank of India (IDBI) Industrial Finance corporation of India (I FCI) The Industrial Credit and Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) or to any other Financing Corporation or Credit Corporation or to any other Financing Company or Body out of any Loan; granted by them to the Company or so long a IDBI, IFCI, ICICI, LIC and Unit Trust of <i>India(UTI)</i> or any other Financing Corporation or Credit Corporation or any other	Nominee Directors

Financing Company or body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any Financing Company or body is here-in afteris this Article referred to as "The Corporation") continue to hold debentures in the Company by direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time, (which Director or Directors is/are here-in-after referred to as "Nominee Director") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors/s. Subject as aforesaid, the Nominee Director/s shall be entitled to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the company as a result of underwriting or direct subscription or the liability of the company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately the moneys owing by the company to corporation is paid off or on the satisfaction of the liability of the company arising out of any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings Board Meetings and of the meetings of the Committees of which the Nominee Director/s is member/s as also the minutes of such meetings.

The Corporation shall also be entitled to received all such notices and minutes.

The Company shall pay to the Nominee Directors Sitting Fees, Commission and Other Other expenses to which the other Directors of the Company are entitled subject to the conditions if any, stipulated by the respective Corporations nominating such Nominee Directors.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to whole time Director, in the Management of the affairs, of Borrower. Such Nominee Director/s shall be entitled to receive such remuneration fee, commission and moneys as may be approved by the Lenders".

103. In the event of the Company entering into an agreement or agreements for the purchase of machinery and/or for promoting technical collaboration and/or assistance for the purchase of machinery, installation etc. or for any mining rights, lease or concessions or other contract or agreement for assistance in any form like power supply, water supply, grant of loans, underwriting and/or subscribing for shares of the Company, with any State Government, Central Government or any industrial finance and development corporation or financing institution and if the terms of the agreement or contracts or arrangement provide for the appointment of a person or persons as director or directors, such person or persons including any State Government, Central Government or any industrial finance and development corporation or financing institution with whom the said agreements are entered into shall be entitled to appoint such number of Directors herein after referred to as Special/Corporation Directors as may be agreed upon from time to time, and from time to time remove any such Director or Directors so appointed and to appoint others in his or their place and to fill in vacancy caused by death or resignation of such Director or Directors or otherwise ceasing to hold office and such special directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation or be removed by the company in General Meeting.
- Special Director
104. i) The Board of Directors may appoint an alternate Director to act for an Director (hereinafter called the Original Director) during his absence for a period of not less than three months from the State in which the Meetings of the Board are ordinarily held.
- Alternate Director
- ii) An Alternate Director appointed under sub-clause (i) above shall vacate office if and when the Original Director returns to the State in which the meetings of the Board are ordinarily held.
- iii) If the term of office of the Original Director is determined before he so returns to the State aforesaid any provision for the automatic reappointment, shall apply to the Original and not to the Alternate Director .
105. Subject to the provisions of Section 260 of the Companies Act, 1956, the directors may appoint Additional Director.
- Additional Director
106. The Company may, by ordinary resolution, remove an Ordinary Director other than a director appointed by the Central Government in pursuance of Section 408, before the expiry of his period of office and full up the vacancy thus created in the manner and subject to the provisions of section 284 of the Companies Act, 1956.
- Removal of Director
107. Any casual vacancy occurring among the Directors may be filled up by the Directors, but any person so chosen shall retain his Office so long only as the vacating Director would have retained the same if no vacancy had occurred, provided that the Directors may not fill a casual vacancy by appointing any person who has been removed from the office of Director of the company under the preceding Article.
- Casual vacancy May be filled by Directors

- Failure to fill casual vacancy 108. The Continuing Directors may act, notwithstanding any vacancy in their body; but so that at the number falls the minimum fixed, the Directors shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.
- Rotation & retirement Director 109. At the Annual General Meeting of the Company to be held in every year, one-third of such of the directors as are liable to retire by rotation for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from Office, and they will be eligible for re-election.
- Provided nevertheless that the Managing Director or a Director appointed under Article 119 or the Directors appointed as a Debenture Director, Special Director or Ex-office Director or an Additional Director under articles 102, 102 A and 104 hereof shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one-third shall retire from office under this Article.
- Directors may Contract with Company 110. Subject to the provisions of Section 297, 299, 300, 302 and 314, the Directors shall not be disqualified by reason of his or their office as such from contracting with the Company either as vendor, purchaser, lender, agent broker less or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with such Director or with any Company or partnership in which he shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director holding that Office or of fiduciary relation there-by established, but the nature of interest must be disclosed by him or them at the meeting of Directors at which the contract or arrangement is determined if the interest then exists or in any other case at the first meeting of the Directors after the acquisition of the interest.
- When Director of this company appointed Director of a subsidiary company 111. A Director of this Company may be or become a director of any company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any such benefits received as a Director or member of such company.
- Meeting of Directors 112. The Directors shall meet together at least once In every three months and at least four such meetings shall be held in every year. Two Directors or one-third of the total strength of Directors, whichever is higher as provided in Section 287 of the Companies Act, 1956 shall be a quorum. Where at any time, the number of interested Directors exceeds or is equal to two thirds of the total strength the number of remaining Directors not so interested present at the meeting being not less than two shall be the quorum during such time. Any Director or Managing Director may at any time and the Managing Director shall upon the request of any Director at any time convene a meeting of Directors. 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 of casting vote.

- | | | |
|------|--|----------------------------------|
| 113. | <p>a) The Board of Directors may elect a Director as Chairman of the Board and the chairman shall not be liable to retire by rotation.</p> <p>b). If no such Chairman is elected, or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the directors present may chose one of their members to be Chairman of the meeting.</p> | Chairman of Directors |
| 114. | <p>Subject to the provisions of Section 292 of the Act, the Directors may delegate any of their powers to a Committee consisting of such member or members of their body as they think fit, or to any category of managerial personnel or to any principal officer of the Company or to principal officer of the Branch Office of the company. Any such committee or delegates shall, in exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Directors.</p> | Delegation of Powers by Board |
| 115. | <p>The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein before Contained for regulating the meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding clause.</p> | Meetings etc. of Committee. |
| 116. | <p>All minutes shall be signed by the Chairman of the meeting at which the same are recorded of by the person who shall preside as Chairman at the next ensuing meeting. and all minutes purporting to be so signed shall for all purposes whatever be prima facie evidence of the actual passing of the resolutions recorded, and the actual and regular transactions or occurrence of the proceedings to be so recorded, and of the regularity of the meeting at which the same shall appear to have taken place.</p> | Minutes |
| 117. | <p>Save in those cases where a resolution is required by sections 262,292,297,316, 372(4) and 386 of the act to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at meeting of the Board or Committee, of the Board as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with necessary papers, if any, to all the Directors, or members of the Committee, of the Board, as the case may be then in India (not being less in number than the quorum fixed, for a meeting of the Board of Committee, as the case may be) and to all other Directors, or members of the Committee at their usual address and has been approved by such of them as are then in India, or by a majority of such of them, as are entitled to vote on the resolutions.</p> | Resolution without Board Meeting |
| 118. | <p>The Board may, from time to time and at any time appoint one or more of their body to be a whole time or Managing Director or Directors to manage and conduct the business of the Company subject to their control, direction and Superintendence, and subject to the provisions of the Act and the Articles. The whole time or Managing Director or Directors will not be retire by rotation.</p> | Managing Director |
| 119. | <p>“The existing Article No.119 of the Articles of Association of the company be deleted”.</p> | |

XII. THE SEAL

- Custody of the Seal 120. The Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used, except by the authority of the Directors or a Committee of the Directors previously given, and one Director at least shall sign every instrument to which the Seal is affixed, provided, nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company not with standing any irregularity touching the authority of the Directors to issue the same.
- Seal for use Foreign Territory 121. The Company may have for use in any territory, district or place not situate in India an Official Seal which shall be a facsimile of its Common Seal with the addition on the face of the name of the Territory, district or Place.

XIII. FOREIGN REGISTER

- Foreign Register 122. The Company may keep in any State or Country outside India a branch register of members or debenture holders resident in that State or Country (herein after called as "Foreign Register") and shall, within one month from the date of the Opening of any foreign register file with the Registrar notice of the situation of the office where such register is kept and in the event of any change or situation of such Office or of its discontinuance shall with in one month from the date of such change or discontinuance as the case may be, file notice with Registrar of such change or discontinuance. As regards the provisions relating to Foreign Register, the Company shall have regard to Section 158 of the Act.

XIV. ACCOUNTS, AUDIT & DIVIDENDS

(a) Accounts

- Books where kept 123. Books of account shall be kept at the registered office of the Company or at such other place in India as the Directors may think fit.
- Inspection by Member 124. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what condition or regulation the accounts and books of the Company or any of them shall be open to inspection of members not being Directors. No member (not being a Director) shall have any right to inspect the same except as conferred by the Companies Act, or authorized by the Board of Directors, or by any resolution of the Company in General meeting.

(b) Audit

- Auditors 125. Once at least in every year the accounts of the Company shall be examined, and the correctness thereof and of the balance sheet and profit & loss account ascertained by one or more Auditor or Auditors.

126. As regard the appointment and remuneration, qualification and disqualification, removal, powers, rights and duties of Auditors, the Directors and the Auditors shall have regard to Sections 224 to 231 of the Companies Act, 1956.

Appointment etc. of Auditors,

127. Every account of the Company when audited and adopted at an Annual General Meeting shall be conclusive, except so far as regards any error discovered therein before or at the audit of the then next account, and whenever such error is discovered within that period of account shall be forthwith corrected and henceforth shall be conclusive.

c) Capitalization of Profits

128. 1) The Company in General Meeting may; upon the recommendation of the Board of Directors resolve-

a) that is desire to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and:

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

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

i) paying up any amounts for the time being unpaid or any shares held by such member respectively:

ii) paying up in full, unissued, shares if 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 Sub-clause (ii)

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

Application of Profits

4) The Board of Directors shall give effect to the resolution passed by the company in pursuance of this Article.

129. Whenever such a resolution as aforesaid shall have been passed, the Board of Directors shall:

1. a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid up shares or debentures, if any, and:

B) generally do all Acts and things required to give effect thereto.

2. The Board of Directors shall have full power....

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 also.

b) to authorize 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 share 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 proportions of the profits resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares.

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

d. Reserve and Depreciation Fund

Reserve Fund

130. The directors may from time to time set apart any and such portion of the profits of the Company as they think fit, as reserve fund applicable, at their discretion for the liquidation, of any debentures, debts or other liabilities of the Company, for equalization of dividends, or for any other purposes of the Company, with full power to employ the assets constituting the Reserve Fund in the business of the Company and that without being bound to keep the same separate from the other assets.

Carry forward of profits

131. The Directors may also carry forward any profits which they may think prudent not to divided, without setting them aside as a reserve.

132. The Directors may from time to time set apart any and such portion of the profits of the Company as they think it, as a Depreciation Fund applicable at the discretion of the Directors, for rebuilding restoring, replacing, or altering any part of the building, works, plant, machinery or other property of the Company destroyed or damaged by fire, flood, storms, tempest, accident, riot, wear and tear, or other means, or for repairing, altering and keeping in good condition the property of the Company, or for extending and enlarging the buildings, machinery, and property of the Company, with full power to employ the assets constituting such Depreciation Fund in the business of the Company, and that without being bound to keep the same separate from the other assets.

133. All moneys carried to the Reserve Fund and Depreciation Fund respectively shall nevertheless remain and be profits of the Company applicable, subjects to due provision being made for actual loss or depreciation, for the payment of dividends - and such moneys and all the other moneys of the Company, not immediately required for the purpose of the Company, may be invested by the Board of Directors in or upon such investments or securities, as they may select or may be use as working capital or may be kept at any bank on deposit or otherwise as they from time to time think proper.

(5) DIVIDENDS

134. The Company in Annual General Meeting may declare a dividend to paid to the members according to their rights and interests in the profits, and for the purpose of the equalization of dividends any sums from time to time in accordance with these presents carried to the reserve, depreciation or other special funds may be applied in payment thereof. The dividends so declared by the general body shall not exceed the amount so recommended by the Directors. Dividends
135. Subject to the rights or persons, if any, entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect where of the dividend is paid but if and so long as nothing is paid, upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. Dividend in proportion to amounts paid up on shares
136. If and whenever any bonus on shares is declared out of the profits, and whether alone or in addition to any dividend thereon, the bonus shall, for all purposes whatsoever, be deemed to be dividend on the shares. Bonus
137. When any shareholder is indebted of the Company for calls or otherwise all dividends payable to him, or a sufficient part thereof, may be retained and applied by the Directors in or towards satisfaction of the debt, liabilities or engagements. Debt may be deducted
138. No dividend shall be payable except out of the profits of the year or any other undistributed profits, and no larger dividend shall be declared than is recommended by the Directors, but the Company is General Meeting may declare a smaller dividend Before declaring any dividend, the Company shall have regard to the provisions of Section 205 of the Act. Dividends out of profits only
139. Subject to the provisions of Section 208 of the Act, the company may pay interest on so much of the share capital as is for the a time being paid up, for the period and subject to the conditions and restriction mentioned in Section 208 and charge the sum so paid by way of interest, to capital as part of the cost of construction of the work of building or the provision of the plant. Interest out of Capital
140. No dividend shall be payable except in cash provided that nothing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares of paying up any amount for the time being unpaid on any shares held by the members of the Company. Dividend in specie
141. In case two or more persons are registered as the joint-holders of any share, any of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share. Joint holders Receipt
142. Any annual General meeting declaring dividend, may make a call on the members of such amount at the meeting fixes but so that the call on Each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Dividend and Call together

Company and the member, be set off against the call. The making of call under this Article shall be deemed ordinary business of General Meeting which declares a dividend.

- | | | |
|--|------|--|
| Right to Dividend on Transfer of share | 143. | A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer. |
| How to be paid | 144. | Unless otherwise directed by the Company in General Meeting any dividend may be paid in cash or buy cheque or warrant or Money Order sent through the Post within forty two days of the date of such declaration to the registered address of the member entitled, or in the case of joint holders, to the registered address of that one whose name stands the register in respect of the joint holding and every cheques so sent shall be made payable to the order of the person to whom it is sent. |
| Unclaimed Dividend | 145. | All dividends on any share not having a legal registered owner entitled to require payment of and competent to give a valid receipt for the same, shall remain in suspense until some competent person be registered the holder of the share, provided that all dividends unclaimed for one year after having been declared may be invested or otherwise made use by the Directors for the benefit of the Company until claimed and that all dividends remaining unclaimed by some person entitled and competent to receive and give a valid receipt for the same, may be forfeited to the Company and cease to be payable when the claim becomes barred by law for the time being in force in India, and may be carried to such fund of the Company as the Directors may deem fit, but the Directors may remit the forfeiture whenever they may think proper. |
| Dividend not to carry Interest. | 146. | Unpaid dividends shall never bear interest as against the Company. |

XIV. SERVICE OF DOCUMENTS & NOTICES

- | | | |
|---|------|--|
| (i) How notices & Documents to be served on members | 147. | A document may be served by the Company on any member either personally or by sending it by post to him to his registered address. |
| (ii) Serve by post. | 148. | Where a document is sent by post service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the documents provided that where a member has intimated to the Company in advance that the document should be sent to him under Certificate of Posting or by Registered Post with or without Acknowledgement Due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected,

a) in the case of a notice of a meeting at the expiration of forty-eight hours after the letter entering the same in posted.

b) in any other case at the time at which the letter would be delivered in the ordinary course of post. |

- | | | |
|------|---|---|
| 149. | If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notice to him document or notice of meeting advertised in a Newspaper circulating in the neighborhood of the Registered Office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears. However, in the case of AB Hagglund & Soner, the Company shall give notice by post to the address supplied by the AB Hagglund & Soner to the company. | Member resident abroad
Notice of Meeting by
advertisement in
Newspaper |
| 150. | A document may be served by the Company on the joint holders of share by serving it on the joint holder named first in the Register in respect of the share. | Notice to joint holders. |
| 151. | A document may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased or assign of the insolvent or by any like description at the address (if any) be in India supplied for the purpose by the persons, claiming to be so entitled or until such an address has been so supplied by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred. | Notice to person entitled
by transmission |
| 152. | Notice of every meeting shall be given to every member of the Company in any manner authorised by Articles 149 to 151 hereof and also to every person entitled to a share in consequence of the death, or insolvency of a member who but for his death or insolvency would be entitled to receive notice of the meeting. | Notice of General Meeting |
| 153. | Any notice required to be given by the company to the members or any of them and not expressly provided for by the Act or by these presents shall be sufficiently given if given by advertisement. | When notice may be given
by advertisement |
| 154. | 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 being entered in the register shall be duly given to the person from whom he derives his title to such share. | Transferees etc. bound by
prior notice. |
| 155. | Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, not with standing such member be then deceased and whether or not the Company have notice of his decease be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint holder thereof and such service shall, for the purpose of these presents, be deemed a sufficient service of such notice or document on his or her heirs, executor, or administrators and all persons, if any, jointly interested with him or her in any such shares. | Notice valid though
member deceased |
| 156. | The accidental omission to give notice to or non/receipt of notice by any member or other person to whom it should be given shall not invalidate the proceeding at the meeting. | |
| 157. | The signature in any notice to be given by the Company may be written or printed. | Now Notice to Be Signed |

XVII. WINDING UP

Notice

Winding up

158. If the Company shall be wound-up and the surplus assets shall be more than sufficient to repay the whole of the paid up capital, the excess shall be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the Equity shares held by them respectively at the commencement of the winding up, but, the clause is to be without prejudice to the rights of the holders of shares issued upon special conditions.
159. In a winding up the Liquidator may, irrespective of the powers conferred on him by Companies Act, and as an additional power, with the authority of a Special Resolution, sell the undertaking of the company or the whole or any part of its assets, for shares fully or partly paid up or the obligations of or other interests in any other company and may by the contract of sale agree for the allotment to the members direct of the proceeds of sale in proportion to their respective interests in the Company. Any such sale or arrangement the Special Resolution confirming the same may subject to the provisions of Article 12 hereof, provide for the distribution or appropriation of the shares or other benefits to be received in compensation otherwise than in accordance with the legal rights of the contributories of the Company, and in particular, any class may be given preferential or special rights, or may be excluded altogether or in part and further by the contract a time may be limited at the expiration of which shares, obligations or other interests not accepted or required to be sold shall be deemed to have been refused, and be at the disposal of the Liquidator or the purchasing Company.
160. 1) If the Company shall be wound-up, the Liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Act, 1956 divide amongst the members in specie or kind the whole or any part of the assets of the Company whether or not they shall consist of property of the same kind.
- 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 trusts for the benefit of the contributories 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.

XVIII. SECRECY

161. Every Director, Manager, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant, or other person employed in the business of the company, Shall if so required by the Directors sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his

Knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

162. No member or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises of properties of the Company without the permission of the Directors of the Company for the time being or subject to these Articles to require discovery of any information respecting any detail of the Company's trading of any matter which is or may be in the nature of a trade secret, mystery of trades or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient of the Company to communicate to the public.

No Share-holder to enter the Premises of the Company without Permission.

XIX. INDEMNITY

163. Every Director, Auditor, officer or Servant of the Company shall subject to section 201 of the Company's Act, 1956 be indemnified out of its funds for all costs, charges traveling or other expenses losses and liabilities incurred by them or him in the conduct of the Company's business or in the discharge of their or his duties, and neither any Director nor Officer or Servant of the Company shall be held liable for Joining in any receipt or other act for conformity's sake or for any loss or expenses happening to the Company by insufficiency or deficiency of any security on, if upon which any of the moneys of the Company shall be invested, of for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities, of effects, shall be deposited, or for any other loss, or damage or misfortune whatsoever, which shall happen in the execution of their or his, office or in relation thereto unless the same shall happen through their or his willful act, neglect or default.
164. Every Director, Auditor, Secretary, Agent and Officer of the Company shall also be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Companies Act 1956, in which relief is granted to him by the Court.

Sl. No.	Names, Address, Occupations and Descriptions of Subscribers and Signatures	Number of equity Shares by each Subscriber	Names, Occupations Addresses and Descriptions of Witnesses and Signature
1.	<p>Velamati Chandra Sekhara Janardan Rao S/o. Seeta Rama Brahman 19, Srinagar Colony Yellareddyguda Hyderabad - 500 038</p> <p>Business</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	
2.	<p>Udayvar Raghupati Acharya S/o Dr. U. K.Achar 22-B Sanjeeva Reddy Nagar Yellareddyguda Hyderabad - 500 038</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	<p>Atluri Madhusudana Rao S/o Veeranjanyulu Chartered Accountant 920, Tilak Road Hyderabad - 500 001</p> <p>sd/-</p>
3.	<p>Doddaballapur Narasimha Murthy S/o. D. Subba Rao 14, Teachers Colony East Maredpally Secunderabad</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	
4.	<p>francis Eulogio Cordeiro S/o Franklin Cordeiro 3-5-810, Frankville Hyderguda Hyderabad - 500 001</p> <p>Private Service</p> <p>Sd/-</p>	<p>100 (One Hundred only)</p>	

Sl. No.	Names, Address, Occupations and Descriptions of Subscribers and Signatures	Number of equity Shares by each Subscriber	Names, Occupations Addresses and Descriptions of Witnesses and Signature
5.	Daggaubati Madhavaiah S/o. Nayudamma Choudary 85-2RT, Sanjeeva Reddy Nagar Hyderabad - 500 038. Private Service Sd/-	100 (One Hundred only)	
6.	Bellur Venkatesha Murthy S/o. Late B.Krishna Rao 21-B, Sanjeeva Reddy Nagar Hyderabad - 500 038 Private Service Sd/-	100 (One Hundred only)	Atluri Madhusudana Rao S/o Veeranjanyulu Chartered Accountant 920, Tilak Road Hyderabad - 500 001 sd/-
7.	Yellamanchili Yugandra Butchi Babu S/o. Y. Rama Mohan Rao 19, Srinagar Colony Yellareddy guda Hyderabad - 500 038 Business Sd/-	100 (One Hundred only)	
	Total Equity shares taken up	700 (Seven Hundred equity shares only)	

Date : 12th December 1973

Place: Hyderabad

