

(THE COMPANIES ACT, 1956)
(PUBLIC COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION OF

RUNGTA IRRIGATION LIMITED

DEFINITIONS

1. (I) In these Articles, unless there be something in the subject matter or context inconsistent there with:
- (a) The Act means the Companies Act, 1956.
 - (b) The Company means "RUNGTA IRRIGATION LIMITED"
 - (c) The Office means the Registered Office of the Company for the time being.
 - (d) The Register means the Register of Members to be kept in pursuance of the provisions of section 150 of the Companies Act, 1956.
 - (e) 'Dividend' includes bonus.
 - (f) Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Companies Act, or any statutory modifications thereof.
 - (g) "Beneficial Owner" means a person or persons whose name is recorded as such with a depository;
 - (8) "SEBI" means the Securities and Exchange Board of India;
 - (h) "Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992; and
 - (i) "Security" means such security as may be specified by SEBI from time to time.

2. Table A to apply subject to modifications contained

The Regulations contained in Table-A in the First schedule to the Companies Act, 1956 shall apply to this Company in the same manner as if all such regulations of Table-A are specifically contained

in these Articles subject to the modifications contained herein.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. Share Capital

The Authorised share capital of the Company shall be such amount and be divided into such amount and be divided into such shares as may, from time to time be provided in Clause V Of Memorandum of Association in the manner as may be determined by the directors, from time to time, with power to increase, reduce, sub-divide or to repay the same into several classes and to attach thereto any right and to consolidate or to subdivide or re-organise the shares subject to the provisions of the act, to vary such rights as may be determined in accordance with regulations of the Company.

4. Increase of Capital by the Company and how carried into effect

The Company in General meeting may, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares, of such respective amount as the resolutions shall prescribe, subject to the Provisions of the Act, any shares of original or increased capital shall be issued upon such terms & conditions and with such rights and privileges annexed to as per General Meeting resolving upon the creations there of, shall direct, and if no direction re to, be given as the 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, and with right of voting at General Meeting of the Company in conformity with Section 87 & 88 of the Act Whenever the capital of the Company has been increased under the Provision of this Articles, the Directors shall comply with the provisions of Section 97 of the Act

5. New capital same as existing capital

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

5A: Subject to the Provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof and other law/rules and regulations as may be applicable from time to time, the company may issue share either equity or any other kind with Non-Voting Rights and the resolution authorising such issue shall Prescribe the terms and conditions of the issue".

6. Redeemable preference shares

Subject to the provision of section 80 of the Act, the Company shall have the power to issue preference share liable to redeemed at the option of the Company and the resolution authorising such issue shall Prescribe the manner, terms and conditions of redemption.

7. Reduction of Capital

The Company (subject to the Provision of section 78, 80, 100 to 105 inclusive, of the Act) from time to time by special resolution reduce its Capital and any Capital Redemption Reserve Account of Premium Account in any manner for the time being authorised by law, and in particular capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

8. Sub division, consolidation & cancellation

Subject to the Provisions of section 94 of the Act, the Company in General meeting may, from time to time sub divide or consolidate its shares, or any of them subject as aforesaid the Company in

General meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

9. Modification of rights

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 otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Section 106 and 107 of the Act be modified, commuted, affected or abrogated or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by, holders of at least three-fourth 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 that class.

SHARES AND CERTIFICATES

10. Register and Index of Members

The Company shall cause to be kept a Register and Index of Members in accordance with Sections 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.

11. Shares to be Numbered progressively and no share to be sub-divided

The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

12. Further issue of capital

- (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of share in the Company made for the first time after its formation whichever is earlier it is proposed to increase the subscribed capital of the Company by allotment of further shares. Whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit to the capital paid up on these shares at that date.
- (b) Notwithstanding anything contained in the preceding sub-clause the Company may:
 - (i) by a special resolution or
 - (ii) where no such special resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who being entitled to do so vote in person, or where proxies are allowed a proxy exceed the votes, if any, cast against the

proposal by members so entitled to voting and the Central government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

Offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are, the holders of the equity shares of the Company.

- (c) Notwithstanding anything contained in sub-clause (a) above, but subject however to Section 81(3) of the Act the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.

13. Power also to Company in General Meeting to issue shares.

In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 12 of the Company in general meeting may subject to the provision of section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company shall be offered to such persons (whether members or not) in such proportion and on such terms & conditions and either (subject to compliance with the provisions of section 78 & 79 of the Act.) at a premium or at par or at a discount, as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the company either subject to compliance with the provisions of the section 78 of the Act.) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such general meeting or the company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.

14. Acceptance of shares

Any application signed by or on behalf of an applicant for shares in the company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these articles and every persons who thus otherwise accepts any shares and whose name is on the register shall, for the purposes of these Articles, be a Member.

15. Deposits and call etc. to be a debt payable immediately

The money (if any) which the board shall, on the allotment of any shares, being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

16. Liability of Members

Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

17. Share Certificate

Every member or allottee of shares, shall be entitled without payment, to receive one or more certificates in the marketable lot specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value save in case of issue against letters of acceptance or renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company into which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for this purpose, and two Directors or their attorneys and the Secretary or other person shall sign the share certificate provided that if the composition of two Directors shall be a person of the Board permits of it, at least one, of the aforesaid other than a Managing or a whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue.

- (b) Any two or more joint allottee of a share shall, for the purpose of this articles be treated as a single member and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee one. The Company shall comply with the provisions of section 113 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means, such as engraving in metal or lithography but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine equipment or other material used for this purpose.

18. Renewal of share certificates

- (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued, is surrendered to the Company.
- (b) The Company will not charge any fees exceeding those which may be agreed upon with the Stock Exchange:
- (i) for issue of new certificates in replacement of those that are torn defaced lost or destroyed.
- (ii) for sub-division, and consolidation of shares and debenture certificate and for subdivision of Letters of Allotment and split consolidation. Renewal and pucca Transfer Receipts into denominations other than those fixed for the market units of trading.
- (c) When a new share certificate has been issued, in pursuance of clause (a) of this article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate no. sub-divided/replaced/consolidated"
- (d) If a share certificate is lost or destroyed a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit.

- (e) When a new share certificate has been issued in pursuance of clause (f) of this Article, it shall state on the face of it and against the stub or counter foil to the effect that it is "duplicate issued in lieu of share certificate no. []". The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (f) Where a new share certificate has been issued in pursuance of clause (a) or clause (d) of this Article, particulars of every such share certificate shall be entered in a Register or Renewed and Duplicate Certificate indicating against the name of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (g) All blank forms to be issued for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the block, engravings facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for this purpose and the Secretary or the other aforesaid person shall be responsible for rendering an account of these forms to the Board.
- (h) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (g).
- (i) All books referred to in sub-article (h) shall be preserved in good order permanently.
- (18 a), "Notwithstanding anything contained in Article 18 the Board of Directors or the Share Transfer Committee of Directors as constituted by the Board of Directors may refuse applications for splitting of Equity Share Certificates into denominations of less than marketable lot except when such splitting is required for making the present holding of shares into marketable lot".
- 19. The first named jointholders deemed sole holders**
If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service or notices and all or any other manner connected with the company except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the jointholders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof.
- 20. Company not bound to recognise any interest in share other than that of registered holder.**
Except as ordered by a Court of competent jurisdiction as required by law the Company shall not be bound to recognise any equitable contingent future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- 21. Funds of Company may not be applied in purchase of shares of the Company.**

None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the company or in its holding Company save as provided by Section 77 of the Act

- 21a. "Notwithstanding anything contained in Article 21 but subject to the provisions of the Companies in force, the Board of Directors are authorised to purchase from time to time such quantity or quantities of the shares or other specified securities of the Company, whether or not redeemable, at such rate(s) and on such terms as the Board may deem proper and make or Sapa will(s) for such purchases and to keep them alive/cancel them and/or resale from time to time such number (s) of the shares so purchased at such rate(s) and on such terms as the Board proper, in accordance with, the provisions of the Companies Act, 1956 and any other AA, I, and regulations as may be applicable from time to time to time"

UNDERWRITING AND BROKERAGE

22. Commission may be paid

Subject to the provisions of section 76 of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

23. Brokerage

The Company may pay a reasonable sum for brokerage.

CALLS

24. Directors may make calls

The Board may from time to time subject to the terms on which any share may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members 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 person or persons and at the times, and places appointed by the Board. A call may be made payable by installments.

25. Call to date from resolution

A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

26. Calls may be revoked or postponed

A call may be revoked or postponed at the discretion of the Board.

27. Commission may be paid

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

28. Directors may extend time

The Board may from time to time at its discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the members whom from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

29. Calls to carry interest

If any member fails to pay any call due from him, on the day appointed for payment thereof or any such extension thereof as aforesaid he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board and exceeding 9 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

30. Sums deemed to be calls

Any sum, which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of nonpayment all the relevant provisions of these Articles as a 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.

FORFEITURE OF SHARES

31. If money payable on shares not paid, notice to be given to member

If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

32. Form of notice

The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 9 percent per annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

33. In default of payment share to be forfeited

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all.

calls or installments interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys in respect of the forfeited share and not actually paid before the forfeiture.

34. Notice of forfeiture to a member

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forth with be made in the Register of members.

35. Forfeited share to be property of the Company and may be sold etc.

Any share so forfeited shall be deemed to be the property of the Company and may be sold, or otherwise disposed of, either to the original holder thereof or to any other person, upon, such know and in such manner as the Board shall think fit.

36. Members still liable to pay money owing at the time of forfeiture and interest.

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 9 per cent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

37. Effect of forfeiture

The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company. In respect of the share and all other rights incident to the share, except only such of those rights as by these Articles are expressly saved.

38. Evidence of forfeiture

A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.

39. Validity of sale under Article 35

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares 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 and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

40. Cancellation of share certificate in respect of forfeited shares.

Upon any sale, or other disposal under the provisions of the preceding Article 35 the certificate or

certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said share to the persons entitled thereto.

41. Power to annul forfeiture

The board may at any time before any share so forfeited shall have been sold, or otherwise disposed off, annul the forfeiture thereof upon such conditions, as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

42. Register of transfers

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

43. Form of transfer

The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

44. Transfer form to be completed and presented to the Company

The instruments of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instruments of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transfer and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate of the shares must be delivered to the Company.

45. Transfer Books and Register of members when closed

The Board shall have power on giving not less than twenty one days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer Books, the Register of Members or Register of Debenture holders at such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate fortyfive days in each year.

46. Directors may refuse to register transfers

Subject to the provisions of Section 111 of the Act, and Sec. 22A of the Securities Contracts (Regulation) Act, 1956 the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares, upon which the Company has a lien (notwithstanding that the proposed transferee be already a member) but in

such cases it shall within two months from the date on which the instrument of transfer was lodged with the Company, sent to transferee and, the transferor notice of the refusal to register such transfer. Provided that the registration of share shall not be refused on the ground of the transferor alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

47. Notice of application when to be given

Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transfer in accordance with the provision of section 110 of the Act.

48. Death of one or more joint-holders of shares

Subject to Article 19 hereof in the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, 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.

49. Title of shares of deceased Members

The executors or administrators or holders of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint-holders) shall be the only persons recognized by the company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 52 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Article 49 A :

The following new Article 49A be inserted after Article 49

49a. "Notwithstanding anything contained in Article 49 of the Articles of Association of the Company, every holder of shares, debentures or other securities may at any time nominate in the prescribed manner, a person in whom his shares, debentures or other securities shall vest in the event of his death in accordance with the provisions of the law as may be applicable for time to time".

50. No transfer to insolvent etc.

No share shall in any circumstances be transferred to insolvent or person of unsound mind.

51. Compliance with the Estate Duty Act 1953

If any member of the Company dies, and the Company through any of its principal officers has knowledge of the death, it shall not be lawful for the Company to register the transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration.

52. Registration of persons entitled to share otherwise than by transfer

Subject to the provisions of the Act and Articles 48 and 49 and person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does, so he shall not be freed from any liability in respect of the shares.

53. Persons entitled may receive dividend without being registered as member.

A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends, or money as hereinafter provided, be entitled to receive and may give a discharge for, any dividends or other moneys payable in respect of the share.

54. Fee on transfer or transmission.

The Company shall not charge any fee for registration of transfer of shares and debentures, for sub-division and consolidation of shares and debentures certificates and for subdivision of letters of Allotment and split, Consolidation Renewal and pucca transfer receipts into denominations, corresponding to the market units of trading, for sub-division of renounceable letters of Rights; for issue of new certificates in replacement of those which are old, decreet or worn out where the cages on the reverse for recording transfers have been fully utilised, for registration of any power of attorney, probate, letters of administration or similar other documents.

55. Company not liable for disregard of a notice prohibiting registration of a transfer.

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

DEMATERIALISATION OF SECURITIES:

ARTICLE 55A (1): Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerializes its securities and to offer Securities in a dematerialized form pursuant to the Depositories Act, 1996.

OPTIONS FOR INVESTORS :

ARTICLE 55A(2) (a): Every person subscribing to securities offered by the Company shall have to receive security certificates or to hold the securities with a depository. Such a person beneficial owner of the securities can at any time opt out of a depository, if permitted by of any security in the manner provided, by the Depositories Act, and the Company in the manner and within the time prescribed, issue to the beneficial owner the required

ARTICLE 55A (2)(b): If a person opts to hold his security with a depository, the Company shall JVWV such depository the details of allotment of the security and, on receipt of the information, depository shall enter in its record the name of the allottee as the beneficial owner of the security.

SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM:

ARTICLE 55A (3): All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 157B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS:

ARTICLE 55A (4)(a): Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

ARTICLE 55A (4)(b): Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

ARTICLE 55A (5)(c) : Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

SERVICE OF DOCUMENTS:

ARTICLE 55A (6): Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

TRANSFER OF SECURITIES

ARTICLE 55A (7) : Nothing contained in section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

ALLOTMENT OF SECURITIES DEALT WITH BY A DEPOSITORY:

ARTICLE 55A (8): Notwithstanding anything in the Act or these Articles, where securities are

dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

DISTINCTIVE NUMBERS OF SECURITIES HELD IN A DEPOSITORY.

ARTICLE 55A (9) : Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for - securities issued by the Company shall apply to securities held in a depository.

REGISTER AND INDEX OF BENEFICIAL OWNERS:

ARTICLE 55A (10) : The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

BORROWING POWERS

56. Power to borrow

Subject to the provisions of Section 58A, 292 and 293 of the Act, the Board may from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, provided however where the moneys to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserve (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

57. Subject to the provisions of Article 56 hereof the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in respect as the special resolution shall prescribe including by the issue of debentures stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued.

58. Terms of issue of debentures Any debentures

debenture-stock or other securities may be issued at a discount premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meeting appointment of Directors and other Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a special resolution.

59. Register of Mortgages etc to be kept

The Board shall cause a proper Register to be kept in accordance with the provisions of section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of sections 118, 125 and 127 to 144 (both inclusive) of

the Act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

MEETING OF MEMBERS

60. Annual General Meeting

The company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meeting in that year. All General meetings other than Annual General Meetings shall in any General Meetings subject to the provision of section 210 (3) (a) of the Act, General Meeting shall be said within eighteen months from the date of incorporation and the next Annual General Meeting shall be held within six months after the end of the financial year, provided that not more than fifteen months shall lapse between the date of one General Meeting and that of the next. Every Annual General Meeting shall be called for a day during business hours on a day that is not a public holiday and shall be held at the office of the Company or at some other place within the city in which the office of the company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the company shall be entitled to attend either in person or by proxy and the auditor of the company shall have the right to attend and to be heard at any general meeting, which he attends on any part of the business, which concerns him as Auditor. At every annual general meeting of the company there shall be laid on the table the Directors Report and Audited statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts) the proxy Register with proxies and the Register of Director share holding of which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual list of members, summary of the share capital, Balance sheet and Profit and Loss Account and forward the same to the Registrar in accordance with sections 159, 161 and 220 of the Act.

61. Extraordinary General Meeting.

The Board may whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by way member or members holding in the aggregate not less than one-tenth of such of the paid up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.

62. Requisition of Members to state object of Meeting

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionist and be deposited at the office provided that such requisitions may consist of several documents in the like form each signed by one or more requisitionists.

63. Omission to give notice not to invalidate a resolution passed

The accidental omission to give any such notice as aforesaid to any of the members or the nonreceipt thereof by any member shall not invalidate any resolution passed at any such meeting.

64. Meeting not to transact business not mentioned in notice

No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

65. Quorum at General Meeting

Five members present in person shall be a quorum for a General Meeting.

66. Body corporate deemed to be present personally

A body corporate being a member shall be deemed to be personally present if it is represented in accordance with the provisions of section 187 of the Act.

67. If quorum not present meeting to be dissolved or adjourned

If at the expiration of half an hour from the time appointed for holding a meeting of the company, a quorum is not present the meeting if convened by or upon the requisition of members shall stand dissolved, in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the office of the company is for the time being situated, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

68. Chairman of General meeting

The Chairman (if any) of the Directors shall be entitled to take the chair at every General meeting, whether Annual or Extraordinary if there be no such Chairman of the Directors, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the members present shall elect one of their member to be the Chairman.

69. Chairman with consent may adjourn meeting

The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

70. Questions at General Meeting how decided

At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result on the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the meeting or by any member or members holding not less than one tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which not less than one-tenth of the total sum paid-up on all the shares conferring that right, and unless a poll is demanded a declaration by the Chairman that a resolution has on a show hands been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

71. Chairman's casting vote

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

72. Poll to be taken demand

If a poll is demanded as aforesaid the same shall subject to Article 74 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situated and either by open voting or by ballot, as the chairman shall direct and either at once or after an interval or adjournment, or 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 at any time by the person or persons who made the demand.

73. Scrutineers at poll

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

74. In what case poll taken without adjournment

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.

75. Demand for poll not to prevent transaction of other business

The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

75a. Resolutions by postal ballot:

Notwithstanding anything contained in these Articles, in accordance with the provisions of Section 182A of the Companies Act, 1956 and all other applicable Rules, regulations, guidelines (including any statutory modification or re-enactment thereof, for the time being in force) and in the manner prescribed thereunder, the Company may, and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot (including voting by electronic mode), shall, get any resolution passed by means of a postal ballot (including voting by electronic mode), instead of/in addition to transacting the business in the General Meeting of the Company.

VOTES OF MEMBERS

Members in arrears not to vote

No member shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised, any right of lien.

77. How Members non compos mentis and minor may vote

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 poll vote by proxy if any member be a minor the vote in respect of his shares shall be by his guardian or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

78. Votes of joint members

If there be joint registered holders of any share, any one of such person may vote at any meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at a meeting.

79. Voting in person or by proxy.

Subject to provisions of these articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 187 of the Act and such representative shall, be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

80. Appointment of proxy

Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such body corporate, or be signed by an officer or any attorney duly authorised by it, and any Committee, or guardian may also appoint such proxy. The proxy so appointed shall not have the right to speak at the meeting.

81. Proxy to vote only on a poll

A member present by proxy shall be entitled to vote only on a poll.

82. Chairman of the meeting to be the judge of validity of any vote

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

83. Minutes of General Meeting and Inspection thereof by Members

1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusions of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
2. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
3. In no case the minutes of proceeding of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
5. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non - inclusion of any matter in the minutes on the aforesaid grounds or otherwise.

6. Any such minutes shall be evidence of the proceedings recorded therein.
7. The book containing the minutes of proceedings of General Meeting shall be kept at the office of the company and shall be open during business hours, for such periods, not being less in the aggregate than two hours in each day as the Directors determine to the inspection of any member without charge.

"DIRECTORS"

84. Number of Directors

"Subject to Section 252 and Section 259 of the Companies Act, 1956, the number of Directors shall not be less than Three and not more than Twelve, including the Nominee Directors".

85. First Directors

The First Directors of the Company shall be the following:

1. Shri Sitaram Jindal
2. Shri Gopalji Agarwal

86. Appointment and Election of Directors

All the Directors (excepting the first directors), shall be elected by shareholders in general meeting and shall be liable for retirement by rotation as herein provided

87. Power to appoint nominee Directors

Subject to the provision of Section 256 of the Act whenever the Directors enter into a contract with any Government, Central, State or Local, or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such Government, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire and not be required to hold any qualification shares.

88. Appointment of Alternate Director

The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed Under this Article shall not hold office for a period longer than the permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director, subject to Section 313 of the Act.

89. Directors power to add to Own Board

The Board shall have power at anytime and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 84. Any such additional Directors shall hold office only upto the date of the next Annual General Meeting.

90. Directors power to fill casual vacancies

Subject to the provisions of Section 264 and 284(6) of the Act the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

91. Qualification of Directors

A Director shall not be required to hold any qualification share.

92. Remuneration of Directors

- (1) Subject to the provision of the Act, a Managing Director or Director, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either:
 - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
 - (ii) by way of commission if the Company by a special resolution authorised such payment.
- (3) The fee payable to a Director for attending a meeting of the Board or Committee thereof shall be a such sum not exceeding Rs.500/- as may be decided by the Board of Directors or such other sum as the Company in general meeting may from time to time determine.

93. Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company's business

The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meeting of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

94. General Notice of Interest

A General Notice given to the Board by a Director, to the effect that he is director or member of a specified firm and is to be regarded as concerned or interested in any contract or arrangements which may, after the date of the notice, be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

95. Retirement and rotation of Directors

At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third retire from office.

96. **Ascertainment of Directors retiring by rotation and filling of vacancies**
256(2) of the Act the Directors to retire by rotation under Article 95 at every A General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of a subject to any arrangement among themselves be determined by lot.
97. **eligibility to the Election**
A retiring Director shall be eligible for re-election.
98. **Company to appoint Successors**
Subject to the provisions of section 258 of the act the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

MANAGING DIRECTOR

99. **Managing Director**
- (a) Subject to the provisions of section 269, 316 and 317 of the Act, the Board may from time to time appoint one or more Directors to be Managing and/or whole time Directors of the Company, for a fixed term, not exceeding 5 years at a time and may, from time to time remove or dismiss him or them from office and appoint another or others in his place or their place.
- (b) Subject to provisions of section 255 of the act, a Managing or wholtime Director shall not, while he continues to hold that office, be subject to retirement by rotation but he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors and in fixing the number of Directors to retire, and subject to the same provisions as to removal as the other Directors, and he shift ipso facto and immediately, ceases to be a Managing or wholtime Director if he ceases to hold the office of Director from any cause.
100. **Special position of Managing Director**
A Managing Director shall ipso, facto and immediately cease to be a Managing Director, if he ceases to hold Office of a Director.

PROCEEDINGS OF THE BOARD OF DIRECTORS

101. **Meeting of Directors**
The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings, as they think fit.
102. **Quorum**
Subject to the provisions of Section 287 of the. act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two Directors, whichever is higher provided that whereat any time the number of interested Directors exceeds or is equal to two-third of the total strength the number of the remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time, and provided that the presence of the Managing Director shall be needed for a quorum.

103. Adjournment of meeting for want of quorum

If a meeting of the Board could not be held for want of a quorum, then the meeting shall stand adjourned to such other date and time (if any) as by notice may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

104. When meeting to be convened

The Secretary as and when directed by the Directors to do so convene a meeting of the Board by giving a notice in writing to every Director, in accordance with the provisions of the Section 286 of the Act.

105. Chairman

The Board of Directors shall have the right to appoint one of the Directors of the Company to be Chairman of the Board of Directors and the Directors so appointed, shall be the Chairman of the Board of Directors. One each vacancy occurring in such office from any cause whether by death, removal, retirement or otherwise, the Board shall have the right to appoint another Director in the vacancy and the Director so appointed shall then be the Chairman.

106. Question at Board Meeting how decided

Questions arising at meeting of the Board of Directors or a committee thereof shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.

107. Powers of Board Meeting

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

108. Powers of Directors

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting.

109. Certain powers of the Board

Without prejudice to the general powers conferred by the last preceding Articles and so as not any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in sections 292, 293, 295, 297, 299, 370, 372 & other applicable provisions of the act. It is hereby declared that the Directors shall have the powers, to take any decision with regard to the running operation investment raising of funds etc., as the director believe or are advised to be satisfactory and in the best interest of the company.

MANAGEMENT

110. Prohibition of simultaneous appointment of different categories of managerial personnel

The Company shall not appoint or employ at the same time more than one of the following categories of the management personnel, namely:

- (A) Managing Director, and
- (B) Manager.

SECRETARY

111. Secretary

The Directors may from time to time appoint a Secretary and, at their discretion remove any such Secretary, to perform any functions, which by the Act are to be performed by the Secretary, and to ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The Directors may, also at anytime appoint any person or persons (who need not be Secretary) to keep the registers required to be kept by the Company.

SEAL

112. The Seal, its custody and -use

"The Board shall provide a common seal for the purpose of the Company and shall have powers, from time to time, to destroy the same and substitute a new seal in lieu thereof and the Board 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 Board or a Committee of the Board previously given and in the presence of a Director of the Company or some other person appointed by the directors for the purpose".

The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act for use in any territory, district or place outside India.

DIVIDENDS

113. The Company in General Meeting may declare a Dividend

The Company in General Meeting may declare dividends to be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

114. Interim Dividend

The Board may, from time to time pay the Members such interim dividend as in their judgement the position of the Company Justifies.

115. Capital paid up in advance at interest not to earn dividend

Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

116. Dividends in proportion to amount paid up

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

117. Dividend etc. to joint holders

Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.

118. Transfer of shares must be registered

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

119. Unclaimed Dividends

Any dividend which remained unpaid and unclaimed after having been declared shall be dealt with

as per the provision of Section 205A and 205B of the Act, and Rules made there under.

120. Capitalisation

- (a) The Company in General meeting may resolve that any amount standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares of the Company which shall be distributed accordingly or in or towards 'payment of the- uncalled liability on any issued shares and that such distribution or payment shall be. accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Articles, only be applied in the paying of any unissued share to be issued to the members of the company as fully paid bonus shares.

A General Meeting may. resolve that any surplus, moneys arising from the realisation of any capital assets of .he company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they received the same as capital.

For the purpose of giving effect to any resolution under the preceding paragraphs of this article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and determined that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- May be disregarded in order to adjust the rights of all parties, and may be vested any such cash or specific assets; in trustees upon such trust for the person entitled to the dividend or capitalised funds as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Company Act, 1956, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalised fund, and such appointment shall be effective.

121. As to inspection of accounts by Members

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

122. Statement of Accounts to be furnished to General Meeting

The Directors shall from time to time, in accordance with the provisions of Section 210, 211, 212, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in the Annual General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports are required by these Sections.

123. Accounts to be audited

Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.

124. Document or notice by Company and signature thereto

Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors such purpose and the signature thereto may be written, printed or lithographed

WINDING UP

125. Liquidator may divide assets in specie

The Liquidator or any winding-up (whether voluntary, under supervision of court or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in the trustees upon trusts for the benefit of the contributories; as the liquidator, with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY

126. Directors and others right of Indemnity

Every officer or Agent for the time being of the Company shall be indemnified out of the Assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court, subject to Section 201 of the Act.

SECURITY CLAUSE

127. Security Clause

- (a) Every Director, Manager, Auditor, Secretary, Trustee, member of a committee, office servant, agent, accountant or other person employed in the business of the Company shall if so required by the Directors before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any Of the provision in these-present contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Director or to required discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

S. No.	Name, Addresses Description and Occupation of each subscriber	No. of shares Subscribed	Name, addresses description and occupation of the witness
1	Sita Ram Jindal S/o Shri Net Ram Jindal 26, Alipur Road, Delhi-110054 (Industrialist)	100 (One Hundred)	<p>Witness the signatures of both the subscribers</p> <p>Sd/- (PRAKASH CHAND SURANA) F.C.A. 32, DEFENCE COLONY MARKET NEW DELHI-110024</p>
2	Dindayal Agrawal S/o. Shri Ram Pratap 26, Alipur Road, Delhi-110054 (Business Executive)	100 (One Hundred)	

Place : New Delhi

Dated : 31st March, 1986

For **LUNGTIA IRRIGATION LIMITED**



Company Secretary