
**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
ELNET TECHNOLOGIES LIMITED**

FORM I R,



CERTIFICATE OF INCORPORATION

No. 18-19459 of 1990.

I hereby certify that... **ELNET... TECHNOLOGIES**
..... **LIMITED**
*** **

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the Company is Limited.

Given under my hand at... **MADRAS**

this... **FIRST** day of... **AUGUST**
TENTH **SRAVANA**

One thousand nine hundred and... **NINETY**
One thousand nine hundred and **TWELVE (SAKA)**



G. Srinivasan
(G. SRINIVASAN)
Registrar of Companies
TAMIL NADU

**MEMORANDUM OF ASSOCIATION
OF
ELNET TECHNOLOGIES LIMITED**

- I. The Name of the Company is "ELNET TECHNOLOGIES LIMITED".
- II. The Registered Office of the Company will be situated in the state of Tamil Nadu.
- III. The objects for which the Company is established are :
 - A. Main objects to be pursued by the Company on its incorporation :
 1. To establish and provide facilities and amenities required to run, maintain, manage or administer computer centres for manufacturing or processing software packages and/or hardware materials and components required for computer industry.
 2. To establish and run data processing/computer centres and to offer consultancy and data processing and other services which are normally offered by data processing computer centres to industrial, business and other types of customers and to impart training on electronic data processing, computer software and hardware to customers and others.
 3. To deal in, manage, purchase, accept gift or otherwise acquire and let on hire and sell, dispose of, import, export, exchange, hold and deal in computer hardware, software, business machines of all kinds and to generally acts as consultants and advisors on information systems and surveyors of information services based on the use of computers and business machines of all kinds and to furnish to the users systems help, know-how programmes and other software relating to use of such machines and allied peripherals.
 4. To carry on anywhere in India and abroad all kinds of business relating to research, development, pilot production, manufacturing, assembling, fitting up, repairing, converting, overhauling, maintaining, rendering services of all and every kind of

description, buying, selling, importing, and exporting, exchanging, altering, hiring, letting on hire, improving, repairing and dealing in Analogue and Digital Computer hardware as well as software and associated equipment, such as :

- (a) On-line Data processing for scientific, commercial and industrial application, process control and Nuclear Data Processing.
- (b) An independent information analogue systems or as Control equipment in large system.
- (c) Peripheral equipment, including tape recorders, Memory tape recorders, converters and associated instruments and equipments.
- (d) All related software.

5. To buy, sell, repair, alter, exchange, let out on hire, Import, Export and Deal in all kinds of commodities used in Computer systems, software packages and such other things as may be connected and incidental thereto, or commonly dealt with by persons engaged in such business or which may seem capable of being profitably dealt with in connection with any of the said business.

6. To carry on the business of Dealers, Stockists, Selling agents for consumable stores connected with computer and peripherals including computer stationery, magnetic tapes, hard-disk, floppy diskettes, ribbons of any kind and other commodities and/or spare parts directly or indirectly related to and used in Analogue, Digital and Personal Computers, on-line or off-line data entry machine, converters, computer printers-dot-matrix and line printers.

7. To carry on all or any of the business of providing CAD (Computer Aided Designs) and CAM (Computer Aided Manufacturing Technology).

8. To undertake research and development for technological updates in the areas specified above.

B. Objects incidental or ancillary to the attainment of the main objects :

1. To purchase, take on lease, acquire, hire, construct, erect, build, repair, demolish and reconstruct, develop, improve and maintain buildings, structures, apartments and to do other similar constructions and for these purposes purchase, take on lease or otherwise acquire and hold any lands and prepare layout thereon and prepare lands for building purposes and preparing building sites by consolidating or connecting or sub-dividing properties or buildings of any tenure or descriptions wherever situated or rights or interests therein or connected therewith and advancing money to and entering into contracts and arrangements of all kind with builders, tenants, occupiers and others for the purposes of achieving the objects mentioned herein.

2. To enter into collaboration arrangement with any Indian / Foreign Company by way of equity participation and/or for obtaining/providing technical know-how for attainment of objects of the company.

3. To establish, provide, maintain and conduct or otherwise subsidise, research laboratories and experimental workshops for scientific and technological researches, experimental and tests of all kinds and to promote studies and research, both scientific and technical investigation and invention by providing subsidising, endowing or assisting laboratories,

workshops, libraries, lectures, meetings and conferences and providing for the conduct of award of exhibition, award of scholarships, grants to students or intending students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the company is authorised, to carry on.

4. To enter into agreement and arrangements with any Government or authorities, supreme, municipal, local or foreign or otherwise which may seem conducive to the Company's objects or any of them and to obtain from any of them any concession rights, privileges, quotas, lease and licences.

5. To take part in the formation, supervision or control of the business or operations of any company or undertaking or corporation or person, and to act as an issue house for issue of shares, debentures, debenture stocks, bonds, units, public deposits, obligations and other securities, to act as registrars and shareholder/benture bond transfer agents, financial advisers or technical consultants, or in any other capacity, but not to act as a manager, or managing agents of any other company.

6. To undertake, carry out and promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, programmes of Rural Developments shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider is likely to promote and assist rural development, and that the words rural area shall include such areas as may be specified under Section 35CC of the Income Tax Act, 1961, or any other law relating to rural development, for the time being in force as may be regarded by Directors as rural areas and the Directors may at their discretion in order to implement any of the aforesaid objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institute or trust or organisation as the Directors may approve.

7. To educate, train, experiment, explore and otherwise advance the knowledge of business and industrial management in all aspects to arrange for, run or manage schools, colleges, seminars, symposia, workshops and to run, print, manage, edit or publish magazines, bulletins, films or other media pamphlets, papers and periodicals for the purposes aforesaid.

8. To provide training courses and tests, examinations in management and computer technology, both hardware and software.

9. To obtain or arrange to obtain for any company, corporation, industry, body corporate, or any person, any industrial licence, permission of the Central Government, the Controller of Capital Issues, the Reserve Bank of India, the authorities under the monopolies and Restrictive Trade Practices Act and generally to act as agents, liaison officers for obtaining licences, permissions, import and export quotas, foreign exchange quotas for raw materials, power and other licences, authorities, permissions from

- any Government or public authority or municipalities or dominions or departments or bodies.
10. To investigate and to examine into the conditions, prospects, value, worth, character and circumstances of any business concerns and undertakings and generally of any assets and property rights.
 11. To negotiate, loans, to draw, make, accept, negotiate, discount, buy, sell and deal in all kinds of bill of exchange, promissory notes, cheques, hundies, bills of lading, warrants, debentures, coupons and other negotiable or transferable instruments.
 12. Subject to the provisions of Banking Regulations Act, 1949 to receive money on loan and borrow or raise and secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debenture or debenture stock, perpetual or otherwise charged upon all or any of the Company's movable or immovable properties (both present and future) including its uncalled capital and to purchase, redeem or pay off any such securities.
 13. To guarantee the payment of money and the performance of contracts or engagements entered into by any company or person to secure the payment of the money and the performance of any contracts or engagements entered into by the Company or by any other company or persons and to discharge any debt or other obligation of or binding upon the company or any other company or person by mortgage or charge upon all or any part of the undertaking, property and rights of the company (either present or future or both) including its uncalled capital or by the creation or issue of debentures, debenture stock or other securities or by another means.
 14. To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined, subject to the provisions of the Companies Act, 1956.
 15. To acquire or take over the whole or any part of the business, property and liabilities of any other person or company carrying on any business, which this company is authorised to carry on or possessed of property or suitable for the purposes of the company and to allot shares, debentures or any other securities of the company in satisfaction of the purchase consideration payable.
 16. To construct, maintain and alter any building or works, necessary or convenient for the purpose of the Company.
 17. To acquire by purchase or otherwise any patents, licences and like conferring and exclusive or non-exclusive or limited right to use of 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 licences in respect of or otherwise turn to account the property rights or information so acquired.
 18. To enter into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in, any business transaction which the Company is authorised to carry on and to lend money and guarantee the contracts of, otherwise assist any such person or company and to take or otherwise acquire shares and securities of
19. any such company and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.
 20. To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company.
 21. To enter into any arrangements with any authorities, governmental, municipal, local or otherwise, that may seem conducive to the company's objects, or any of them, and to obtain from any such 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 or rights.
 22. To consider, originate and support improvements in the law which may seem directly or indirectly conducive to any of the company's objects and to resist and oppose alterations therein, which may seem to the company directly or indirectly adverse to the interest of the company or its members, or any section thereof.
 23. To promote any company or companies for the purpose of acquiring all or any of the property rights and liabilities of this company.
 24. To take up agencies for and on behalf of other companies carrying on any of the business that this company is authorised to carry on.
 25. To establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees and employees of the company or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public general or useful object.
 26. To aid pecuniarily or otherwise any association, body or movement having for an object the promotion of the industry or trade similar to that undertaken by the Company.
 27. Subject to the provisions of the Companies Act, 1956 to subscribe, donate or guarantee money for any national, charitable, public or useful object.
 28. 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 the company.
 29. Generally to purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable property and any rights or privileges which the company may think necessary or convenient for the purpose of its business.
 30. To establish branches, units, agencies, in the Union of India or in any part of the world and to regulate and discontinue the same and to have the company registered or recognised in any foreign country.
 31. In the event of winding up of the company to distribute any of the properties of the company in specie among its members.
 32. To contribute to religious or charitable and other purposes, whether or not directly or indirectly relating to the business of the company or the welfare of its employees.

32. To do all or any of the above mentioned things in any part of the world either as principals, agents, trustees, contractors, and by or through trustees, agents or otherwise either alone or in conjunction with others.

33. To associate with any other company dealing in mechanical, electrical, electronics and computers, microprocessors, by way of technical collaboration, participation in equity, merger, takeover, amalgamation, acquisition of all or any of the assets and liabilities of such firm, undertaking or company for furtherance of the business of the company.

(C) Other objects not included under (A) and (B) above :

1. To establish and carry on the business of manufacturers of electrical goods, surgical, medical, glass and plastic goods, instruments and appliances and heavy machineries packing, containers, materials, typewriters, display devices, copying machines.
2. To carry on all or any of its business of engineering machinists, tool makers, founders, tube makers, metal workers, and manufacture of all electrical and electronic components and gadgets.
3. To carry on business of consulting engineers and to buy, sell, manufacture, repair, alter, let on hire, and deal in any machinery, appliance and hardware of all kinds.
4. To manufacture, buy, sell, exchange, install, work, alter, improve, manipulate, prepare for market, import or export and otherwise deal in indicating, recording, printing, apparatus, tools, meters and gauges.
5. To acquire on lease or otherwise on lands, whether developed or undeveloped and to develop such lands to raise any agricultural plantations, commercial crops, orchards, medicinal plants, forestry and to process, manufacture, preserve, pack and sell the produce arising therefrom.
6. To advance or lend money to any person or company and to guarantee performance of any contract without doing any banking business as per the Banking Regulations Act, 1949 on such terms and conditions as it thinks fit.
7. To carry on the business of manufacture of glass, ceramic or plastic goods, including glass, bulb, lamps and tubes, lighting, fixtures and accessories, glass container etc., ceramic or plastic insulants appliances and goods of all types.
8. To construct, lay down, establish, fix, erect, equip and maintain generators, machinery, electrical equipment and cables, lines, accumulators, lamps, fittings and apparatus in the capacity of principals contractors or otherwise.

IV. The liability of the members are limited.

V. The share capital of the Company is Rs. 5,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs only) Equity shares of Rs. 10/- (Rupees Ten only) each. Subject to the provisions of the Act, the Company has the power from time to time to increase or reduce its capital and to issue any share in original or new capital as equity or preference shares and to attach any capital as equity or preference shares and to attach any class or classes of such shares, any preference, rights, privileges, or priorities in payment of dividends or distribution of assets or otherwise, over any other shares, or to subject the same to any restrictions or limitations of conditions and to vary the regulations of the company as far as necessary to give effect to the same and upon the sub-division of a share to appropriate the rights to participate in profits in any manner.

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

Sl. No.	Signature, Name, Address Description and Occupation of the Subscribers	No. of Equity Shares taken by each Subscriber	Signature, Name, Address Description and Occupation of the Witness
1.	Sd/- Thianganj S. Chettiar THIAGARAJ S. CHETTIAR S/o. M. Shanmugam Chettiar. No. 3, Ghilrist Avenue, Harrington Road, Madras - 31. Industrialist	1 (One)	
2.	Sd/- S. Arvind S. ARVIND, S/o. K. Srinivasan 21, Judge Lambalingam Road Madras - 600 004. Government Service	1 (One)	
3.	Sd/- A. Asathambai A. ASATHAMBAI S/o. A. Ayyanaraspan Muddaliar 735, Anna Salai Madras - 609 002. G.M., ELCOT Limited	1 (One)	
4.	Sd/- K.S. Lakshminarasayan K.S. LAKSHMINARAYANAN S/o. K.S. Subramanian G14 (Old)/566, Anna Nagar (B) Madras - 600 102. G.M. (Devt.) ELCOT Limited	1 (One)	Sd/- R. Krishnamurthy R. KRISHNAMURTHY S/o. S. Ramasubraman D-141-C, Shanti Niketan Colony K.K. Nagar, Madras - 600 078 Company Executive.
5.	Sd/- K. Jayaraman K. JAYARAMAN S/o. L.K. Murthy 6A, Kupa Sambari Street Madras - 600 033 Service	1 (One)	
6.	Sd/- G. Muthukrishnan G. MUTHUKRISHNAN S/o. T.V. Ganesan 26, Mohanapuram First Street Adambakkam, Madras - 600 083 Service.	1 (One)	
7.	Sd/- S.M. Natarajan S.M. NATARAJAN S/o. S. Murthyvelu 39, Second Cross Street R.K. Nagar, Madras - 609 028 Service	1 (One)	
	Total	7 (Seven)	

Dated at Madras 12th day of July 1990.

The Companies Act, 1956
Company Limited by Shares

**ARTICLES OF ASSOCIATION
OF
ELNET TECHNOLOGIES LIMITED**

TABLE A

1. The regulations contained in Table 'A' in Schedule 1 to the Companies Act, 1956 shall except otherwise and to the extent provided in these Articles, apply to this Company, in the same manner as if all such regulations of Table 'A' are specifically contained in these articles.

INTERPRETATION

2. a) In the interpretation of these articles, unless repugnant to the subject or context :
 - i) "The Company" or "This Company" means "ELNET TECHNOLOGIES LIMITED"
 - ii) "The Act" means, "The Companies Act, 1956", or any statutory modifications or re-enactment thereof for the time being in force.
 - iii) "Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 166 of the Act.
 - iv) "Auditors" means and includes those persons appointed as such for the time being by the company.
 - v) "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be the directors assembled at a Board of Directors of the Company collectively.
 - vi) "Capital" means the share capital, for the time being raised or authorised to be raised, for the purpose of the Company.
 - vii) "Debenture" includes debenture-stock.
 - vii) "Directors" means the Directors for the time being of the Company or, as the case may be, the directors assembled at a Board.

- ix) "Dividend" includes bonus paid in cash but does not include any share issued in satisfaction of capital bonus upon capitalisation of undistributed profits or share premium account.
- x) "Extra ordinary General Meeting" means an extra-ordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
- xi) "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company.
- xii) "Meeting" or "General Meeting" means a meeting of members.
- xiii) "Month" means a calendar month.
- xiv) "Office" means the Registered Office for the time being of the Company.
- xv) A "Resolution" shall be an "Ordinary Resolution" when at a General Meeting of which the notice required under the Act has been duly given, the Votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the chairman) by the members, who being entitled so to do, vote in person, or where proxies are allowed, by proxy exceed the votes, if any cast against the resolution by members so entitled and voting.
- xvi) "Paid-up" includes credited as paid-up.
- xvii) "Partners" includes corporations and firms as well as individuals.
- xviii) "Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.
- xix) "Registrar" means the Registrar of Companies of the State in which the office of the Company is for the time being situated.
- xx) "Secretary" means any individual possessing qualifications prescribed for the time being by any rules made under the Act and appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.
- xxi) "Seal" means the Common Seal for the time being of the Company.
- xxii) "Share" means share in the share capital of the Company and includes stock except where a distinction between stock and shares is expressed or implied.
- xxiii) "Special Resolution" shall have the meaning assigned thereto by Section 189 of the Act.
- xxiv) "Written" and "In writing" include printing, lithography and other modes of representing or representing or reproducing words in a visible form.
- xxv) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (17) of the Act.
- xxvi) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.
- xxvii) Words importing the masculine gender also include the feminine gender.
- xxviii) "Managing Director" means Managing Director for the time being of the Company.

- xxx) "These presents" or "Regulations" shall mean these Articles of Association as originally framed or altered from time to time and shall include the Memorandum where context so requires.
 - xxx) "Section" or "Sec" means Section of the Companies Act, 1956.
 - xxxii) "Proxy" means an attorney duly constituted "Proxy" under a Power of Attorney.
 - a) The marginal notes used in these Articles shall not affect the construction hereof.
 - b) Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these articles.
 - xxxii) "ELCOI" means Electronics Corporation of Tamilnadu Ltd.
- CAPITAL**
- 3. The Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000/- (Fifty Lakhs only) equity shares of Rs.10/- (Rupees Ten only) each. The rights for the time being attached to the shares may be modified, abrogated, varied or dealt within the manner and in accordance with the regulations of the Company and subject to the provisions of the Companies Act, 1956.
 - 4. a) The company shall have the power to divide the Share Capital for the time being into several classes of shares and to attach such preferential or other rights, privileges and conditions to such shares as may be determined in accordance with these Articles and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or these Articles.
 - b) Money paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profit of the Company. No unclaimed dividend shall be forfeited by the board and the company shall comply with all the provisions of Section 205-A of the Act in respect of unclaimed or unpaid dividend".
 - 5. Subject to the provisions of the Act and these Articles, the shares in the capital of the company for time being shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and at a premium or at par or discount and at such times as they may from time to time think fit subject to the provisions of the Act. Provided that option are right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
 - 6. The Company may by Ordinary Resolution :
 - i) increase the Share Capital on such terms and conditions as the resolution may describe;
 - ii) consolidate its share into shares of a larger amount than its existing shares.
 - iii) sub-divide its shares of a smaller amount than its existing shares;
 - iv) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any persons; and by Special Resolution reduce the Share Capital subject to the provisions of the Act.

LIEEN

7. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with other) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares. The Board may, however, at any time, declare any share to be exempt, wholly or partially from the provisions of this Article.

8. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell, shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements of fourteen days after such notice.

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

TRANSFER AND TRANSMISSION OF SHARES

10. 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.

11. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers of shares and the registration thereof

12. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the board may require to prove the title of transferor 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 or certificates of the shares must be delivered to the Company.

13. The Board shall have power on giving not less than seven 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 times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

14. Subject to the provisions of Section 111 of the Act, the Board may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within ONE MONTH 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 to register such transfer.

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

15. 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 transferee in accordance with the provisions of section 110 of the Act.

16. In the case of 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.

17. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise 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 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.

18. No shares shall in any circumstances be subscribed for by, or transferred to, any infant or a person of unsound mind.

19. Subject to the provisions of the Act and Articles 12 and 13 any person becoming entitled to shares in consequence of the death, and any person becoming entitled to shares in consequence in 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 as instrument of transfer in accordance with provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

20. A person entitled to share by transmission shall, subject to the right of the Board 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 shares.

21. No fee shall be charged by the company for the following viz.,

- a) for registration of transfers of shares and debentures or for transmission of shares and debentures
- b) for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment, split, consolidation, renewal and transfer receipts into denominations corresponding to the market units of trading;
- c) for sub-division of renounceable letter of rights;
- d) for registration of any power of attorney, probate letters of administration or other legal representation.

22. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by 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 or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notices which may be given to it 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 fit.

23. "Beneficial Owner" shall mean beneficial owner as defined in clause (e) of sub-Section (1) of Section 2 of the Depositories Act, 1996.

24. "Depositories Act" means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force.

25. "Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

26. "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

DEPOSITORY SYSTEM :

27. a. The company shall be entitled to dematerialize its existing shares and other securities, rematerialize its shares and other securities held in the depositories and/or offer fresh shares and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

b. The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no shares shall be sub divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

c. Every person subscribing to shares offered by the Company shall have the option to receive share certificate, or to hold the shares with a Depository. Such a person who is the Beneficial Owner of shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares :

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

d. All shares held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 158, 158A, 183E, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the shares held by it on behalf of "The Beneficial Owners".

e. (i) 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 shares on behalf of the Beneficial Owner.

(ii) Every person holding shares 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 shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his shares which are held by a Depository.

f. Notwithstanding anything in the Act or these Articles to the contrary, where shares 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.

g. Nothing contained in Section 108 of the Companies Act, 1956 or these articles shall apply to a transfer of shares effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

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

i. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof.

The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any shares and debenture held in material form.

In the case of transfer or transmission of shares, where the Company has not issued certificates and where such shares are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

A depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialized form. However, the beneficial owner as per the Register of Beneficial Owner maintained by a Depository shall be entitled to such rights in respect of shares held by him in the Depository. Any reference to the member or joint members in Article 98 to 110 shall include a reference to Beneficial Owner or Joint Beneficial Owners in respect of the shares held in a Depository".

DIRECTORS

28. The number of Directors shall not be less than three or more than twelve at any time.

29. The following persons shall be the first Directors of the Company.

1. Mr. Thiagaraj S. Chettiar
2. Mr. S. Arvind I.A.S.
3. Mr. K.S. Lakshminarayana
4. Mr. Asaithambi A.

and they shall retire at the first Annual General Meeting of the Company.

30. Whenever Directors enter into a contract with the Government of India or any State Government, any bank or financial institution or any person or persons (hereinafter referred to as the appointer) 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 265 of the Act, the power to agree that such appointer 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 by rotation. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reason whatsoever.

The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

31.

- 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 (IFCI), the Industrial Credit and Investment Corporation of India Ltd., (ICICI), the Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), the New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII) or a State Financial Corporation of any financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by the Central Government or State Government or themselves (each of the above is hereinafter in this Article referred to as "the corporation") out of any loans/debenture assistance granted by them to the Company or so long as the Corporation holds or continues to hold debentures/shares in the company as a result of underwriting 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, wholetime or non-wholetime (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places. Their number shall be excluded for the purpose of maximum number of Directors provided in these articles.
- b) 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. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.
- c) 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 or continues to hold debentures shares in the Company as a result of underwriting or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.
- d) The Nominee Director/s appointed under this Article shall be entitled to receive all notice of and attend all General Meetings, board meetings and of the meetings of the Committee of which the Nominee Director/s are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

- e) The Company shall pay to the Nombree Director/s sitting fees and expenses to which the other Directors of the company are entitled, but if any other fees, commissions, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Corporation directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or directorships shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.
- f) Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees in relation to such Nominee Director/s shall also accrue to the corporation and the same shall accordingly be paid by the company directly to the Corporation.
- g) Provided also that in the event of the Nominee Director/s being appointed as Wholetime Director/s, such Nominee director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to Wholetime Director in the management of the affairs of the Company. Such wholetime Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.
32. A Director shall not be required to hold any shares in the capital of the company to qualify him for office.
33. If at any Annual General Meeting at which an election of Directors ought to take place, the place of any retiring directors is not filled up he or she shall, if willing continue in office until the Annual General Meeting in the next year, and so on from year to year until his or her place is filled up, unless it shall be determined at such meeting (on due notice) to reduce the number of Directors in office or unless at the meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost.
34. If the office of any Directors becomes vacant before the expiry of the period of his or her Directorship in normal course the resulting casual vacancy may be filled by the Board at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the directors in whose place he or she if appointed would have held office if the vacancy had not occurred as aforesaid.
35. Subject to Sec. 259 of the Act, the company may from time to time in General Meeting increase or reduce the number of Directors.
36. Subject to the provisions of Sections 198, 309, 310 and 311 of the Act, the Directors shall each be entitled to be paid a fee of Rs. 250/- or such other amount as permissible under the Act, for every meeting of the Board, or of any committee of the Board, attended by him, besides travelling and other expenses reasonably incurred by him for attending such meetings.
37. Subject to Section 198, 309 and 310 of the Act, the Board may remunerate any Director performing extra services or making any special exertions for any of the purposes of the Company either by a monthly payment or profits of the Company or in any other manner as the Board may determine and the company may, by special resolution, remunerate any Director by commission as provided by Section 309 (4) of the Act.
38. The business of the Company shall be managed by the Directors who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised

to do except such of those things which are specifically to be done by the Company in general meetings provided that in exercising such power or doing any such act or things the Board shall be subject to the provisions of the law for the time being in force or the Memorandum of Association or these Articles. No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

39. Save as otherwise expressly provided in the Act a resolution in writing, signed by a majority of the members of the Board or of a Committee thereof for the time being entitled to receive notice of a meeting of the Board or Committee shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee duly convened and held.

MANAGING DIRECTOR AND WHOLETIME DIRECTOR

40. Subject to the provisions of the Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. The Managing Director / Whole time Director of the Company appointed in pursuance of this article shall not be subject to retirement by rotation.

41. Subject to the provisions of the act and subject to such approval of the Central Government as may be required for the purpose, the Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company in General Meeting.

42. The Managing Director shall subject to the supervision and control of the Board of Directors have the management of all the affairs and business of the Company and of all its assets and he shall have power to do all acts and things which he shall consider necessary or desirable in the management of the affairs of the Company and to exercise and perform all the powers and duties vested in him for the time being by any resolution of the Board.

CHAIRMAN

43. a) The Board may elect a chairman of its meeting from among the Directors of the Company nominated by or representing ELCOOT and determine the period for which he is to hold office. The Chairman of the Board shall preside as Chairman at every General Meeting of the Company. In the event of any vacancy arising in the office of the Chairman, the Board of Directors and such person shall hold office as Chairman for such period as may be determined by the Board provided that such person continue to hold office as Director. If such person retires from his office as a Director at any Annual General Meeting and is re-elected at the same meeting he shall continue to be chairman for the said period and a fresh appointment as Chairman shall not be necessary.

b) The Chairman of the Board appointed in pursuance of this Article shall not be subject to retirement by rotation.

c) The Chairman of the Board shall be entitled to take the Chair at every meeting of the Board. If at any meeting of the Board, he shall not be present within thirty minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair, then the Managing Director shall be entitled to take the chair and failing him, the Directors present may choose one of their number to be the Chairman of that meeting.

44. Question arising at any meeting of the Board shall be decided by a majority of vote and in the case of an equality of vote, the Chairman shall have a second or casting vote.

BORROWING POWER

45. a) Subject to the provisions of Sections 88A, 292, 293 and other applicable provisions of the Act, the Directors may from time to time at their discretion borrow and secure the payment of any sum or sums of moneys for the purpose of the Company.

b) The Directors may secure the payment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures 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. Debentures, Debenture stock, Bonds or other securities with a right to allotment of or conversion into shares shall be issued except with the sanction of the Company in General Meeting.

THE SEAL

46. a) The Board shall provide for the safe custody of the Seal.

b) Subject to any statutory requirements as to share certificates or otherwise the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose; and the Director and the Secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

c) The Company may exercise the power conferred by Section 50 with regard to having an official seal for use abroad, and such power shall be vested in the Board.

SECRECY

47. No member shall be entitled to visit or inspect the Company's works without the permission of the Board of Directors or the Managing Director or to require disclosure of any information respecting any detail of the Company's trading or any matter which may be in the nature of trade secret, mystery of trade or secret process, which may relate to the conduct of business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate to the public.

INDEMNITY

48. Every Director, Secretary and other Officer or employee for the time being of the Company, shall 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 judgement is given in his favour or in which he is acquitted or in connection with any application under Section 693 of the Act in which relief is granted to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies or comply with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

Sl. No.	Signatures, Name, Address of the Subscribers	Signatures, Name, Address Description and Occupation of the Witness
1.	Sd/- Thiagaraj S. Chettiar THIAGARAJ S. CHETTIAR S/o. M. Shanmugam Chettiar No.3, Ghelais Avenue, Harrington Road, Madras - 31. Industrialist	
2.	Sd/- S. Arvind S. ARVIND, S/o. K. Srinivasan 23, Judge Lambalingam Road Madras - 600 004 Government Service	
3.	Sd/- A. Asanthambi A. ASANTHAMBHI S/o. A. Ayyasurappan Mudaliar 735, Anna Salai Madras - 600 002. G.M., ELCOOT Limited	
4.	Sd/- K.S. Lakshminarayana K.S. LAKSHMINARAYANAN S/o. K.S. Subramanian G14 (Old) 566, Anna Nagar (B) Madras - 600 102. G.M., (Dep.) ELCOOT Limited	Sd/- R. Krishnamurthy R. KRISHNAMURTHY S/o. S. Ramasubraman D-141-C, Shanil Niketan Colony K.K. Nagar, Madras - 600 078 Company Executive.
5.	Sd/- K. Jayaraman K. JAYARAMAN S/o. L.K. Murthy 6A, Kripa Sankar Street Madras - 600 033 Service	
6.	Sd/- G. Madhukrishnan G. MADHUKRISHNAN S/o. T.V. Ganesan 26, Mohanapur First Street Adambakkam, Madras - 600 038 Service.	
7.	Sd/- S.M. Natarajan S.M. NATARAJAN S/o. S. Multivelu 39, Second Cross Street R.K. Nagar, Madras - 600 028 Service	

Dated at Madras 12th day of July 1990.

