For N.B.I. Industrial Finance Co. Ltd.

Director

ARTICLES OF ASSOCIATION
OF
N. B. I. INDUSTRIAL FINANCE COMPANY LIMITED
PRELIMINARY

Name and Nature of Business

1. N. B. I. Industrial Finance Company Limited is established with limited liability in accordance with the provisions of the Companies Act, 1956.

Table A not to apply

2. The regulations, contained in Table A in the First Schedule of the companies Act, 1956, shall not apply to the company except in so far as such regulations are contained in these Articles.

Interpretation.

3. In the Interpretation of these Articles, the following words and expressions shall have the following meanings unless repugnant to the subject or context :-

"The company" means the N. B. I. Industrial Finance Company Limited, established under the momorandum of Association to whih this Articles are annexed.

"The Office" means the Registed Office for the time being of the company.

"The Register" means the Register of Members to be kept pursuant to section 150 of theCompanies Act 1956.

"Dividend" includes Bonus.

Words importing the singular number also include the plural number and vice versa, and words importing the masculine gender also include the feminine gender and vice versa.

Words importing persons include corporations.

"The Act" means the companies Act, 1956, as amended from time to time.

"These presents" Means and Includes the momorandum of Association of the Company, these Articles of Association and all supplementary substituted or amended Articles and the regulations of the Company in force from time to time.

"These Articles" means these Articles of Association as originally framed or as altered from time to time by special resolutions and the regulations of the Company in force for the time being.

"Ordinary Resolution and Special Resolution" have the meanings assigned to them as defined in Section 189 of the Act.

"Month" means Calender Month.

"Seal" means the Common Seal of the Company.

"Registrar" means the Registrar of the Companies.

"Equity and preference" Share Capital respectively shall have the meanings assigned thereto as defined in Section 85 of the Act.

"Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.

"Shares" means the shares into which the capital is divided and the interest corresponding to such shares.

"Share-holder" or "Member" means the duly registered holder from time to time of shares of the Company.

3A. "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

"Depositories Act" means the Depositories Act, 1996 and includes where the context so admits any re-enactment or statutory modifications thereof for the time being in force.

"Depository" shall have the meanings assigned thereto by the Clause (e) of Sub-section (1) of Section 2 of the Depositories Act, 1956.

"Security means such secutiry as may be specified by SEBI from time to time.

"SEBI" means the Securities & Exchange Board of India.

Capital

4. Subject to the provisions of these Articles and the Act, the Authorised share Capital of the Company shall be as mentioned in Clause V of the memorandum of Association of the Company."

Company not to buy its own shares

5. (i) The Company shall not have power to buy its own shares provided that the Board of Directors may in their sole discretion employ the funds of the Company for purposes specified in the Proviso to Sub-Section (2) read with sub-section (3) of Section 77 of the Act.

(ii) Nothing in this regulation shall affect the right of the Company to redeem its won preference shares issued under Section 80 of the Act.

Allotment of shares

6. (i) Subject to the provisions of thse Articles, the shares shall be under the control of Directors who may :

(ii) allot or otherwise dispose of the same to such persons, on such terms and conditions and at such times as they may think fit;

(iii) and may give to any person the call of any shares either at par or at premium and for such time as the may think fit and may allot fully or partly paid Up shares for such consideration (other than cash) including services rendered, as the may deem fit.

(2) Option or right to call of shares shall not be given to any persons or persons without the sanction of the Company in general meeting.

Redeemable Preference Shares

7. Subject to the provisions of Section 80 of the Act, the Company shall have power to issue Redeemable Preference Shares carrying a right to redemption out of profit or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the redemption of these shares may be effected on such terms and in such manner as the Directors may think fit.

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

Further issue of subscribed Capital

9.(1) 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 shares 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, then :-

(1) 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 those shares at that date.

(2) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(3) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whome such notice is given that he declines to accept the shares offered the Board of Directors may dispose of them in such manner as the think most beneficial to the Company.

9.2. Notwithstanding anything contained in clause (1) herein above further shares aforesaid may be offered to any person in any manner whatsoever if a special resolution to that effect is passed by the company in General Meeting or in accordance with the provisions of clause (b) of section 81 (1-A) of the Act.

New issue of Share Capital to be only of two kinds

10. All Share Capital to be issued shall be of two kinds only, namely :-

    (a) Equity Share Capital; and

    (b) Preference Share Capital.

Prohibition of issue of Share with disproportionate right

11. No share capital to be issued (not being preference Shares) shall carry voting rights, or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being Preference Shares) but the aforesaid new issue shall not prejudice or affect any right attached to the shares, as to dividen, capital, or otherwise, issued already.

Amount payable as application money

12. The amount payable on application on each share shall not be less than five percent of the nominal amount of the shares.

Instalments on Shares to be duly paid

13. If, by the conditions of allotment of any share, the whole or part of the amount or issue price (including premium if any) thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be registered holder of the share.

Commission

14. The Company may pay a Commission to any person in consideration of :-

    (a) his subscribing or agreeing to subscribe whether absolutely or conditionally for any shares in, or debentures of, the Company; or

    (b) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares to, or debentures of the Company, provided the commission amount paid directly or indirectly by way of commission, brokerage, discount or remuneration in any form, does not in the aggregate exceed two and one half percent of the paid up value of shares or the debentures as the case may be, and the amount or rate percent of the commission, paid or agreed to be paid is disclosed in manner required under section 76 of the Act.

Calls for futher Capital to be made on uniform basis

15. When any calls for further share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.

JOINT HOLDERS OF SHARES

Joint Owners of Shares

16. If several persons are registered as joint-holders of any share they shall be severally as well as jointly liable for any call or other liability in respect of such shares, but the first named upon the register shall, as regards voting, proxy, an Service of notice or notices, be deemed to be sole owner thereof, Upon the death of a resistered joint-owner the surviving registered joint-owner or owners shall be deemed by the Company to be absolutely entitled to the share.

Trust No Recognised

17. The Company shall be entitled to treat the Registered holder of any share as the absolute owner thereof, and accordingly, shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any "Benami", equitable or other claim to or interest in such share on the part of any other person.

Member to furnish address

18. Every member shall leave in writing at the registered office of the Company his address in India and will also intimate to the Company any change therein from time to time. Such address for all purposes shall be deemed to be his proper address.

SHARE AND SHARE CERTIFICATE

Numbering of Shares

19. Each share of the Company shall be distinguished by its appropriate number.

Certificate of Share

20. (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment of within one month from the date of receipt of the application for registration of transfer (or within such other period as the conditions of issue shall provide) :-

    (a) One certificate for all his shares of one class without payment: or

    (b) Several certificates, each for not less than such number of shares as may be determined by the Board of Directors from time to time, upon payment of one rupee for every certificate after the first. The Directors may at their absolute direction waive the payment of Rs. 1/- in any case.

    (2) Every certificate shall be under the seal, and shall be signed in such manner as the directors may prescribe, and shall specify the number and the denoting numbers of the shares to which it relates and the amount paid up thereon.

Renewal of defaced, lost or destroyed certificates

21. If any certificate be worn out or defaced or if there is no further space on the back thereof for endorsement or transfer, then upon production of the same to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate and such sum, not exceeding one rupee as the Directors may determine together with out of pocket expenses incurred or to be incurred by the company in despatching the Share Certificates to the member shall be paid to the company for every certificate so issued under this Article. Any renewed or duplicate certificates may be marked as such.

In case of shares held jointly company not to issue more than one certificate

22. In respect of any share or shares held jointly by serveral persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint-holders shall be sufficient delivery to all such holders.

Dematerialisation of Shares

22.A (i) Notwithstanding anything contained in these Articles, the Company shall have powers to dematerialize its shares, debenturs and other securities, to rematerialize the same and to offer and issue new shares, debentures or other securities, in a rematerialised form in accordance with the provisions of the Depositories Act. The rights and obligations of the concerned parties in respect of the shares, debentures and other securities in the dematerialized form, and all matters connected therewith and/or incidental thereto shall be governed by the provisions of the depositories Act and relevant provisions of the Act.

(ii) Every person subscribing to or holding shares, debentures and other Securities of the Company shall have the option to receive certificates therefore or to hold the same with a depository in dematerialized form. A beneficial owner, that is, a person whose name is recorded as such in a Depository in respect of the securities, can at any time opt out of the Depository. If permitted by law and in such a case the Company shall, in the manner and within the time as prescribed, issue the required certificates in respect of the subject securities to the beneficial owner.

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

(iii) All securities held by a Depository shall be dematerialized and be in fungible form.

(iv) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares, debentures and other securities in the records of Depository as the absolute owner thereof as regards receipt of dividend or bonus on shares interest/premium on debentures and other securities and repayment thereof or for service of notice and all or any other matter connected with the company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or by law required and except as aforesaid) be bound to recognize any benami Trust or Equity or equitable, contingent or other claim to or interest in such shares, debentures or other securities as the case may be, on the part of any other person whether or not it shall have express or implied notice thereof.

(v) 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.

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

(vii) 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 immmediately on allotment of such securities.

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

(ix) The Register and index of beneficial owners maintained by a Depository under the Depositoreis Act, 1996, shall be deemed to be the Register and index of Members and Security holders for the purposes of these Articles.

Calls

23. The Directors may from time to time, made such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively whether on account of nomianl value of shares or by way of premium and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments, and may be revoked or postponed at the discretion of the Board.

Notice of Call

24. At least fourteen days notice of any call shall be given by the Company either by post to the members or advertisement specifying the time and place of payment, and the person to whom such call shall be made.

When call deemed to have been made

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

Calls to carry interest

26. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due, shall pay interest for the same at the rate of six percent per annum from the day appointed for the payment thereof to the time of actual payment, or at such other rate as the Directors may determine. The Directors may in their absolute discretion waive the payment of interest wholly or in part in the case of any person liable to pay such call or instalment.

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

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

Evidence in action on call

28. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued used in entered in the register as the holder, or one of the holders, of the shares in respect of which such debt accrued: that the resolution making the call is duly recoreded in the minute book: and that notice of such call was duly given to the member sued, in pursuance of these presents: and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

29. Neither the receipt by the Company of portion of any money which shall, from time

to time, be due from any member to the company in respect of his share either by way of principal or interest, nor any indulgence graned by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided for non-payment of the whole or any balance due in respect of this shares.

Payment of calls in advance

30. The Directors may, if they think fit, receive from any member willing to advance the same, and either in money or money's worth all or any part of the capital due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the member paying such in advance and the directors agree upon.

The member paying the call in advance shall not, however, be entitled to any voting rights dividends or to participate in the profits or the Company in respect of the money so paid by him in advance, until the same would, but for such payment become presently payable.

Joint and several liability of joint holder

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

FORFEITURE OF SHARES

If call or instalment not paid, notice may be given

32. If, any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such member or his legal representative 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.

If notice not complied with shares may be forfeited

33. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividens declared in respect of the forfeited shares, and not actually paid before the forfeiture.

Forfeited shares to become property of Company

34. Any share so forfeited shall be deemed to be the property of the Company, and

the directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit.

Power to annual forfeiture

35. Two Directors may, at any time before any shares so forfeited shall have been told, re-alloted, or otherwise disposed of, annual the forfeiture thereof upon such conditions as they think fit.

Arrears to be paid notwithstanding forfeiture

36. (1) any member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding forfeiture, be liable to pay, and shall forthwith pay to the Company, all calls, instalments, 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 forfeiture until payment, at six percent per annum or at such rate as the Directors may determine, and the Directors may enforce the payment thereof, if they think fit.

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

Declaration of forfeiture

37. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(2) The company may receive the consideration if any, given for the share on any sale or disposal thereof and may authorise the execution of a transfer of the share in favour of the person to whom the share is sold or disposed of.

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

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

Validity of Sales under forfeiture

38. Upon any sale after forfeiture in purported exercise of the powers hereinbefore given, the Directors may 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 is 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.

Application of forfeiture provisions

39. The provisions of these articles as the forfeiture shall apply in the case of nonpayment of any sum which by the terms of the issue of a share, become payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION

Instrument of transfer

40. The instrument of transfer of any shares shall be in the form prescribed under the Act.

Application for transfer

41. (1) An application for the registration of a transfer of the shares or other interest of a member in a company may be made either by the transferor or by the transferee.

(2) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the company gives notice of the application to the transferee and the transfereee makes no objection to the transfer within two weeks from the date of the notice.

(3) For the purpose of sub-section (2), notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been delivered in the ordinary course of post.

Transfer not to be registered except on production of instrument of transfer

42. A company shall not resister a transfer of shares in, or debentures of, the company, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transfereee, has been delivered to the company along with the certificate relating to the shares or debentures, or if no such certificate is in existence alongwith the letter of allotment of the shares or debentures;

Provided that where, on an application in writing made to the company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by

or on behalf of the transferor and by or on behalf of the transferee has been lost, the company may register the transfer on such terms as to indemnity as the Board may think fit.

Provided further that nothing in this section shall prejudice any power of the company to register as shareholder any person to whom the right to any shares in, or debentures of, the company has been transmitted by operation of law.

Directors may decline to register transfer

43. 1. (i) The directors may, at any time, in their absolute and uncontrolled discretion and without assigning any reason decline to register any proposed transfer of shares.

(ii) The discretion shall also apply to a case where the prosposed transferee is already a member.

(iii) The Directors may further decline to register a transfer of any share in respect of which any calls have not been paid.

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

43.A. The Directors shall not accept any application for transfer of less than fifty equity shares of the Company, provided, however, this condition shall not apply to

(i) a transfer of equity shares made in pursuance of any statutory provision or an order of a court of law;

(ii) the transfer of all the equity shares by an existing equaty shareholder holding less than fifty equity shares by a single transfer to a single or joint names;

(iii) the transfer of all the equity shares of an equity shareholder holding less than fifty equity shares to one or more transferees whose holding in the Company will not be less than fifty equity shares each after the said transfer;

(iv) The transfer of not less that fifty equity shares in the aggregate in favour of the same transfereree in two or more transfer deeds submitted together within whcih one or more relates (s) to a transfer of less than fifty equity shares; and

(v) the transfer of shares made under special circumstances at the discretion of the directors to avoid undue hardship in genuine cases.

Transferor to remain holder of share until transferee's name entered in the register.

44. the transferor shall be deemed to remain the holder of such share (or shares) until the name of the transferee is entered in the register of members in respect thereof.

No transfer to infant etc.

45. No transfer shall be made to an infant or person of unsound mind.

45A. The company shall have a first and paramount lien upon all he 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 sales 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 except upon the footing and conditions that article 17 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares, Unless otherwise agreed the registration of transfer of shares shall operate as a waiver of the company's lien if any on such shares. The directors may at any time declare any shares wholly or in part to be exempted from the provision of this clause.

When transfers to be retained

46. All instruments of transfer, which shall be registered, shall be retained the company, but any instrument or transfer which the Directors may decline to register may be returned to the person depositing the same.

Free on transfer or transmission

47. (1) No fee shall be paid to the company in respect of any registration of membership or an transmission or transfer of any share.

(2) the directors may charge a fee not exceeding Rs. 2/- on the registration of every probate, letter of administration, certificate of death or marriage, power of attorney or other instruments.

48. There shall be a separate instrument of transfer in respect of each class of share.

Suspension of registration of transfer or transmission

49. (1) the registration or transfers may be suspended at such times and for such periods as the board may from time to time determine;

Provided that such registration shall not be suspended for more than forty-five days in any year, but not exceeding thirty days at any one time.

(2) The company shall give not less than seven days previous notice by advertisement in some news - paper circulating in the district in which the Registered Office of the company is situated notifying the closure of Transfer Registers and Books.

TRANSMISSIONS

Shares of deceased member

50. (1) the exceutor or administrator or legal representative of the deceased member (whether a Foreigner, Hindu Mohammedan, Parsee or otherwise) shall be the only person recognised by the company as having any title to his share

except in case of joint - holders, in which case surviving holders or holder, or the executor, administrator of legal representative of the last surviving holder shall be the only person entitled to be so recognised.

(2) Nothing contained in sub-clause (1) shall release the estate of a deceased joint-holder from any liability in respect of any share jointly held by him.

(3) The company shall not be bound to recognize such executor, administrator, or legal representative unless he shall have obtained probate or letters of Administration or other legal representation as the case may be, from a duly constituted court in India or from any court or authority authorised by any Act of the Parliament of India or by any order or notification of the president in council to grant such probate or letters of Administraiton.

(4) In special cases and in such only it shall be lawful for the Directors to dispense with the production of probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as to the Directors may seem meet.

Transmission Clause

51. Any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvencyof any member or by any lawful means other than by a transfer in accordance with these presents, upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article, or of his title as the Directors (which they shall not be under any obligation to give) and upon giving such indemnity as the Directors think fit, either be registered himself as the holder of such shares, or may, subject ot the regulations as to transfer hereinbefore contained, elect to have some person nominated by him and approved by the Directors, registered as the transferee thereof; provided nevertheless, that if such person shall elect to have his nominee resistered he shall testify the election by executing to his nominee an instrument of transfer of such shares in accordance with the provisions herein contained, and until he does so, he shall not be free from any liability in respect of the shares. The article is hereinafter referred to as the "Transmission clause"

Directors may refuse to register transmission

52. The directors shall have the same right to refuse to register a person entitled by transmission of any share of his nominee as if he were the transferee named in any ordinary instrument of transfer presented for registration.

53. A person becoming entitled to a share by the reason of the death or insolvency or the holder shall be entitled to the same dividens and other advantages to which he would be entitled if he were the registred holder of the share, except that he shall not, before being registered as a member in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided that

the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not compelled with within ninety days, the board may thereafter withhold payment of all dividens, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

Nomination by shareholders.

53A. A holder or joint holders of shares in or debentures of the Company may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 (including amendment thereto or any re-enactment thereof) and in the manner prescribed thereunder, any person to whom all the rights in the shares in or debentures of the company shall vest in the event or death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with and in manner prescribed under the provisions of section 109B of the companies Act, 1956 or any other statutory modification or re-enactment thereof for the time being in force.

Transmission of Securities by Nominees

53B. A nominee, upon production or such evidence as may be required by the Board and subject as hereinafter provided.

(i) elect, either to be registered himself/herself as holder of the share or debenture or to made such transfer of the share or debenture as the deceased shareholder or debentureholder, as the case may be could have made;

(ii) if the nominee elects to be registered as holder of the share or debenture, himsel/herself, as the case may be, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be;

(iii) a nominee, upon becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she were the registered holder of the share or debenture except that he/she shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided by the Board may, at any time, give notice requiring any such person to elect either to be resistered himself/hereself or to ransfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter without payment of all dividens, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

INCREASE OF CAPITAL

Increase of Share Capital

54. The company may, from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

On what conditions new shares may be issued

55. The new shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; and in particulars such shares may be issued.with a preferential or qualified right to dividends and in the distribution of assets of the Company.

56. (1) The issue of new shares shall be, subejct to the provisions of section 81 of the Act in respect of offer in the first instance to existing shareholders and all other requirements enumerated therein.

(2) If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the member, such difficulty shall, in the absence of any direction in the resolution creating the share or by the Company in General Meeting, be determined by the Directors.

How far new shares to rank with shares in original capital

57. Except so far as otherwise provided by the conditioins of issue, or by these presents, any capital raised by the creation of new shares shall be considered part of the original ordinary capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien voting and otherwise.

Capitalisation of Profits

57A. The Company in general meeting may upon the recommendation of the Directors resolve that any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, be capitalised and that the amount so capitalised or any sum stand in to the credit of any capital redemption reserve fund, share premium account or other capital reserve be distributed amonst the members who would have been entitled there to if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any share held by such members respectively or paying up in full either at par or at such premium as

the resolution may provide unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the way and partly in the other, and the Directors shall give effect to such resolution which shall be binding on all members.

Provided that a share premium account and a capital redemption reserve fund may, for the purposes of this articles, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

57B. For the purpose of giving effect of any resolution under the preceding article, the Directors shall make all appropriation and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation.

REDUCTION OF SHARE CAPITAL

Special Resolution for reduction of share capital

58. Subject to confirmation by the Court, the Company may, by special resolution, reduce its share capital in any way; and in particular and without prejudice to the generality of the foregoing power, may :-

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost, or is unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up shares capital which is in excess of the wants of the company.

Sub-Division and Consolidation of Shares

59. The company may be ordinary resolution :-

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

(ii) convert all, or any of its paid-up shares into stock and reconvert that stock into paid-up shares of any denomination;

(iii) sub-divide its shares, or any of them, into shares of smaller amount than in fixed by the memorandum so, however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on such reduced shares shall be the same as it was in the case of the share from which the reduced share is derived; and

(iv) Cancel shares, which at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares as cancelled;

59A. Notwithstanding anything contained in Article 59 hereof the Directors may refuse any application for sub-division of equity share certificates into certificates of the denomination of less than fifty equity shares except where such sub-division is required to be made to comply with any statutory provision or an order or a decree of any court of competent jurisdiction.

60. A cancellation of shares in pursuance of the last preceding clause shall not be deemed to be a reduction of share capital so as to require the confirmation of the court.

MODIFICATION OF RIGHTS

Power to modify rights

61. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes, all or any of the rights and privileges attached to each class may be modified, commuted, affected, abrogated, or dealt with by agreement between the Company and any person purporting to contract on behalf of the class, provided such agreement is ratified in writing by the holders of at least three-fourth in nominal value of the issued shares of the class, or is confirmed by Special Resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions herein after contained as to general meetings shall, mutaitis mutandis, apply to every or representing by proxy one-fifth of the issued shares of the class. This clauses not to derogate from any power the Company would have had if this clause were omitted.

Borrowing Powers

62. The Directors of the Company may borrow from time to time for the purposes of the Company such sum or sums of money as they may in their absolute desertion think fit notwithstanding that the moneys so borrowed either by themselves or together with the moneys already borrowed by the Company and remaining outstanding (other than temporary loans obtained from the Company's bankers in the ordinary course of business) may be in excess of the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose.

Conditions on which money may be borrowed

63. The Directors may, subject such conditions as General Meetings may impose where consent of General Meeting is applicable, raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the creation of any mortgage or charge on, or by the issue of debentures or debenture stock of the Company charged upon, all or any part of the property of the Company provided, however, that no charge shall be created upon any of the Company's unpaid capital.

Securities may be assignable free from equities

64. 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.

Issue etc. with special privileges

65. (1) Subject to the provisions of the Act, any debentures, debentures stock, bonds, or other securities may be issued on condition that they shall be convertible into shares of any denomination, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meeting of the Company, appointment or Directors and otherwise.

(2) Debentures, debentures stock, bonds or other securities with a right to allotment of or conversion into shares shall not be issued without the sanction of the company in the general meeting.

Register of Mortgages to be kept

66. The Directors shall cause a proper Register to be kept in accordance with Section 143 of the Act of all mortgages and charged specifically affecting the property of the Company, and shall duly comply with the requirements of Section 125 and 127 of the said Act, in regard to the registration of mortgagees and charges.

Register of Holders of Debentures

67. Every register of holder of debentures of the Company be closed for any periods not exceeding in the whole thirty days in any year. Subject as aforesaid every such Register shall be open to the inspection of the registered holder of any such debentures subject to the restrictions contained in these regulations.

Inspection of Copies of Mortgages

68. The Company shall comply with the provisions of Section 144 of The Act as to allowing inspection of copies of mortgages kept at the office in pursuance of Section 136 of the Act and as to allowing inspection of the Register of Mortgages to be kept at the office in pursuance of Section 143 of the Act.

GENERAL MEETING

Annual General Meeting

69. The Company shall, in addition to any other meetings, hold a general meeting which shall be styled its Annual General Meeting at the intervals and in accordance with the provision specified below.

    The Annual General Meeting shall be held with nine months after the expiry of each financial year.

Interval of Meetings

70. Not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.

Time and place of Annual General Meetings

71. Every annual general meeting shall be called for a time during business hours on date i.e. not a public Holiday and shall be held either at the registered office of the Company, or at such other place with New Delhi as the Directors may determine, and the notices calling the meeting shall specify it as the Annual General Meeting.

Extraordinary General Meetings

72. All General Meetings other than the Annual General Meeting, referred to in the preceding Articles shall be called Extraordinary General Meetings.

Extraordinary General Meetings on requisitions or otherwise

73. The Directors may whenever they think fit call an extraordinary General Meeting at such time and place as may be determined by them and an Extra Ordinary General Meeting shall also be called on the requisition of such member or members and under such conditions as are specified in the provisions of Section 169 of the Act, or in default thereof can be called by such requisitionists themselves as per provisions of the aforesaid Section of the Act. (Sec. 169).

Length of Notice

74. A General Meeting of the Company may be called by giving not less than 21 days' notice in writing.

Shorter Notice in some cases

75. A General Meeting may be called after giving shorter notice than 21 days if consent is accorded there to :

    (i) In the case of an annual meeting by all the members entitled to vote thereat; and

(ii) In the case of any other meeting, by members of the company holding not less than 95% of such part of the paid-up share capital of the company as gives a right to vote at the meeting.

Contents and manner or service of notice

76. (1) Every notice of a meeting of the company shall specity the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) In every notice calling a meeting of the Company, there shall appear, with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint a proxy, or proxies, to attend and vote instead of himself and that a proxy need not a member.

To Whom Notice shall be given

77. Notice of every meeting of the company shall be given :-

(i) To every member of the company, in any manner authorised by the articles under the heading 'notice'.

(ii) To the presons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address had been so supplied, by giving notice in any manner in which it might have been given in the death or insolvency had not occurred.

(iii) To the Auditor or Auditors for the time being of the company, in a manner as specified in the articles under the heading 'Notice'.

Accidental Omission to Give Notice

78. The accidental omission to give notice to, or the non-receipt of notice by, any member or other person to whom it should be given, shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

Special Business at General Meetings

79. All business transacted at an Annual General Meeting shall be deemed special with the exception of business relating to :-

(i) The consideration of the Accounts Balance sheets and the Reports of the Board of Directors and Auditors;

(ii) The declaration of a dividend;

(iii) The appointment of Directors in the palace of those retiring; and

(iv) The appointment of the fixing of the remunerations of the Auditors.

Ordinary and special Resolutions

80. (1) A resolution shall be an ordinary resolution when at a general meeting of which the notice required under this 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 member, who being entitled to do so, 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.

(2) A resolution shall be a special resolution when :-

(a) the intention to propose the resolution as special resolution has been duly specified in the notice calling the general meeting or other intimation giving to the members of the resolution;

(b) the notice required under the Act has been duly given of the general meeting; and

(c) the votes cast in favour of the resolution (whether on a show of hands or a posts, as the case may be) by members who, being entitled so to do, vote in person, or where proxies one allowed, by proxy, are not less than three times the numbers of the votes, if any, cast against the resolution by members so entitled and voting.

Explanatory statement to tbe annexed to Notice

81. (1) Where any items of business to be transacted at the meeting are deemed to be special there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the interest, if any therein or every Director, the Managing Director, and the manger if any.

(2) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

Quorum of Meeting

82. Five members have a right to vote personally present shall form a quorum for a meeting of the Company.

Quorum to be present when business commenced

83. No business shall be transacted at any General meeting unless the quorum requisite