

ARTICLES OF ASSOCIATION

OF

EL FORGE LIMITED

1. PRELIMINARY

1. The regulations in Table A in the first schedule of the [Companies Act, 1956], I shall so far as applicable be the regulations of the Company, except in regard to the matters contained. In the Articles provided hereinbelow which said Articles shall have the effect of excluding such of the regulations in Table A as are inconsistent with the (the said Articles)

II. CAPITAL

- 2A The Share Capital of the Company is Rs.29,00,00,000 (Rupees Twenty nine Crores only) divided into
- a) 2,60,00,000 (Two Crore Sixty lakhs) equity shares of Rs.10/- each. (Rupees ten only)
 - b) 13,00,000 (Thirteen lakhs) Redeemable Preference Shares of Rs.100/- (Rupees hundred only)

For EL FORGE LIMITED
Boemithik
Company Secretary

- 2B [The Company in General Meeting may from time to time, increase the Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act any Shares of the Original or increased capital.

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1. Substituted for the words and year "Indian Companies Act, 1913" vide EGM resolution dated 7.3.1992.
2. The original authorised capital on incorporation was Rs.7,00,000. This was changed to Rs.25,00,000 vide EGM resolution dated 24.9.62 and Rs.50,00,000 vide AGM Resolution dated 30.12.1982, Rs.2,00,00,000 vide AGM resolution dated 31.8.1990 and to Rs.5,00,00,000 vide EGM resolution dated 9.1.92 Rs.6,00,00,000 vide AGM resolution dated 29.9.95, Rs.7,00,00,000 vide AGM resolution dated 8.3.01, Rs.10,00,00,000 vide AGM resolution dated 20.9.02, Rs.11,00,00,000 vide EGM resolution dated 30.11.04, Rs.13,00,00,000 vide EGM Resolution dated 03.06.2006, Rs.29,00,00,000 vide AGM resolution dated 19.08.2010, Rs.39,00,00,000/- vide AGM Resolution dated 30.11.2011.

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 particular such shares may be issued with preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right of voting at General Meetings of the Company, in conformity with Section 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act].

Provided that an option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting.

- 2C. The Company shall have the power, subject to and in accordance with the provisions of the Act for the time being in force, to purchase/acquire any of its shares whether or not they are redeemable and may make a payment therefor (including out of capital) and cancel and/or reissue any such shares either in full or in part.

iii. MINIMUM SUBSCRIPTION

3. The minimum subscription upon which the Directors may proceed to allotment to Rs.35,000/-.

IV VOTES OF MEMBERS

4. On a show of hands, every member present in person shall have one vote. On a poll every member present in person or by proxy shall have one vote for every share held by him.

V DIRECTORS

5. The First Directors of the Company shall be-
- (1) Sowcar C Abdul Hakim Saheb
 - (2) Mr.T.N.Krishnaswami
 - (3) Mr.C.S.Srinivasa Mudaliar
 - (4) Rao Bahadur Mothay Narasimha Rao Garu
 - (5) Rao Saheb B.Venkaramayya Naidu Garu
- and they shall hold office until the Annual General Meeting in 1935.
6. [The Directors of the Company shall not be less than three and not more than nine]
7. Directors of the Company whether appointed by the Company or nominated and/or appointed by the Central Government or State Government and/or by Public Financial Institution or otherwise appointed and / or nominated in accordance with Articles of Association of the Company subject to the Companies Act, 1956 shall not be required to hold any shares in the Company either in their own names or jointly with others as qualification shares

Each Directors shall be paid out of the funds of the Company as remuneration for his services such sums as may be determined by the Directors for every meeting of the Directors at which he shall be present in person besides travelling and hotel expenses.

If any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company the Directors may pay to such Director such special remuneration as they think fit, which remuneration may be in the form of either salary, commission or lump sum and may either be in addition to or in substitution of the remuneration mentioned in the preceding clause.

Except as otherwise provided by these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

The Directors may appoint any one or more of them, or their nominees, or any firm in which they are Partners of any Public or Private Limited Liability Company in which they are Directors, as Managing Director of this Company on such terms and conditions as they may think fit and may enter into such an agreement as they deem expedient in this behalf and such appointment shall not be liable to be determined except to the manner set out in the agreement entered into in that behalf.

So long as any amount borrowed from the State Industries Promotion Corporation of Tamil Nadu Limited, are outstanding. The State Industries Promotion Corporation of Tamil Nadu Limited are entitled to continue as person as a Director of the Company and to remove and appoint auditor in his place and that a Director so appointed by The State Industries Promotion Corporation of Tamil Nadu Limited is not liable to retire by rotation or he required to hold the share qualification

11(b).Nominee Director

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), The Industrial Finance Corporation of India Limited (IFCI), The Industrial Credit & Investment Corporation of India Ltd (ICCI) and Life Insurance Corporation of India (LIC) or to any other Financing Corporation or Credit Corporation to any other Financing Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Articles referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non whole time (which Director or Directors is/are 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/persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the

liability of the Company arising out of 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.

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

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.

Provided that in 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 also accordingly be paid by the Company directly to the Corporation.

VI. INDEMNITY AND RESPONSIBILITY

The Directors, Managing Directors, or other officers of the Company shall be indemnified by the Company against all costs, losses and expenses which they may incur by reason of any contract entered into or act done by him or them as such officer, or in any way in the discharge of their duties.

The Directors, Managing Directors or other Officers of the Company shall be liable only for so much of the moneys as they shall actually receive and they shall not be answerable for the acts of defaults of any other officer or servant of the company, or for any loss, damage or misfortune whatsoever, which shall happen in the execution of their duties of their office unless the same happens through their willful act or default.

VII MANAGEMENT OF BUSINESS

The general management of business of the Company shall be in the hands of the Directors. The Directors shall have the power to delegate all or any of the powers, rights and duties vested in them by any Managing Director who may be appointed by them under the provisions of Article No. 11 hereunder.

Subject to the provisions and general control of the Board, the Managing Director for the time being of the Company shall have the consent and management of the business and affairs of the company and shall have the power and authority on behalf of the Company to enter into all contracts and do all other things usual, necessary and desirable in the management of the business and affairs of the company or in carrying out its object and they shall have the power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the Company or otherwise for the purpose thereof and from time to time to remove or suspend such agents officers, assistants, clerks, servants and other employees of whatsoever description as they shall think proper with such powers and duties and upon such terms as to duration of office or employment, remuneration or otherwise as they shall think fit.

Provided that the Managing Agents shall not exercise the power to

1. Make calls on shareholders in respect of moneys on shares in the Company.
2. Borrow moneys except within the limits previously fixed by the Directors at the Board Meeting.
3. Invest the funds of the company; and
4. makes loans except within the limits previously fixed by the Directors at a Board Meeting.

Provided further that the Managing Agents shall exercise their power in regard to the following matters except with the previous approval of the Directors.

- a) power to appoint any person as manager of the Company within the meaning of the Indian Companies Act
- b) power to engage on behalf of the Company any person who is either a relation of any Director or relation of a partner of the director whether of the Company or of the Managing Agents.
- c) power to compound or sanction the extension of time for payment or satisfaction of any debt due to the Company from any associates of the Managing Agents.
- d) power to engage staff on behalf of the Company except staff whose remuneration is within the limits prescribed by the Directors of the company.
- e) power to purchase or sell capital assets on behalf of the Company except where the purchase or sale price is within the limits prescribed by the Directors of the Company.

19A (a) Subject to the provisions of the Companies Act, the Directors may from time to time appoint one or more of their Body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business 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.

(b) Subject to the provisions of the Act, a Managing Director shall not while he continues to hold that office, be subject to retirement by rotation, but he shall (subject to the provisions of any contract between him and the company) be subject to the same provisions as to resignation and removal as the other Directors of the Company.

(c) The remuneration of the Managing Director (subject to Section 309 and other Sections of the Act, and of any contract between him and the company and subject to the approval of the shareholders in General Meeting) shall from time to time be fixed by the Directors which may be by way fixed salary and or commission on profits of the Company

The Directors may from time to time appoint any person as General Manager of the Company to manage the affairs of the Company and may confer upon him such powers as may be necessary for the due execution of office of General Manager on such remuneration as they may decide from time to time.

Receipts signed by the Managing Director for any moneys or goods or property received in the usual course of business of the Company or for any moneys, goods or property lent to or payable or belonging to the company shall be effectual discharges on behalf of any against the company for the moneys, funds or property which in

such receipts shall be acknowledged to be received and the person paying any such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall have full power and authority to draw, accept or endorse and negotiate all cheques, bankers bills of exchange, promissory notes, hundies drafts government and other securities as shall be necessary for the carrying on and managing the affairs and business of the Company. They may also act as bankers of the Company and shall have power to open and operate current or other accounts with banks.

The Managing Director may lend or borrow money belonging to or on behalf of the Company to or from any person or persons, whether shareholders or not at such rates of interest and upon such security or without any security and generally upon such terms as they think proper.

The Company in General Meeting may upon the recommendation of the Board

RESOLVE

1. (a) THAT it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's Reserves or to the credit of the Profit & Loss Account or otherwise available for distribution; and

(b) THAT such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
2. The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards.
 - (i) Paying up any amounts from the time being unpaid on any shares held by such members respectively.
 - (ii) Paying up in full, unissued shares or debentures of the Company, to be allotted or distributed, credited as fully paid up to and amongst such members in the proportion aforesaid or.
 - (iii) Partly in the way specified in sub-clause (1) and partly in that specified in sub-clause(ii)
3. A Share Premium account and a capital redemption fund may for the purpose of this regulation only be applied in paying up unissued shares to the members of the company as full paid bonus shares.
4. The Board shall give effect to the resolution passed by the Company in pursuance of this resolution.
 - (1) Whatsoever such a resolution as aforesaid shall have been passed, the Board shall
 - (a) Make all appropriations 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
 - (b) Generally do all acts and things required to give effect thereto.
 - (2) The Board shall have full power
 - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit for the class of shares or debentures becoming distributable in fractions, and also.

- (b) to authorise any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing of the allotment to them respectively, credited as fully paid up of any further shares or debentures to which they may entitled upon. Such capitalization or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts of any part of the amounts remaining unpaid on these existing shares.
- (3) Any agreement made under such authority shall be effective and binding on all such member.

Articles Nos.20 to 78 inserted vide EGM resolution dated 7.3.92.

- 19A Notwithstanding anything contained in these Articles, the Board of Directors may when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.

CALLS

20. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members, in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made to him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
21. Fifteen days notice in writing of any call shall be given by the Company specifying the time and grace of payments and the person or persons to whom such call shall be paid
22. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
23. A call may be revoked or postponed at the discretion of the Board.
24. The joint holders of the share shall be jointly and severally liable to pay all calls in respect thereof.
25. The Board may from time to time at its discretion extend the time fixed for payment of any call and may extend such time as to all or any of the members who from residence at a distance or other cause the board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.
26. If any member fails to pay any call from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed and payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18 percent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
27. Any sum, which in terms of issue of a share becomes payable on allotment at a fixed date, whether an account of the nominal value of the shares or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by

the terms of issue the same becomes payable, and in case on non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

28. on the trial of hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as a holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minutes book; and that notice of such call was duly given to the member or his representatives issued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, not that the meeting at which any call was made was duly convened or constituted not any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidences of the debt.
29. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the company in respect of his shares either by way of principal or interest, nor any indulgence granted 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
- 30 (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up, and upon the moneys so paid in advance or upon so much thereof from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving the member three months notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits
- (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

(The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company)

FURTHER ISSUE OF SHARES

- 30A (1) Where at the 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 which ever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares whether out of the unissued capital or out of the increase share capital then.
 - (a) 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 near as circumstances admit to the capital paid up on those shares at the date.

- (b) Such offer shall be made by notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- (c) The offer aforesaid shall be deemed to include 3 right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) therefore shall contain a statement of this right PROVIDED THAT the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.
- (d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom the notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner and to such persons(s) as they may think, in their sole discretion, fit.

Notwithstanding anything contained in sub-section (I) thereof, the further shares aforesaid may be offered to any person (whether or not those persons include the persons referred to in clause (a) of sub clause (I) hereof in any manner whatsoever.

- (a) If a special resolution to that effect is passed by the Company in General Meeting, or
- (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any of the chairman) by the members, who, being entitled to do so vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

(Nothing in sub-clause (c) of (1) hereof shall be deemed.

- (a) To extend the time within which the offer should be accepted or
- (b) To authorise any person exercise the right of renunciation for a second time on the ground that the persons in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (e) Nothing in the Article shall apply to the increase of the subscribed capital of the company caused by the exercise on an option attached to the debenture issued or loans raised by the Company.
 - (i) To convert such debentures or loans into shares in the Company.
 - (ii) To subscribe for shares in the company (whether such option is conferred in these Articles or otherwise)

PROVIDED THAT the terms of issue of such debentures or a terms of such loans include a term providing for such option and such term

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any made by that Government in this behalf and
- (b) In the case of debentures or loans or other than the debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of debentures or raising of the loans.

SHARES AT THE DISPOSAL OF THE DIRECTORS

- 30B Subject to the provisions of section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such term and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or rights to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company to conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without sanction of the Company in the General Meeting.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

- 30C. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee as the Directors from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the numbers and distinctive number of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the Director may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a Certificate of Shares in one of several joint holders shall be sufficient delivery to all such holders.

ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED LOST OR DESTROYED

30D. If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem, adequate, being given a new certificate in lieu shall be given to the party entitled to such lost or destroyed certificate. Every certificates under the Articles of shall be issued without payment of fees if the Directors so decide or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where there is no further space on the back thereof for endorsement transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or Requirements of any Stock Exchange or the Rules made under the Act or the Rule made under Securities Contracts (Registration) Act 1956 or any other Act, or Rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

TERM OF ISSUE OF DEBENTURES

30E. Any-debentures, debenture stock or other securities may be issued at a discount premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

LIEN

COMPANY'S LIEN ON SHARE/DEBENTURES

1. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares / debentures (other than fully paid up shares /debentures) registered in the name of such member (whether solely or jointly with others) 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/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. An such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/ debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause.

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 fulfillment, or discharge of such debts liabilities or engagements for fourteen days after such notice.

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 the lien exists as is presently payable and the residue. If any, shall (subject to a 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.

FORFEITURE OF SHARES

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

35. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 18 percent per annum as the directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.
36. If the requirements of any such notice aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.
37. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name stood immediately prior to the forfeiture and so entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
38. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
39. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls installments, interest and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 18 per cent per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
40. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the above, except only such of those rights as by these Articles are expressly saved.
41. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated to the declarant, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the board may appoint some persons to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after this name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall be demanded by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

The Board may at any time before any share not forfeited shall have been sold, re-allotted or otherwise disposed of, annul for forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

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.

INSTRUMENT OF TRANSFERS

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

The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The 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 transfer the certificate or certificates of the shares must be delivered to the Company.

Provided that the Company will issue share certificates within two months of the lodgement with them for transfer, sub division or consolidation.

48. 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 time or 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.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

49. [Subject to the provisions of Section III of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956 the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the rights of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with an other person or persons indebted to the Company on any account whatsoever except when the Company has a lien or the share Transfer of Shares debentures in whatever lot shall not be refused.
50. 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.
51. In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of the deceased joint-holder from any liability on shares held by him jointly with any other person.
52. 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, or upon such terms as to indemnify or otherwise as the Board in its absolute discretion may think necessary and under Article 54 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.
53. No share shall in any circumstances be transferred to any minor, infant, insolvent or person of unsound mind.
- If any member of the Company dies, and the Company through any of its principal officers within the meaning of the Estate Duty Act, 1953, has knowledge of the death, it shall not be lawful for the Company to register transfer of any shares standing in the name of the deceased member unless the Company is satisfied that the transferee has acquired such shares for valuable consideration or there is produced to it a certificate from the Controller, Deputy Controller or Assistant Controller of Estate Duty, that either the Estate Duty in respect thereof has been paid or will be paid or none is due as the case may be. Where the Company has come to know through any of its principal officers of the death of any member, the Company shall within three months of the receipt of such knowledge, furnish to the Assistant Controller or the Deputy Controller of the Estate Duty, who is exercising the functions of the Income-tax Officer under the Income-tax Act in relation to the Company, such particulars as may be prescribed by the Estate Duty Rules 1953.
53. Subject to the provisions of the Act and Articles 51 and 52, any person becoming entitled to shares to the consequence of the death, lunacy, bankruptcy or insolvency of any member, or by 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 character in respect of which the proposes to act under this Article or of such title as the Board thinks sufficient, either he 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, the if such person shall elect to have his nominee registered, he shall testify the election of executing in favor of his nominee and instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

54. A person entitled to a share by transmission shall, subject to the right of the director to retain such dividends or moneys as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.
55. The Company shall not charge any fees on the registration of transfers or for effecting any transmission, or for registering any letters of Probate, letters of administration, certificate of death and marriage, powers of attorney or other similar instructions.

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or given effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest or in the said shares, notwithstanding that the company may have had notice of such equitable right, the 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 require to regard or attend or give effect to any notice which may be given to it if any suitable 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.

BORROWING POWER

56. Subject to the provisions of Section 292 and 293 of the Act, the Board may, from time to time, as its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of moneys for the purposes of the Company.

Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

57. Subject to the provisions of Article 59 hereof, the payment of repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Special Resolution shall prescribe including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including the uncalled capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
58. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending

(but not voting) at general meetings, appointment of directors and otherwise. Debenture/bonds, Debenture Stock Books or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.

59. The Board shall cause a proper register to be kept in accordance with the provisions of section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Section 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.
60. The Company shall if any time it issues debentures, keep a register and index of debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Debenture-holders resident in that State or Country.

DIVIDENDS

61. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by the Articles and subject to be the provisions of these Articles shall be divisible among the members in proportion to the amount of capital called up on the shares, held by them respectively.
62. The Company in general meeting may declare dividends to be paid to members according to their respective rights but no dividends shall exceed the amount recommended by the Board of Directors.
63. No dividends shall be paid otherwise than out of profits for the year or any other undistributed profits and no dividend shall carry interest as against the Company. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.
64. The Board of Directors may from time to time, pay to the members such interim dividend as in their judgement the position of the Company justifies.
65. Where the capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confers right to participate in profits.
66. The Company shall pay dividends in proportion to the amount paid up or credited as paid up on each shares.
67. The Board of Directors may retain the dividends payable upon shares in respect of which any person is under Article 55 entitled to become a member or which any person under the Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.
68. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares, or otherwise however, either alone or jointly with any other person or persons and the Board of Directors may deduct the interest or dividend payable to any member all such sums of money so due from him to the Company.
69. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
70. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible

for any cheque or warrant or pay slip or receipt lost in transmission, or for any dividend lost to the member or persons entitled thereto by the forged endorsement of any cheque or warrant or the forged signature or any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as joint holders of any share or shares any one of them can give effectual receipt for any dividend or other money payable in respect thereof.

UNPAID OR UNCLAIMED DIVIDEND

71. (Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration for any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of El Forge Limited: and transfer to the said account the total amount dividend which remain unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the General Revenue account of the Central Government. A claim to any money so transferred to the General Revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

72. Any General Meeting declaring a dividend may on the recommendation of directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time to as dividend, and the dividend may, if so arranged between the Company and the members, be set off against the calls.
73. (a) The Company in general meeting may on the recommendation of Directors resolve that any money, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or otherwise and available for distribution be capitalised and distributed among such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders to paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly in or towards payment of the uncalled liability on any issued shares or debentures or debenture stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that a Share Premium account and a Capital Redemption Reserve account may for the purpose of this Article only, be applied in the paying up of unissued shares to be issued to members of the company as full paid bonus shares.
- (b) A general meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for Income-tax be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board of Directors may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificate and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fractions of value has been Re.1/- may be disregarded in order to

adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Board of Directors. Where requisite, a proper contract may be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective and binding on all such persons.

WINDING UP

74. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst members in proportions to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the shares issued upon special terms and conditions.
75. The Liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution, divide among the contributors in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the company in trustees upon trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

76 Dematerialisation of Securities

Definitions

- (i) For the purpose of this Article:

“Beneficial Owner” means a person whose name is recorded as such with a depository.

“Registered Owner” means a depository whose name is entered as such in the register of the issuer.

“SEBI” means the Securities and Exchange Board of India.

“Depository” means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992.

“Security” means such security as may be specified by SEBI from time to time.

- (ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to other securities in a dematerialised form pursuant to the Depositories Act, 1996.

Option for Investors

- (iii) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with depository. Such a person who is beneficial owner of the securities can at any time opt out a depository, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issue to the

beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the Company shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

- (iv) All securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372 of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories

- (v)
 - (a) Notwithstanding anything to the contrary contained in the Companies Act, 1956, or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owners.
 - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

Service of Documents

- (vi) Notwithstanding anything in the Companies Act, 1956, or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- (vii) Nothing contained in Section 108 of the Companies Act, 1956, or these Articles shall apply to a transfer of Securities effected by transferor and transferee, both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt with by a Depository

- (viii) Notwithstanding anything in the Companies Act, 1956, or these Articles, where the Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Distinctive Numbers of Securities held in a Depository

- (ix) Nothing contained in the Companies Act, 1956 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

Register and Index of Beneficial Owners

- (x) The Register of Index of Beneficial Owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security Holders for the purpose of these Articles.

Dated this Eleventh day of July 1934.

| Names, addresses and descriptions of Shareholders | Number of Shares taken by each Subscriber |
|---|---|
|---|---|

| | |
|---|-------------|
| 1. T.N.Krishnaswami P.O.291, Stock Broker Madras | Fifty-one |
| 2. W.S.Sashachal Gramany Banker Washermanpet, P.O.Madras | Five |
| 3. P.I.V.A.V.Ramanathan Chettiar Banker 34, Coral Merchant Street Madras | One hundred |
| 4. N.Vencatesan Assistant Messrs.Chandrie & Co., Ltd Mercantile Bank Buildings Madras | Five |
| 5. N.Sankaran Accountant Messrs.Chandrie & Co., Ltd Madras | Five |
| 6. T.E.Ramanujam Clerk Messrs.Chandrie & Co., Ltd Mercantile Bank Buildings Madras | One |
| 7. R.A.Ramaseshagiri Clerk Messrs.Chandrie & Co.,Ltd Mercantile Bank Buildings Madras | Two |

Witness to the above signatures :