MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

RELIANCE ENERGY TRADING PRIVATE LIMITED

सत्यमेव जयते

प्रारूप. आई. आर.

Form I.R.

निगमन का प्रमाण–पत्र

CERTIFICATE OF INCORPORATION

U 40109 MH 2003 PTC 141376

ता. ______________________ की.सं. ______________________

No. ______________________ of Date ______________________

मै एतद्द्वारा प्रमाणित करता हू कि आज ______________________

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कम्पनी अधिनियम (1956 का सं 1) के अधीन निगमित की गई है और कम्पनी परिसीमित है।

I hereby certify that RELIANCE ENERGY TRADING PRIVATE LIMITED.

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

मेरे हस्ताक्षर से आज ता. ______________ को दिया गया।

Given under my hand at MUMBAI this SEVENTEENTH day of JULY Two Thousand THREE.

(H.A.SOJ)

ASSTT. कम्पनियो का रजिस्ट्रार

Registrar of Companies

Maharashtra, Mumbai

कम्पनी रजिस्ट्रार की मोहर

Seal of The Registrar of Companies

Maharashtra

जे एस सी 1

J. S. C. 1

119 / एम. एफ. एस. / सिविल / कल92-20-000-3-4-93-GIPG-भासमुना

119/MFS/Civil/Cal/92-20-000-3-4-93-GIPG

THE COMPANIES ACT, 1956

Company Limited by Shares

Memorandum of Association

of

RELIANCE ENERGY TRADING PRIVATE LIMITED

I. The name of the Company is RELIANCE ENERGY TRADING PRIVATE LIMITED.

II. The registered Office of the Company will be situated in the State of Maharashtra, i,e within the jurisdiction of Registrar of Companies, Maharashtra at Mumbai.

III. The objects for which the Company is established are :

(A) **The main objects of the Company to be pursued by the Company on its incorporation are :**

1. To transmit, distribute, purchase, sell, trade, import, export or accumulate or otherwise deal in all forms of electrical power in all aspects and to plan, promote, develop, establish transmission and distribution networks or systems , trading platforms and to acquire , in any manner , these networks or systems or trading platforms from power generating and transmission companies, Central or State Government undertakings , local authorities or statutory bodies or other persons within India or abroad and to act as agent or representative of any person, public or private sector enterprises, financial institutions, banks or Central Government or State Government undertakings engaged in the planning, development, generation, transmission, distribution, supply, trading or financing of power and to engage in activities of investigation, research, design and preparation of feasibility, appraisal or other project reports for generation, transmission, distribution, supply, purchase, sale, trading, import, export, storage and accumulation of all forms of electrical power, both conventional and non-conventional and to engage in all activities incidental thereto.

(B) **The objects incidental or ancillary to the attainment of the main objects are :**

2. To carry on the business of establishment and management of fuel systems for power plants and to search for, obtain, acquire, buy, sell ,import, export or otherwise deal in oils, gases, coals, coal rejects, naphtha, liquefied natural gas, raw petroleum stock or any other fuel in solid, liquid or gas form, whether found in natural state or obtained by processing from other substances and to carry on the production, storage, processing and manufacturing of these products and any related materials which may be required for the generation, transmission, distribution, trading and supply of electrical power or for meeting the requirements of any other contracts or arrangements undertaken by the Company.

3. To carry on the business of electricians and electrical, mechanical engineers, suppliers of electricity for the purposes of light, heat, motive power or otherwise, and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, galvanism, magnetism, or otherwise.

4. To plan, promote and take up necessary developmental work, selection of prospective / established Independent Power Producers / generating transmission / distribution companies utilities and enter into contracts / Power Purchase Agreements / Other Agreements with them; to act as catalyst and also to provide connected services to them so as to augment power generation, transmission, distribution, optimum utilisation of electrical power and its trading.

5. To obtain license, approvals and authorization from Government, Statutory and Regulatory Authorities, as may be necessary to carry out and achieve the Objects of the Company and connected matters which may seem expedient to develop the business interests of the Company in India and abroad.

6. To enter into any arrangement with the Government of India or with any State Government or with other authorities / commissions, local bodies or public sector or private sector undertakings, Financial Institutions, Banks, International Funding Agencies and obtain such charters, subsidies, loans, advances or other money, grants, contracts, rights, sanctions, privileges, licenses or concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain for carrying its activities in furthering the interests of the Company or its members.

7. To execute contracts for purchase, procure, import, sell, transmit and export electrical power, whether from conventional and non-conventional sources in India or abroad and to realise its sale proceeds.

8. To secure the payments of money, receivables on sale of electricity to the State Electricity Boards, Vidyut Boards, Power Utilities Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, statutory bodies, other organisations and bulk consumers of power etc. through Letter of Credits, other security documents, Guarantees of State Government and also through diversion and release of States' share of Central Plan Allocation and other Devolutions by Central Government.

9. To amalgamate or enter into any arrangement for sharing of profits or entering into partnership, union of interest, co-operation, reciprocal concession, lease, licence or otherwise with any person carrying on or transaction which the Company is authorized to carry on or engage in for sharing or funding of profits in a cooperative or joint venture subject to compliance of existing law in force.

10. To own, possess, acquire by purchase, lease other rights and interest, exchange or hire real estate, equipment, Generating Stations and Transmission/distribution lines, lands, buildings, apartments, plants, machinery and here ditaments of any tenure or descriptions situated in India or abroad or any estate or interest therein and any right over or connected with land so situated and turn the same to account in any manner as may seem necessary or convenient for the purpose of business of the Company and to hold, improve, exploit, reorganize, manage, lease, sell, exchange or otherwise dispose of the whole or any part thereof.

11. To carry on in India or elsewhere the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems, Power Systems, generation stations based on conventional / non-conventional resources for evacuation, generation, transmission and distribution of power through establishing or using station, tie-lines, sub-stations and transmission lines on any commercial basis including build, own and transfer (BOT), built, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis and to carry on in India or elsewhere the business of acquiring, operating, managing and maintaining power transmission system, power generation stations, tie-lines, sub-stations and transmission lines, either newly set up or acquired from State Electricity Boards, Vidyut Boards, Power Utilities Generating Companies, Transmission Companies, Distribution Companies, State Governments, Licensees, Statutory Bodies, other organizations and bulk consumers of power and for any or all of the aforesaid purposes, to do all the necessary or ancillary activities as may be considered necessary or beneficial or desirable.

12. To plan, acquire, develop, establish, fix, takeover, erect, construct, lay, operate, run, manage, hire, lease, buy, sell, maintain, enlarge, alter, renovate, modernize, work and use a power system network in all its aspects and/or Ultra High Voltage (UHV), extra-high voltage (EHV) high voltage (HV), High Voltage Direct Current (HVDC), medium voltage (MV) and low voltage (LV) lines and associated substations, including distribution centers, cables, wires, accumulators. Plants, Motors, Meters, apparatus, computers and materials connected with transmission, distribution, ancillary services relating to the supply of electrical energy, telecommunication and telemetering, equipments, to undertake for and on behalf of others the erection, operation, maintenance, management of extra high voltage, high voltage, medium voltage and low voltage lines and associated sub-stations, equipments, apparatus, cables and wires.

13. To act as an entrepreneur to identify new areas of energy generation, and connected infrastructural activities for development of power and to help the undertakings engaged in such activities and make investment therein.

14. To engage in the business of purchasing / procuring, selling, importing, exporting or otherwise dealing in electrical power and ancillary activities and commercial lines throughout India and abroad and to promote and organize research and development or to carry on consultancy services in the field of

power generation, transmission, distribution, trading, conservation of electricity and other related activities thereto.

15. Subject to provisions of Section 292, 293 and 372A of the Act, to advance deposit or lend money, securities and properties to other company, body corporate, firm, person or association with or without security, in the interest of the Company and also to accumulate funds and to invest or otherwise employ moneys belonging to the Company not immediately required; in the purchase or acquisition of and securities or make other investments in movable or immovable properties upon such terms as may be thought proper and from time to time to realize / recover such investments in the manner as the Company may think fit.

16. Subject to applicable provisions of law, to subscribe for, underwrite, or otherwise acquire, hold dispose of and deal with the shares, stocks, debentures or other securities and titles of indebtedness or the right to participate in profits or other similar documents issued by any Government authority, Corporation or body or by any company or body of persons and any option or right in respect thereof.

17 To create any depreciation fund, reserve fund, sinking fund, insurance fund, gratuity, provident fund or any other fund, for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purposes whatsoever conducive to the interests of the Company.

18 To acquire shares, stocks, debentures or securities of any company carrying on any business which this Company is entitled to carry on or acquisition of undertaking itself which may seem likely or calculated to promote or advance the interests of Company and to sell or dispose of or transfer any such shares, stocks or securities and the acquired undertaking.

19. To enter into partnership or into any agreement for joint working, sharing profits, joint venture, amalgamation, union of interests, co-operation, reciprocal concessions or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business or trade through physical or electronic pooling arrangements, ability to hedge its exposure through financial derivatives, transaction in India or abroad which the Company is authorised to carry on or engage in any business undertaking having objects identical or same, as are being carried on by this Company.

20 Subject to Sections 292 and 293 of the Companies Act or such replacement or re-enactment of the provisions, to sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular to dispose of shares, debentures or securities of any other Corporation or organisation.

21 To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the properties and rights of the Company.

22 To negotiate and enter into agreements and contracts with domestic and foreign companies, persons or other organizations for purchase/sale of equipments, technical, financial or any other assistance, for carrying out all or any of the objects of the company and for purchase/sale of power and for technical know-how and with national/international financial institutions Banks etc. for financial assistance and for carrying out all or any of the objects of the Company.

23 Upon and for the purpose of any issue of shares, debentures or any other securities of the Company, to enter into agreement with intermediaries including brokers, managers of Issue / commission agents and underwriters and to provide for the remuneration of such persons for their services by way of payment in cash or issue of shares, debentures or other securities of the Company or by granting options to take the same or in any other manner as permissible under the law.

24 To enter into contracts of indemnity and get guarantee and allocations for the business of the Company.

25 To apply for purchase or otherwise acquire any trade marks, patents, brevets d'inventions, licenses, concessions and the like conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for the purposes of the Company, or acquisition of which may seem calculated directly or indirectly, to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights, or information so acquired for the benefit of the Company.

26 To insure any of the rights, properties, undertakings, contracts, guarantees or obligations or profits of the Company of every nature and kind in any manner with any person, firm, association or company for the business of the Company.

27 To train and pay for the training of the company's employees or to recruit and employ experts, advisors, consultants etc. in the interest of achieving the Company's objects.

28 To establish, provide, maintain and conduct workshops for scientific, technical researches or experiments and to undertake and carry on directly or in collaboration with other agencies, scientific and technical research experiments and tests of all kinds and to process, improve and invent new concepts/products or otherwise subsidise research laboratories and their techniques and to promote, encourage, reward studies and research, scientific and technical investigations and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies, or any business which the Company is authorised to carry on.

29 To promote conservation and protection of electricity from theft, safety of life and to protect environments including air, land and water

30 To pay and provide for the remuneration, amelioration and welfare of persons employed or formerly employed by the Company and their families providing for pension, allowances, bonuses, other payments or by creating for the purpose from time to time the Provident Fund, Gratuity and other Funds or Trusts. Further to undertake building or contributing to the building of houses, dwellings or chawls by grants of money, or by helping persons employed by the Company to effect or maintain insurance on their lives by contributing to the payment of premium or otherwise and by providing or subscribing or contributing towards educational institutions, recreation, hospitals and dispensaries, medical and other assistance as the Company may deem fit.

31 Subject to provisions of the Companies Act, to contribute money or otherwise assist to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.

32 To distribute among members of the Company dividend including bonus shares out of profits, accumulated profits, or funds and resources of the Company in any manner permissible under law.

33 To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and to allow time for payment or satisfaction of any debts or recovery due, claims or demands by or against the Company, and to refer any claims or demands by or against the Company or any differences arising in execution of contracts to Arbitration and observe and challenge any awards made in the interest of the Company and in particular by advertising in the press, by circulars and publication of books and periodicals.

34 To pay out of the funds of the Company all costs, charges, expenses and preliminary and incidental to the promotion, formation, establishment and registration of the Company or other expenses incurred in this regard.

35. Subject to the provisions of the Companies Act, 1956 and Rules framed thereunder and directions issued by Reserve Bank of India from time to time in this behalf, to borrow money or to receive money or deposits for the purpose of financing the business or the Company either with security or mortgage or other security charged on the undertaking or all or any of the assets of the Company including uncalled capital and to increase, reduce or pay off any such securities.

36 To acquire, possess and undertake the whole or any part of the business, assets, property, goodwill, rights and liabilities of any person, firm, society, association, corporation or company.

37 To obtain, apply for, arrange for the issue or enactment of order or Act of etc. Legislature or Act of Authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or application or any other endeavours, steps or measures which may seem calculated directly or indirectly to prejudice the Company’s interests.

38 To improve, manage, develop, exchange, loan, lease, let, underlease sub-let, mortgage, sell, dispose of, turn to account or otherwise deal with, any rights or property of the Company or the undertaking of the Company or any part thereof and, in respect of any disposal of whatever nature, for such consideration as the Company may think fit and, in particular, for shares, debentures or securities of any other association, partnership, corporation or company and to promote or aid in the promotion of any other association, partnership, corporation or company for the purpose of the acquisition of all or any of the properties, rights or liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.

39. To lend money on property or on mortgage of immovable property or against bank guarantee and to make advances of money against future supply of goods and services on such terms as the Directors may consider necessary and to invest money of the Company in such manner as the Directors may think fit and to sell, transfer or deal with the same, but the Company shall not carry on the business of Banking as defined in the Banking Regulations Act, 1949.

40 To receive grants, subsidies, contributions, donations, loans, advances or other monies or deposits of whatsoever nature from State Government, Central Government, Foreign Government and bodies, banks, companies, trusts or individuals with or without conditions for the purpose of fulfillment of objects of the Company.

41 To make donations either in cash or in kind for such objects or causes as may be directly or indirectly conducive to any of the Company’s objects or otherwise expedient, subject to the provisions of the Companies Act, 1956.

42 To establish and maintain agencies, branch offices and local agencies, to procure registration or recognition of the Company and to carry on business in any part of India and world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as deemed proper in the interest of the Company.

43 To promote and undertake the formation of any institution or Company or subsidiary company or for any aforesaid objects intended to benefit the Company directly or indirectly and to coordinate, control and guide their activities.

44 To borrow money in Indian rupees or foreign currencies and obtain foreign lines of credits/grants/aids for the purpose of the Company’s business in such

manner and on such terms and with such rights, privileges and obligations as the Company may think fit. The Company may issue bonds/debentures whether secured or unsecured; bills of exchange, promissory notes or other securities, mortgage or charge on all or any of the immovable and movable properties, present or future and all or any of the uncalled capital for the time being of the Company as the Company may deem fit and to repay, redeem or pay off any such securities or charges.

45 To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or directors of the Company or the dependants of such persons and to grant pensions and allowances to make payments towards insurance to subscribe or guarantee money for charitable or benevolent objects or useful objects for general public.

46 To purchase or import, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade.

47 To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the company.

48 To establish or support association, institutions, schools, hospitals, guest houses, clubs, funds and trusts which may be considered beneficial to any employees or ex-employees and to officers and ex-officers of the Company or the dependents of any such person.

49 Subject to the provisions of the Companies Act, 1956 or any amendment or re-enactment thereof in the event of winding up to distribute among the members in specie any property of the Company or any proceeds of sale on disposal of any property in accordance with the provisions of the Act.

50 To do all such other things as may be demand incidental or conducive to the attainment of the above Objects or any of them and to carry on any business which may seem to the Company capable of being conveniently carried in connection with any of the Company’s Objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company’s property or rights.

(C) Other Objects

51 To carry on all or any of the business of flats, marionettes, dwelling houses, shops, offices, safety vaults and clubs, real estate agents and for those purpose to purchase, take on lease or otherwise acquire and hold any lands or buildings and in particular such premises as may be used as office

premises, for industrial units, shopping complexes and residential houses wherever situate or rights or interest therein or connected therewith to prepare building sites and to construct, reconstruct, pull down, alter, improve, decorate, furnish and maintain flats, marionettes, dwelling houses, shops, offices, safe vaults, clubs, buildings, works and conveniences of all kinds to lay out roads, pleasure gardens and recreation grounds to plant, drain or otherwise improve the land or any part thereof and to deal with such properties by way of sale, lease, mortgage or otherwise as deem fit.

52 To engage in and carry on in India or elsewhere the activities of export house and execute and perform export / import business in all kinds of goods, components and materials, and enter into collaboration agreement / contracts with foreign firms, companies and / or individuals for the purpose of obtaining technical know-how or acting as joint ventures and effect payment for technical know-how fees, royalties or payment of any other nature, subject however, to the regulations of the Government of India and such other Acts or notifications as may be applicable.

53 To carry on the business of advisors and consultants on all matters and problems relating to the administration, organization, finance management, personnel management or expansion of industry and business (including construction of plants and buildings), production, purchases, sales, marketing, advertisement, publicity, personnel, export and import and of institutions, concerns, bodies, associations (incorporated or unincorporated), departments and services of the Government, public or local authorities, trusts, scientific research and development centers.

54 To carry on the business as merchants, traders, carriers, commission agents, buying agents, selling agents, billing agents, collection agents, brokers, adatias, buyers, sellers, importers, exporters, dealers, service providers to import, export, buy, sell, barter, collect, exchange, pledge, mortgage, advance upon or otherwise trade or deal in all kinds of commodities, goods, plant, machinery, tools and equipment, produce, articles, and merchandise of any kind whatsoever in India or elsewhere in the world, for and on behalf of self, customers or third parties/others by or through the means of conventional or non-conventional methods including through debit cards, credit cards, electronic, electrical or other devices or methods, processes or systems.

55 To establish, maintain develop, conduct, procure, buy, sell, import, export, trade, or otherwise deal in, or to act as service providers of every kind in the fields of engineering, technology, technical know how, chemical, mechanical, electrical, electronics, civil, industrial, commercial, statistical, financial, accountancy, medical, legal, educational, production, marketing, distribution, materials, personnel, planning, computers, software and software solutions of all kinds, system integration, data processing, multi media services, direct to home services, entertainment media, cable television services, interactive television services, content for various uses, electronic media, Cellular Mobile Telephone Services (CMTS), National Long Distance Operator Services (NLDO), Fixed Telephone Services (FTS), Cable Service Provider, Basic Telephone Services (BTS) with or without the use of Wireless Local Loop (WLL) Technology, VSAT Services, Internet Service Provision (ISP), Global Mobile Personal Communications by

Satellite (GMPCS), wireline and wireless systems and other value added services including paging services, Radio Paging Service Providers, Public Mobile Radio Trunking Service Provider, DTM communication methods, telecommunication, basic and cellular telephone, voice mail, internet, electronic mail, data communication services, intranet, internet connectivity, internet telephoning, interconnect and intraface services applications like tele-banking, tele-medicine, tele-education, tele-trading, e-commerce, e-governance, e-business and system design, kiosks, management information systems and other types of management including spectrum management, social or other value added services like providing end to end integrated solutions, netserv solutions, network connectivity solutions, cost effective solutions, other allied solutions for data transfer, administrative and effective communication.

56 To manufacture, market, distribute and sell all types, varieties and kinds of (i) telephone instruments including mobile telephones, Fixed wireless Terminals, any type of mobile communication devices, Personal Digital Assistants (PDA) with or without communication facilities, dial-type phone, car phone, corded phones, cordless phone, mini-corded phone, radio phone, speakerphone, videophone, wireless systems desk top and wall type pay phones, headsets, office systems, conferencing equipment, fax, answering machines, intercoms, accessories and components thereof for telecommunications (ii) radio communication equipment like receivers, transmitters, trans-receiver, walkie – talkie radio relay equipment, point to point communication equipment, antennas and associated equipment single channel, multi channel, fixed frequency, variable frequency, facsimile transmitting and receiving equipment and systems.

IV The liability of the members of the Company is limited.

V (a) The Authorized Share Capital of the Company is Rs.5,00,000/- (Rupees five lakh only) divided into 50,000 (Fifty thousand only) Equity shares of Rs. 10 each.

(b) The paid-up capital of the Company shall be minimum of Rs. 1 lakh.

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

Sr. No.	Name, address, description and occupation of each Subscriber	Number of Equity Shares taken by each subscriber	Signature of Subscriber	Signature of witness and his name, address, description and occupation
1.	Shri Satish Seth S/o Shri P C Seth Ruxmani Villa, 4th Floor 7th Road, Santa Cruz(East) Mumbai 400 055 *Company Executive*	100 (One Hundred Only)	S/d	Witness to 1 to 3 Vinayak Joshi S/o Vilas Joshi C/o BSES House, Santa Cruz(East), Mumbai 400 055 Company Executive
2.	Shri Subhash Chandra Gupta S/o Shri Mangatram Gupta 902-A, Mermaid-I, Plot No.32/33 CBD Belapur Navi Mumbai 400 614 *Company Executive*	100 (One Hundred Only)	S/d	
3.	Shri Jayarama Prasad Chalasani S/O Shri C Ranga Rao N-14110, Ground Floor DLF Qutab Enclave Phase II, Gurgaon 122002 Haryana *Company Executive*	9,800 (Nine Thousand Eight Hundred Only)	S/d	
	Total	**10,000 (Ten Thousand Only)**		

Place : Mumbai
Date : July 15, 2003

THE COMPANIES ACT, 1956

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

Reliance Energy Trading Private Limited

TABLE 'A' TO APPLY TO A CERTAIN EXTENT

1. The Regulations contained in Table 'A' in Schedule I to the Companies Act, (hereinafter referred to as "Table A"), shall apply to this Company in so far as they are applicable to a private company, and save and in so far as they are expressly or impliedly excluded or modified by the following Articles.

2. Clauses Nos. 5, 66, 81, 84 of Table 'A' shall not apply to this Company. The provision of Section 171 to 186 of the Act shall not apply to this Company.

PRIVATE COMPANY

3. A. The Company is a Private Company within the meaning of Section 3 (1) (iii) of Companies Act, 1956 and accordingly:

   (a) The right to transfer shares of the Company is restricted in the manner hereinafter provided.

   (b) The number of members of the Company exclusive of persons who are in the employment of the Company, and persons, who having been formerly in the employment of the Company were members of the Company while in that employment and have continued to be members after the employment ceased shall be limited to Fifty. Provided that where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of this Article be treated as a single member.

   (c) No invitation shall be issued to the public to subscribe for any shares in, or debentures of the Company.

   (d) The Company shall not invite or accept deposits from persons other than its Members, Directors or their relatives.

3.B. No shares shall be transferred to any person other than the members so long as the existing members are willing to purchase. In case of transfer of the shares the transferor shall give Notice to the Company and the shares shall be first offered to the members and will be transferred to the members willing to purchase the same. In absence of any such willingness to purchase the shares by any of the existing members, the Directors may dispose off such shares as they may deem fit.

SHARE CAPITAL

4. (i) The Authorised Share Capital of the Company shall be of such amount and of such description as is stated for the time being or at any time, in the Memorandum of Association of the Company and the Company shall have power to increase or reduce the share capital from time to time in accordance with the regulations of the Company and legislative provisions for the time being in force in this behalf and subject to the provisions of the Act, the shares in the capital of the Company for the time being, whether original or increased or reduced, may be divided into classes, with any preferential, deferred, qualified and other rights, privileges, conditions or restrictions, attached thereto whether in regard to dividend, voting, return of capital or otherwise.

   (a) Subject to the provisions of the Act and all other applicable provisions of law, the Company may issue shares, either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue.

   (b) The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

(c) In furtherance and not in limitation of, and without prejudice to the general powers conferred on the Directors by Table "A", in the First Schedule to the Companies Act, 1956, the Board of Directors have the power to classify the Unclassified Shares in the capital of the Company into several classes of shares and to issue such classified shares upon such terms and conditions and with such rights and privileges attached thereto as the Board may, in its absolute discretion, determine.

(ii) The paid-up capital of the Company shall be minimum of Rs. 1 Lakh

(iii) The Company may from time to time by special resolution, subject to confirmation by the court and subject to the provisions of Sections 100 to 104 of the Act, reduce its share capital in any way and in particular without prejudice to the generality of the foregoing power by:

(a) extinguishing or reducing the liability on any of the share in respect of share capital not paid up; or

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

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

(iv)The Company may from time to time cancel the unissued share capital.

SHARES AND CERTIFICATES

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

6. 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. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and/or in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with the Act.

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

8. Subject to these presents and the provisions of the Act, the shares of the Company whenever issued shall be under the control and at the disposal of the Directors, who may allot, issue or otherwise dispose of the same or any of them to such persons and on such terms and conditions and at such times and at par or premium or discount as they may from time to time think fit and proper and may also allot and issue shares in capital of the Company in payment or part payment for any property sold or transferred to or for services to the Company in or about the conduct of its business, and the shares which may be so allotted may be issued as fully paid up shares.

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

10. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any share herein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

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

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

12. Except as required by law or ordered by a court of competent jurisdiction no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof any benami, equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share (except only by these presents or by law otherwise provided) or any other rights

in respect of any share, except in an absolute right to the entirety, thereof in the registered holder.

13. The certificates of title to shares and duplicate thereof when necessary shall be issued under the seal of the Company.

14. Every member shall be entitled to one certificate for all the shares registered in his name, or if the Directors so approve to several certificates each for one or more of such shares, but in respect of each additional certificate, there shall be paid to the Company a fee as the Directors may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon. The Directors may in any case or generally waive the charging of such fee.

15. If any certificate be worn out of defaced, then, upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate 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 registered holder of the shares to which such lost or destroyed certificate shall relate.

16. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditional) for any shares or debentures in the Company, procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued, and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of each or by allotment of fully or partly paid shares or debentures or partly in one way and partly in the other. The Company may also pay on any issue of shares or debentures such brokerage as may be lawful and reasonable.

CALLS

17. The Board may, from time to time, subject to the terms of 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 on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.

18. Not less than seven days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

19. (a) If a sum called in respect of share is not paid before or on the day appointed for the payment thereof, the person from whom the sum is due shall pay interest on the call amount due at such rate not exceeding 12% per annum

from the day appointed for the payment or as the Board of Directors may determine.

(b) The Board of Directors shall be at liberty to waive payment of any such interest wholly or in part.

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

20. The Board of Directors:

(a) may, if it think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the moneys so advanced, may (until the same would but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum. Provided the amount paid in advance of calls on shares shall not in respect thereof confer a right to dividend or to participate in profits.

MEETINGS

General Meeting

21(a) Seven day's notice at least of every General Meeting Annual or Extraordinary and by whomsoever called, specifying the day, place, time and hour of the meeting and the general nature of the business to be transacted thereat, shall be given in the manner herein provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the Members entitled to vote thereat and in the case of any other meeting, with the consent of Members holding not less than 95 per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting may be convened by a shorter notice. The provisions of Section 173 of the Act shall not apply with respect of General Meeting (including an Annual General Meeting) of the Company.

Board Meeting

21(b). The Board may, if the circumstances so require, meet by means of telephone, television or thorough any other audio-visual links. The provisions relating to notice, agenda, quorum and minutes stated herein shall mutatis mutandis apply to the meetings held through such audio-visual media.

VOTING RIGHT

22. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

    (a) On a show of hands every member present in person or by proxy shall have one vote, and

    (b) On a poll, the voting rights of members shall be laid down in Section 87 of the Companies Act, 1956.

23. Any member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint, another person whether a member or not as his proxy to attend and vote instead of himself. A proxy so appointed shall also not have the right to speak at such meeting.

24. If any Directors is willing, he shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Director or in relation to signing Share Certificates), or to make any exertion in going or residing out of the place of his usual residence or otherwise for any of the purposes of the Company, the Company may remunerate such a Director either by a fixed sum or otherwise as may be determined by the Directors, and such remuneration may be, either in addition to or in substitution for his share in the remuneration provided above and in addition be also reimbursed for all the expenses incurred by him.

NOMINEE DIRECTOR

25. If it is provided by any trust deed securing or otherwise in connection with any issue of debenture of the Company that any person or persons shall have power to nominate a Director of the Company then in case of any and every such issue of debentures the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Such Directors may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed.

SPECIAL DIRECTOR

26. The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, body corporate, corporation, government or authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominee and their successors if appointed under this Article shall be called Special Directors. Special Directors shall be entitled to hold office until

requested to retire by the authority, which nominate him/them and he/they will not be bound to retire by rotation. As and whenever a Special Director vacates office, whether upon request as aforesaid or by death, resignation or otherwise, the government, authority, person, firm, body corporate, or corporation who appointed such Special Director may if the agreement so provides, appoint another Director in his place.

27. Every nomination, appointment or removal of a Special Director shall be in writing and shall in the case of a government or authority be under the hand of a secretary to such government or authority and in the case of a body corporate or corporation under the hand of a Director of such Corporation, duly authorised in that behalf by a resolution of its Board of Directors. Subject to as aforesaid a Special Director shall be entitled to the rights and privileges and be subject to the same obligations as any other Director of the Company.

MANAGING DIRECTOR

28. (a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Directors or Managing Director and/or Wholetime Director, and/or Special Director like Technical Director, Financial Director etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Director/Wholetime Director(s), Technical Director(s), Financial Director(s), and Special Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restriction as it may determine. The remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits or by any or all of those mode, of any other mode not expressly prohibited by the Act.

(b) The Directors may, from time to time, entrust to and confer upon a Managing or Wholetime Director any of the powers exercisable by the Directors as may think fit, and may confer upon such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

(c) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Deputy Managing Directors" as the case may be.

(d) The appointment and payment of remuneration to the above Directors shall be subject to approval of General Meeting and of the Central Government if the provisions of the Act so require.

ALTERNATE DIRECTOR

29. The Board of Directors of the Company may appoint an alternate director to act for as a director (hereinafter in this Article called "the original director") during the absence for a period of not less than three months from the state in which

the meetings of the Board are ordinarily held. An alternate director appointed under this Article shall not hold office as such for a period longer than that permissible to the original director in whose place he has been appointed and shall vacate office if and when the original director returns to the State in which the meeting of the Board are ordinarily held.

ADDITIONAL/CASUAL DIRECTOR

30. The Board of Directors shall have power at any time, and from time to time, to appoint any other person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum as fixed hereinafter. Any person so appointed as an addition to the Board shall hold office only upto the date of the next Annual General Meeting. Any person appointed to fill a casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

DIRECTORS

31(a) Subject to the provisions of Section 252 of the Companies Act, 1956 the number of Directors shall not be less than 2 and more than 12.

The first Directors of the Company are:

1. **Shri Satish Seth**
2. **Shri Subhash Chandra Gupta**
3. **Shri Jayarama P Chalasani**

31(b) The Company may time to time in general meeting increase or reduce the number of Directors and make any appointments necessary for effecting such increase.

NO QUALIFICATION SHARES

32. The Directors shall not be required to hold any qualification shares.

DIRECTORS' REMUNERATION

33. The Directors (including Managing and Whole-time Director) shall be entitled to receive such remuneration including fee for attending meeting of the Board as the Board may from time to time decide.

SITTING FEES

34. (a) The fee payable to a Director (other than a Managing or Wholetime Director, if any) for attending each meeting of the Board or Committee thereof, shall be such sum as may be prescribed by the Act or the Central Government from time to time.

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

POWER OF DIRECTORS

35A In furtherance and not in limitation of, and without prejudice to the general powers conferred on the Directors by Table "A", in the First Schedule to the Companies Act, 1956 the Board of Directors shall have the following powers:

(a) to open accounts with the Company's bankers and such other bank as they deem expedient and to operate or authorise operation thereof;

(b) to raise or borrow any sum of money for and on behalf of the Company from the members or other persons, companies or banks subject to the provisions of the Act, in this behalf, on such interest as may be approved by the Directors;

(c) to appoint any person, or persons or bodies incorporated or otherwise, to accept and hold in trust for the Company any property belonging to the Company, or in which the Company is interested or for any other purpose, and to execute and do all such deeds and things as they may deem requisite in regard to such trust including the provisions of remuneration to such trustee or trustees;

(d) to appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries and emoluments and require security in such instances and to such amount as they think fit and to establish or manage or support or aid in the establishment of a provident or any other funds for their benefit or for any other purpose.

(e) to secure the payment of money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge of all or any of the assets of the Company and of its uncalled capital for the time being.

(f) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claims to support of the Company by reason of locality of operation or of public and generally of utility or otherwise;

(g) and generally to do, sanction and authorities all such matters and things as may be necessary or expedient to be done, authorised or sanctioned in or about the general business or affairs of the Company or in or about the execution of all or any of the powers conferred on them.

(h) to classify the Unclassified Shares in the capital of the Company into several classes of shares and to issue such classified shares upon such terms and conditions and with such rights and privileges attached thereto as the Board may, in its absolute discretion, determine.

35B . Subject to the restrictions contained in Section 292 of the Act, the Board of Directors may delegate any of their powers to Committees of the board consisting of such member or members of its body as it thinks fit, and it may from time to time revoke such delegation and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the board of directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

BORROWING POWERS

36. The Board of Directors may from time to time, at their discretion, exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture-stocks, and other securities whether out-right or as security for any debts, liability or obligation of the Company. Any debentures, debenture-stock, and other securities may be issued at a discount, premium or otherwise and may be issued on condition that the same 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 general meetings, 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 General Meeting.

SEAL

37. The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of Directors previously given and every deed or other instrument to which the Seal of the Company is required to be affixed shall, be affixed in the presence of atleast one Director or the Manager or the Secretary or such other person as the Board/Committee of the Board may appoint for the purpose, who shall sign every instrument to which the Seal is so affixed in his presence; Provided that the certificates of shares or debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification thereof for the time being in force.

DIVIDEND

38. Regulation 88 of the Table "A" shall not apply to the Company.

INDEMNITY

39. Regulation 99 of the Table "A" shall not apply to the Company, Save and except so far as the provisions of these Articles are provided by Section 201 of the Act, the Board of Directors, Managing Directors, Directors, Managers, Auditors, Secretary and other officers or servants for the time being acting in relation to any of the affairs of the Company, and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them or any act of their executors or administrators or any shall incur or sustain by reason of any act done, concerned in or omitted in or about the execution of their duty or suspend duty in their respective offices or trust, except such (if any) as they shall incur or sustain through or by their own willful neglect or default respectively, and one of the acts receipts, neglects or defaults the other or others of them or for any joining in any receipt for the sake of conformity for any bankers or other persons with whom any moneys or effects belonging to the Company shall or any belonging to the Company shall be invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto except the same shall happen by or through their own willful neglect or default respectively.

SECRECY

40. Every Director, Manager, Auditor, Treasurer, Trustee, Member of Committee, Officer, Servant Agent, Accountant or other persons employed in the business of the Company shall if so required by the Directors, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company, with the customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by law or by the person to whom such matters relate, except so far as may be necessary in order to comply with any provisions of these presents contained.

GENERAL POWER

41. Wherever in the Companies Act, it has been provided that the Company would carry out any transaction only if the Company is so authorised by its Articles then and in that case these Regulations hereby authorise and empower the Company to have such right, privileges or authority and to carry such transactions as have been permitted by the Act.

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association :

Sr. No.	Name, address, description and occupation of each Subscriber	Signature of Subscriber	Signature of witness and his name, address, description and occupation
1.	Shri Satish Seth S/o Shri P C Seth Ruxmani Villa, 4th Floor 7th Road, Santa Cruz(East) Mumbai 400 055 *Company Executive*	S/d	Witness to 1 to 3 Vinayak Joshi S/o Vilas Joshi C/o BSES House, Santa Cruz (East), Mumbai 400 055 Company Executive
2.	Shri Subhash Chandra Gupta S/o Shri Mangatram Gupta 902-A, Mermaid-I, Plot No.32/33 CBD Belapur Navi Mumbai 400 614 *Company Executive*	S/d	
3.	Shri Jayarama Prasad Chalasani S/O Shri C Ranga Rao N-14110, Ground Floor DLF Qutab Enclave Phase II, Gurgaon 122002 Haryana *Company Executive*	S/d	

Place : Mumbai
Date : July 15, 2003