

MEMORANDUM
AND
ARTICLES OF ASSOCIATION



RAMCO SYSTEMS LIMITED
Registered Office: 47, PSK Nagar, Rajapalayam - 626108

FORM 1 R.



CERTIFICATE OF INCORPORATION

No. ^{*} 18-37550 of 19 ^{*} 97

I hereby certify that..... **RAMCO SYSTEMS LIMITED**

.....
.....
.....

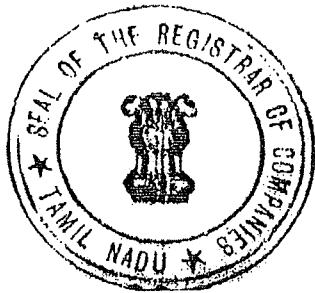
is this day incorporated under the Companies Act 1956 (No. 1 of 1956) and that the Company is Limited.

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

this..... **NINETEENTH** day of..... **FEBRUARY**

THIRTIETH
MAGHA
One thousand nine hundred and **NINETY SEVEN**

One thousand nine hundred and **EIGHTEEN (SAKA)**



(P.K. BANSAL)
Registrar of Companies
TAMIL NADU

4

Co.No. 37550



Certificate For Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

I hereby certify that the RAMCO SYSTEMS LIMITED

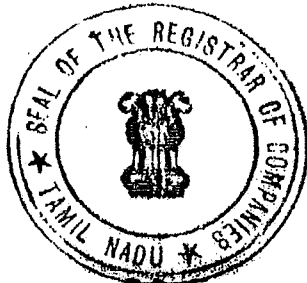
which was incorporated under the Companies Act, 1956, on
the NINETEENTH day of FEBRUARY 1997,
and which has this day filed a duly verified declaration in the
prescribed form that the conditions of section 149 (1) (a) to (d) /
149 (2) (a) to (c) of the said Act, have been complied with, is
entitled to commence business.

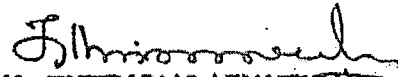
Given under my hand at CHENNAI

this NINETEENTH day of JUNE
TWENTYNINE JYAISTHA

One thousand nine hundred and NINETYSEVEN

One thousand nine hundred and NINETEEN (SAKA)




(K. THIRUMALAIMUTHU)
ASST. Registrar of Companies.
Tamil Nadu

MEMORANDUM OF ASSOCIATION
OF
RAMCO SYSTEMS LIMITED
(Under the Companies Act, 1956)
(Company Limited with Shares)

- I. The name of the Company is "RAMCO SYSTEMS LIMITED".
- II. The Registered Office of the Company will be situated in the State of Tamil Nadu.
- III. The objects for which the Company is established are :-

A. THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-

- 1) To Carry on the business pertaining to or connected with and involving information technology, computer data processing, computerised information, retrieval systems, computer software, development and management feasibility studies, analysis and design or turnkey systems for scientific, mathematical, statistical, engineering, statutory, financial banking, commercial and business applications, data base management, software techniques, word processing softwares, electronic funds, transfer systems, on-line acquiring systems, transactional processing systems, data capture, data logging, data preparation, computer graphics, plotting and chartings software, process control softwares, simulation and modeling.
- 2) To import, export, purchase or sell, manufacture and deal in all kinds of computer peripherals and accessories equipment's and systems including digital, analogue, hybrid, main-frame computer, super-mini, supermicro, micro computers, dumb and intelligent computer terminals, specialised financial, retail engineering, receipting terminal and controller system, electronic fuel transistor, Automatic Tele Machines, Post of sale equipment, data entry and capture equipment, distributive and processing networks data communications equipment, monitors, emulators, floppy, mini-floppy disc drives, diskettes, mini diskette drives, data cassette recorders, card readers, card punchers, optical character recongiser, magnetic ink readers, winchester technology, hard disk, cartridge hard disks, matrix character, impact, non-impact, thermal ink jet, laser printing - systems, electric sensitive wheel and ball printers, oscillatory and graphic printers, plotters X-Y recorders, strip chart recorders, micro processor kit, computer game sets and build-up, systems, computer clips and components, computer stationeries, forms, other original equipment manufacturer products and spare parts for all these equipment and to repair, refurbish and perform remedial services to the above mentioned equipments.

- 3) To carry on as advisers, consultants, contractors to any persons, firms, corporations requiring knowledge, expertise or know-how in the field of computers, data processing, information, retrieval, modern scientific techniques of information and all things used in connection therewith and to organise, run and give seminars, training, general and specific courses on computer systems software, hardwares and applications.
- 4) To carry on business of imparting training in COMPUTERS AND SOFTWARE for clients in India and abroad.
- 5) To establish, provide, maintain and conduct or otherwise subsidise research laboratories, experimental stations, workshops and libraries for scientific, industrial, commercial and technical research and experiments; to undertake and carry on scientific, industrial, commercial, economic statistical and technical research, surveys and investigations; to promote studies, research, investigation and invention, both scientific and technical by providing subsidising, endowing or assisting laboratories, colleges, universities, workshops, libraries, lectures, meetings, exhibitions and conference and by providing for the remuneration to scientists, scientific or technological professors or teachers and the award of scholarship, grants and prizes generally to encourage, promote and reward studies, research, investigations, experiments, tests and inventions of any kind.
- 6) To carry on the business as importer, exporter, buyers, lessors and sellers of and dealers in all types of electronic components and equipments necessary for attaining the above objects.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :-

- 1) To establish, maintain, conduct, provide, procure or make available services of every kind including commercial, statistical, financial, accountancy, medical, legal, management, educational, engineering, data processing, communication and other technological, social or other services.
- 2) To acquire from any person, firm or body corporate or unincorporated, whether in India or elsewhere, allied business technical information know - how processes, engineering, manufacturing and operating data, plants, layouts and blue prints useful for the design, erection and operation of plant required for any of the businesses of the Company and to acquire any grant or licence and other rights and benefits in the foregoing matters and things.
- 3) To take part in the supervision or control of business or operations of any Company or undertaking and for the purpose to appoint any Directors, Accountants or any experts or other agents.

- 4) To engage experts to investigate and examine and conditions, the prospects, value, characters and circumstances of any business undertaking and generally of any assets or property of rights.
- 5) To sell, exchange, mortgage, let on lease, royalty or tribute, grant licenses, easements, options and other rights over and in any other manner deal with or dispose of the whole or any part of the undertaking, property, assets, rights and effects of the Company of such consideration as may be thought fit and in particular for stocks, shares whether fully or partly paid up, or securities of any other company.
- 6) To remunerate any person, firm or body corporate rendering services to the Company either by cash payment or by allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise.
- 7) To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from the Government.
- 8) To lease, let out on hire, mortgage, sell or otherwise dispose of the whole or any kind of the Company or any share or interest therein respectively in such manner and for such consideration as the Company may think fit and in particular for shares, debentures or securities or any other objects altogether or in part similar to those of the Company.
- 9) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of Debentures, bonds, obligations, notes expedient with full powers to make same transferable by delivery or by instrument of transfer or otherwise and either perpetual and terminable and either redeemable or otherwise and to change and or secure the same by trust deeds, otherwise on the undertaking of the Company or upon any specific property and rights, present and future of the Company (including and if thought fit uncalled capital or otherwise however).

To devote any money so raised to any of the objects of the Company and to advance any money and assets of all kinds upon such terms as may be thought fit subject to Section 58A of the Companies Act, 1956 and directives of RBI in this regard.

- 10) To lend money and negotiate loans, to draw, accept, endorse, issue, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, coupons and other negotiable instruments and securities, to form promote, subscribe and assist companies, syndicates and firms of all kinds, to give any guarantee for the payment of money or the performance of any obligation or undertaking, to undertake and execute any trust, to acquire, improve, manage, work, develop, exercise all rights in respect of lease and mortgages, and to sell, dispose of, turn to account and otherwise deal with property of all kinds in particular, land, building, concessions, and investors in hire purchase dealing provided that the Company shall not carry on the business of banking as defined under the Banking Regulation Act, 1949.

- 11) Subject to the provisions of the Act, to amalgamate and to enter into partnership or into any arrangements for sharing profits, union of interest, co-operations, joint venture of reciprocal concession or for limiting competition with any person or persons or company or companies carrying on or engaged in or about to carry on or engaged in or being authorised to carry on or engaged in, any business or transaction which the Company is authorised to carry on or engaged in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- 12) To carry on any business or branch of business which this Company is authorised to carry on by means or through the agency of any subsidiary company or companies and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary which may seem desirable with reference to any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangements, which may seem desirable with reference to any business or branch so carried on or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangements which may seem desirable with reference to any business or branch so carried on, or including power at any time either temporarily or permanently to close any such business or branch and to appoint Directors for management of any such subsidiary company.
- 13) To establish agencies or branches for the purchase and sale and manufacture of goods of all description in India, or elsewhere and to undertake the supervision of any Company or Companies having objects altogether or in part similar to those of this Company.
- 14) To open branches, sub-offices, depots and multiple shops in any state of India or outside India and to appoint agents, stockists, distributors, sub-distributors, and brokers to procure orders, market or sell the products of the Company or the goods of any other form or company in which this Company may be dealing.
- 15) To pay out of funds of the Company all costs, charges, fees and other expenses preliminary and incidental to the formation, promotion and establishment of the Company.

C. OTHER OBJECTS NOT INCLUDED IN A AND B ABOVE:-

- 1) To render organisation development services, staff recruitment development and training services and assistance in equipment handling and establishing of systems and procedures including preparation / procurement of manuals of all kinds, literature, business forms and instruction sets, consultancy and operational services, relating to management, economic, commercial, financial and technical in all fields of endeavor, whether business, governmental, social, educational or any other spheres and to render marketing, market research and development services.

- 2) To establish bureaus for providing computer services, to process data and develop systems of all kinds by processing jobs and hiring out machine time and assist to set up, operate and supervise the operation of the data processing divisions of other companies or organisation in India or elsewhere.
- 3) To plan, design, develop, programme and implement systems for the use of all kinds of data processing equipment, systems for the collection, arrangements and analysis of information and the application of data processing techniques and equipment.

IV. The Liability of the members is limited.

V. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 equity shares of Rs. 10/- each with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or by the regulations of the Company for the time being.

(Substituted for the Old Clause V by the above new Clause at the Extraordinary General Meeting held on 18th September, 2008.)

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

SI. No.	Signature, Name, Address, Description and Occupation of the Subscribers	No. of shares taken by each Subscriber	Signature, Name, Address, Description and Occupation of the Witness
1	Sd/ P.R. RAMASUBRAHMANEYA RAJHA S/o. Sri. P.A.C. Ramasamy Raja Ramamandiram, Rajapalayam. (Industrialist)	100 (Hundred)	Sd/- S RAMESH S/o. Sri. A S Sampath Kumar 6, Second Lane, Baroda Street, West Mambalam Chennai - 600 033 Service
2	Sd/ P.R. VENKETRAMA RAJA S/o. Sri. P. R. Ramasubrahmaneya Rajha Ramamandiram, Rajapalayam. (Industrialist)	100 (Hundred)	
3	Sd/ S.S. RAMACHANDRA RAJA S/o. Sri. S.N.R. Sriranga Raja 58, P.S.K. Nagar, Rajapalayam. (Business)	100 (Hundred)	
4	Sd/ N.K. SHRIKANTAN RAJA S/o. Sri. N.R. Krishnama Raja 39, P.S.K. Nagar, Rajapalayam. (Business)	100 (Hundred)	
5	Sd/ S. GANAPATHY S/o. Sri. Sankar Iyer 2, I Cross, Karpagam Gardens, Adyar, Chennai - 600 020. (Company Executive)	100 (Hundred)	
6	Sd/ S. RAMACHANDRAN S/o. Sri. P.R. Subramanian 9J, Greenwood Apts., 3rd Canal Cross Road, Gandhi Nagar, Adyar, Chennai - 600 020. (Company Executive)	100 (Hundred)	
7	Sd/ S.A. BHIMA RAJA S/o. Sri. S.M. Ayyanar Raja B8, Aswathi, 16, 2nd Crescent Park Road, Gandhi Nagar, Adyar, Chennai - 20. (Company Executive)	100 (Hundred)	
	Total	700 (Seven Hundred)	

Place: Chennai

Date : 9th February, 1997

Scheme of Arrangement

Approved by the Hon'able High Court of Madras Vide

Order dated 24th December, 1999

(Forming Part of the Memorandum of Association)

No. 37550 / C.IV / 391 / 99
GOVERNMENT OF INDIA
MINISTRY OF LAW JUSTICE & COMPANY AFFAIRS
DEPARTMENT OF COMPANY AFFAIRS
OFFICE OF THE REGISTRAR OF COMPANIES SHASTRI BHAVAN
2nd FLOOR, 26, HADDOWS ROAD, CHENNAI – 6

CERTIFICATE OF REGISTRATION OF ORDER OF SCHEME OF ARRANGEMENT
BETWEEN M/S. RAMCO INDUSTRIES LIMITED AND RAMCO SYSTEMS
LIMITED UNDER SECTION 391/394 OF THE COMPANIES ACT, 1956.

IN THE MATTER OF : RAMCO SYSTEMS LIMITED

IN COMPANY PETITION NO: 279 OF 1999

Pursuant to the provisions contained in Section 394, of the Companies Act, 1956, I hereby certify that the Form No. 21 dated 12.1.2000, enclosing the order passed by the Honourable High Court of Chennai on 24.12.1999 provided for the above Scheme of Arrangement has this day been registered.

Given under my hand at CHENNAI this TWENTY NINTH day of FEBRUARY, TWO THOUSAND.

Sd/-
(V.A. VIJAYAN MENON)
REGISTRAR OF
COMPANIES
TAMILNADU, CHENNAI

**IN THE HIGH COURT OF JUDICATURE AT MADRAS
(Original Jurisdiction)**

**Friday, the 24th day of December, 1999
The Hon'ble Mr. Justice R. Jayasimha Babu
Company Petn. Nos. 278 & 279 of 1999**

C.P. No. 278 of 1999 .

.... In the matter of the Companies Act, 1956
AND
In the matter of Ramco Industries Ltd.

M/s. Ramco Industries Ltd, A Company registered
Under the Companies Act, 1956 and having Regd.
Office at 47, P.S.K Nagar, Rajapalayam - 626 108
rep. by its Director Petitioner

Company Petition praying this Court to pass an order that the said scheme of Arrangement viz., Demerger of the Software business undertaking of Ramco Industries Limited to Ramco Systems Limited with effect from 1st April 1999, be sanctioned by this Court so as to be binding on all the Equity shareholders and creditors of the said Company with effect from 1st April 1999.

C.P.No. 279 of 1999
AND

..... In the matter of Companies Act, 1956

In the matter of Ramco System Ltd.
M/s. Ramco Systems Limited, A Company
Registered under the Companies Act,
1956 and having Regd. Office at
47, P.S.K. Nagar, Rajapalayam - 626108
rep. by its Director

..... Petitioner

Company petition praying this Court to pass an order that the said Scheme of Arrangement viz., De-merger of the Software business undertaking of Ramco Industries Limited to Ramco Systems Limited with effect from 1st April, 1999 be sanctioned by this Court so as to be binding on all the equity shareholders and creditors of the said Company with effect from 1st April, 1999.

These Company petitions coming on this day before this Court for hearing in the presence of Mr. T.K. Seshadri, Advocate for the petitioner in both the Company petitions and Mr. M.T. Arunan, Additional Central Government Standing Counsel appearing for the Regional Director, Department of Company Affairs and upon reading the common order dated 9th July 1999 made in Company Application No. 841 & 842 of 1999, whereby the said Company, namely Ramco Industries Limited, the petitioner Company in Company Petition No. 278 of 1999 herein, was directed to convene a meeting of the shareholders of the said Company for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Arrangement, viz., De-merger of

the Software business undertaking of the said Company to Ramco Systems Limited, with Ramco Systems Limited, the petitioner Company in Company Petition No. 279 of 1999 and advertisement having been made in The New Indian Express dated 27th July 1999 and Dinamani dated 27th July 1999, each containing the advertisement of the said meeting and the Report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Scheme of Arrangement (De-merger) has been approved unanimously by the shareholders and upon reading the affidavit of the petitioner Company dated 15th November 1999, duly served on the Regional Director, Department of Company Affairs, wherein the petitioner Company had field the various no objections / approvals received from its creditors for the above said Scheme of Arrangement (De-merger) and upon reading the common order dated 9th July, 1999 made in the Company Application No. 842 of 1999, whereby the said Company, namely Ramco Systems Limited, the petitioner Company in Company Petition No. 279 of 1999, herein, was directed to convene a meeting of the shareholders of the said Company for the purpose of considering and, if thought fit, approving with or without modification the Scheme of Arrangement, viz., De-merger of the Software Business Undertaking of Ramco Industries Limited, the petitioner Company in Company Petition No. 278 of 1999 with the said Company and advertisement having been made in The New Indian Express dated 27th July 1999 and Dinamani dated 27th July 1999, each containing the advertisement of the said meeting and the Report of the Chairman of the said meeting as to the result of the meeting and it is appearing from the said report that the Scheme of Arrangement (De-merger) has been approved unanimously and upon reading the affidavit of the petitioner Company dated 15th November 1999, duly served on the Regional Director, Department of Company Affairs, wherein the petitioner Company had furnished details of the equity allotments made / to be made in that Company and upon reading the affidavit filed by the Regional Director, Department of Company Affairs, on behalf of the Central Government, wherein the Scheme of Arrangement was not opposed by the Central Government, and upon nothing that no other person has opposed the Scheme of Arrangement despite the advertisement of the petitioner in the news papers, subject to the condition mentioned in Clause 1 infra this court doth hereby sanction the Scheme of Arrangement (De-merger) as set out in the Schedule here under with effect from 1st April, 1999, and declare the same to be binding on all the shareholders and creditors of the said Companies and on the said Companies, and doth further order as follows:

1. That M/s. S. Viswanathan, Chartered Accountants, Chennai, one of the Auditors of the Company be and is hereby directed to audit the books and records of the Company's Software division and submit a report to this Court within four weeks as to whether its affairs has been conducted in a manner not prejudicial to the interest of members or public.
2. That the petitioner Companies herein do file with the Registrar of Companies, Chennai a Certified Copy of the Order within 30 days from this date; and
3. That the parties to the Scheme of Arrangement (De-merger) or other persons interested shall be at liberty to apply to this Court for any direction that may be necessary in regard to carrying out of the scheme hereunder:

SCHEME OF ARRANGEMENT (DE-MERGER)

BETWEEN

RAMCO INDUSTRIES LIMITED

AND

RAMCO SYSTEMS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

PREAMBLE

1. Ramco Industries Limited (RIL), whose corporate particulars are hereinafter given in Clause 1 of definitions has been engaged in:
 - a. Manufacture and sale of Asbestos Cement Sheets, Pressure Pipes and accessories.
 - b. Manufacture and export of Cotton Yarn,
 - c. Research and development of Enterprise-wide Resource Planning (ERP) software and other computer application software, marketing of software and dealing in computer related hardware, and software and rendering professional services, in India ("Software Business Undertaking"); and
 - d. Marketing of Software and rendering professional services outside India through its Overseas Subsidiaries, namely, Ramco Systems Corporation, U.S.A., Ramco Systems Limited, Switzerland, Ramco Systems SDN BHD, Malaysia and Ramco Systems Pte. Ltd., Singapore ("Overseas Operations").

The shares of RIL are listed on the Madras and National Stock Exchanges. About 46.89% is held by the Ramco Group (Promoter Group) with the balance held by the public.

2. Considering the size of the Company and its components units, the Directors feel that for greater focus on and synergy in the different activities of the Company to ensure accelerated growth and improved profitability, it would be advantageous to re-organize the Company by vesting the Software Business Undertaking of RIL, in Ramco Systems Limited, whose corporate particulars are hereinafter given in Clause 2 of Definitions. The Directors are of the opinion that the re-organization, essentially to ensure better operational management and focus on accelerated growth of individual units, will ensure benefit to the shareholders, creditors, debenture holders, employees and is in the general public interest.

DEFINITIONS

1. The TRANSFEROR COMPANY, RAMCO INDUSTRIES LIMITED (RIL) is the Demerged Company, which was incorporated under the Companies Act, 1956 under the name Southern Asbestos Cements Ltd., on 27th January, 1965, which name was changed to Southern Asbestos Cement Ltd., on 4th November, 1977, and subsequently to Ramco Industries Limited, with effect from 30th June 1988; its Registered Office is at 47, P.S.K. Nagar, Rajapalayam, Tamilnadu,

PIN-626 108. The Authorised Capital of RIL is Rs. 5,00,00,000/- divided into 50,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid-up capital is Rs. 4,33,31,530/- divided into 43,33,153 equity shares of Rs. 10/- each and Rs. 4,33,31,030/- divided into 43,33,103 equity shares of Rs. 10/- each respectively.

2. The TRANSFEREE COMPANY, RAMCO SYSTEMS LIMITED (RSL) is the Resulting Company, which was incorporated under the Companies Act, 1956, on 19th February, 1997. It has its registered office at 47, P.S.K. Nagar, Rajapalayam - 626 108. The Authorised Capital is Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each. The present issued, subscribed and paid-up capital is Rs. 16,19,000/- consisting of Rs. 28,200 shares of Rs. 10/- each fully paid up and 13,37,000 equity shares of Rs. 10/- each partly paid up to the extent of Re.1/- per share
3. a) "Software Business Undertaking" means the business of Research, Development and marketing of Software and other Computer application software, dealing in Computer related hardware and software, and Consultancy / Professional Services undertaken by the TRANSFEROR COMPANY, for which separate books of accounts are being maintained by the TRANSFEROR COMPANY.
- b) all assets (including intellectual property assets), whether movable or immovable, current assets, inventories, receivables, cash balances, bank balances with overseas banks, earnest moneys, deposits with agents, customers, and third parties, advances, consents, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest benefits, arrangement, telephones, telexes, facsimile, internet, connections, leased lines, electrical connections, certificates from International bodies, contracts, rights and benefits under insurance policies, claims, advantages of whatsoever nature and where-so-ever situate, trademarks, patents, copyrights, privileges, goodwill and all other rights including lease rights, licenses, powers and facilities of every kind, nature and description whatsoever appertaining / allocated to the Software Business Undertaking by the TRANSFEROR COMPANY as on the EFFECTIVE DATE as per records of the TRANSFEROR COMPANY.
- c) all necessary records, files, papers, engineering and process information Computer programmes, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customer pricing information and other records in connection with or relating to the Software Business Undertaking.
- d) all liabilities including, rupee loans, contingent liabilities, debts, current liabilities and provisions, duties and obligations appertaining / allocated to the TRANSFEREE COMPANY on the EFFECTIVE DATE.

4. ACT means The Companies Act, 1956.
5. The EFFECTIVE DATE means the Commencement of 1st April 1999.
6. COMPLETION DATE means the date or the last dates on which the certified copies of the order passed by the Honourable High Court sanctioning this Scheme of Arrangement are filed with the Registrar of Companies, Tamil Nadu by the TRANSFEREE COMPANY and the TRANSFEROR COMPANY.
7. RECORD DATE means the date to be fixed by the Board of Directors or a Committee thereof the TRANSFEROR COMPANY for the purpose of determining the members of the TRANSFEROR COMPANY to whom shares will be allotted pursuant to this Scheme.
8. REMAINING BUSINESS means all the business and divisions of the TRANSFEROR COMPANY other than those transferred to and vested in the TRANSFEREE COMPANY pursuant to this Scheme.
9. SCHEME means this Scheme of Arrangement.

PART - I: THE SCHEME OF ARRANGEMENT (DE-MERGER):

1.
 - a) With effect from the EFFECTIVE DATE the Software Business Undertaking of the TRANSFEROR COMPANY, shall pursuant to Sections 391 to 394 and other applicable provisions, if any, of the ACT and without any further, act or deed, stand transferred to and be vested in the TRANSFEREE COMPANY.
 - b) The transfer / vesting as aforesaid shall be subject to existing charges / hypothecation / mortgage (if any, as may be subsisting) over or in respect of the Software Business Undertaking or any part thereof; provided, however, any reference in any security documents or arrangement, to which the TRANSFEROR COMPANY is a party, wherein the assets of the TRANSFEROR COMPANY are offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Software Business Undertaking as are vested in the TRANSFEREE COMPANY by virtue of the sub-clause (a) hereto to the end and intent that such security, mortgage and charge shall not extend or deemed to extend to any of the others assets, units or divisions of the TRANSFEROR COMPANY, unless specifically agreed to and subject to necessary consents and approvals.

PART - II: TRANSFER OF ASSETS AND LIABILITIES:

2. For the purpose of transfer and vesting of the Software Business Undertaking in the TRANSFEREE COMPANY as per Clause 1 above :

- a) Land and buildings, 38,383 sq.ft. undivided share of land comprised in TS No. 45/1, 45/2, 45/4, 45/5 and Block 12 and TS No. 2s, Block No. 14, located in Nos. 3 to 5, Sardar Patel Road, Taramani, Chennai - 600 113, within the Registration district of Madras South; and a multistory building on the above land with super built-up area of 104,380 sq.ft. of office space between ground floor and 10 upper floors, 9,602 sq.ft. of basement area, rooms housing the generators and electrical installations.

All amenities in the above said multi-storey building including but not limited to furniture and fixtures, air conditioning equipments, generators, electrical installations, EPABX systems, telephones, partitions, false ceilings, water and sewer connections, borewells, name boards, lifts, car parking space, fire fighting equipments, digital alarm systems, sanitary fittings, etc. The above Land and Buildings shall be transferred at their book value, i.e. for Rs. 3,44,72,975/- and Rs. 14,70,84,820/- respectively.

Other fixed assets as per list in Schedule A including intellectual property assets shall be transferred at the aggregate book value of Rs. 24,36,69,559/-

- b) The Secured Loan comprising of items as per list in Schedule B, representing the loans raised, incurred and utilized solely for the Software Business Undertaking, shall be transferred at book value of Rs. 43,55,42,322/-.
- c) The Unsecured Loan comprising of items as per list in Schedule C, representing the specific staff housing loan of Rs. 2,14,60,149/- taken from Housing Development Finance Corporation Limited in respect of the Software Business Undertaking, and the general or multi-purpose borrowings amounting to Rs. 28,71,66,824/- of the TRANSFEROR COMPANY as identified by the Board of Directors of the TRANSFEROR COMPANY and which in the aggregate, stand in the same proportion, which the value of assets transferred to the TRANSFEREE COMPANY bear to the assets of the TRANSFEROR COMPANY on the EFFECTIVE DATE. Such Loans shall be transferred at Rs. 30,86,26,973/- being the book value.

The Transfer of general or multi-purpose borrowings in terms of the above para, shall be without prejudice to any agreements or arrangements including in respect of security entered into between the TRANSFEROR COMPANY and the lenders existing on the EFFECTIVE DATE which shall continue in full force not withstanding that the liability for repayment of principal and payment of interest is taken over by the TRANSFEREE COMPANY. The TRANSFEROR COMPANY shall make repayments of such principal amounts and payments of interest thereon on behalf of the TRANSFEREE COMPANY, and the

TRANSFEREE COMPANY shall be under an obligation to place the TRANSFEROR COMPANY, in funds at the relevant time so as to enable the TRANSFEROR COMPANY to make payments to the lenders.

- d) The current assets as per list in Schedule D shall be transferred at book value i.e., Rs. 51,73,19,812/- .
- e) The loans and Advances as per list in Schedule E shall be transferred at book value i.e., Rs. 7,83,61,934/-.
- f) The Deferred Revenue Expenditure shall be transferred at book value i.e. Rs. 38,65,84,429/-.
- g) The Current liabilities as per list in Schedule F shall be transferred at Book Value i.e. Rs. 21,16,47,467/-.
- h) The deficit amounting to Rs. 45,16,76,767/- (representing the excess of the amount representing the surplus of assets over the liabilities) of the TRANSFEROR COMPANY shall be adjusted in the books of accounts of the TRANSFEROR COMPANY against the balance standing to the credit of the Share Premium Account by corresponding reduction thereof and the balance if any, against the General Reserve Account (in that order) in the books of accounts of the TRANSFEROR COMPANY.
- i) It is clarified that all debts, liabilities and obligations of the TRANSFEROR COMPANY relating to and arising out of the activities of the Software Business Undertaking as on the EFFECTIVE DATE, whether provided or not in the Books of Accounts of the TRANSFEROR COMPANY, whether disclosed or undisclosed in the Balance Sheet, shall be the debts, liabilities, duties and obligations of the TRANSFEREE COMPANY and the TRANSFEREE COMPANY undertakes to meet, discharge and satisfy the same.
- j) It is further clarified that all non-specific liabilities (other than borrowings), that is liabilities which do not relate to the operations of any particular business undertaking, for the period up to the EFFECTIVE DATE and arising after the EFFECTIVE DATE against the TRANSFEROR COMPANY, shall be borne by the TRANSFEROR COMPANY.
- k) Where any of the liabilities and obligations of the TRANSFEROR COMPANY as on the EFFECTIVE DATE deemed to be transferred to the TRANSFEREE COMPANY have been discharged by the TRANSFEROR COMPANY after the EFFECTIVE DATE and prior to the COMPLETION DATE, such discharge shall be deemed to have been for and on account of the TRANSFEREE COMPANY and all loans raised and used and all liabilities and obligations incurred by the TRANSFEROR COMPANY for the operations of the Software Business Undertaking after the EFFECTIVE DATE and prior to the COMPLETION DATE shall be deemed to have been raised, used or incurred for and on behalf of the

TRANSFEREE COMPANY and to the extent they are outstanding on the COMPLETION DATE, shall also without any further act or deed be and stand transferred to the TRANSFEREE COMPANY and shall become the liabilities and obligations of the TRANSFEREE COMPANY which shall undertake to make, discharge and satisfy the same.

PART – III: EMPLOYEES:

3. All the executives, staff, workmen, and other employees in the service of the Software Business Undertaking of the TRANSFEROR COMPANY, immediately before the EFFECTIVE DATE, under this Scheme shall become the executives, staff, workmen, and other employees of the TRANSFEREE COMPANY, on the basis that:

- a) their services shall have been continuous and shall not have been interrupted by reason of such transfer as if such transfer is effected under Section 25 FF on the Industrial Disputes Act, 1947;
- b) the terms and conditions of service applicable to the said staff, workmen, and other employees, after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer;
- c) in the event of retrenchment of such staff, workmen, or other employees, TRANSFEREE COMPANY shall be liable to pay compensation in accordance with law on the basis that the services of the staff, workmen, or other employees shall have been continuous and shall not have been interrupted by reason of such transfer; and
- d) in so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the TRANSFEROR COMPANY for its employees (including employees of the Software Business Undertaking) are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the TRANSFEREE COMPANY pursuant to this Scheme in the manner provided hereinafter. In the event that the TRANSFEREE COMPANY has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Software Business Undertaking, subject to the necessary contributions pertaining to the employees of the Software Business Undertaking shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the TRANSFEREE COMPANY. In the event that the TRANSFEREE COMPANY does not have its own fund, in respect of any of the aforesaid matters, the TRANSFEREE COMPANY may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the Software Business Undertaking to the relevant funds of the TRANSFEROR COMPANY, until such time that the TRANSFEREE COMPANY creates its own fund, at which time the contributions pertaining to the employees of the Software Business Undertaking shall be transferred to the funds created by the TRANSFEREE COMPANY.

PART-IV: LEGAL PROCEEDINGS:

4. All suits, actions and proceedings of whatsoever nature by or against the Software Business Undertaking of the TRANSFEROR COMPANY on the COMPLETION DATE shall be continued and enforced by or against the TRANSFEREE COMPANY. In the event of any difference or difficulty on whether any specific legal or other proceeding relates to the Software Business Undertaking or not, a certificate jointly issued by the TRANSFEROR COMPANY and the TRANSFEREE COMPANY as to whether such proceeding relates to the Software Business Undertaking or not, shall be conclusive evidence of the matters.

If proceedings are taken against the TRANSFEROR COMPANY in respect of matters referred to above, it shall defend the same in accordance with the advice of and cost of the TRANSFEREE COMPANY and the latter shall reimburse and indemnify the TRANSFEROR COMPANY against all liabilities and obligations incurred by the TRANSFEROR COMPANY in respect thereof.

The TRANSFEREE COMPANY undertakes to have all legal or other proceedings initiated by or against the TRANSFEROR COMPANY in respect of matters referred above transferred into its name and to have the same continued, prosecuted and enforced by or against the TRANSFEREE COMPANY to the exclusion of the TRANSFEROR COMPANY.

The transfer and vesting of the assets, liabilities and obligations of the TRANSFEROR COMPANY under Clauses 1 and 2 and the continuance of proceedings by or against the TRANSFEREE COMPANY under clause 4 hereof shall not affect any transactions or any proceedings already completed by the TRANSFEROR COMPANY on and after the EFFECTIVE DATE to the end and intent that, subject to clause 13, the TRANSFEREE COMPANY accepts all acts, deeds and things done and executed by and / or on behalf of the TRANSFEROR COMPANY as acts, deeds and things done and executed by and on behalf of the TRANSFEREE COMPANY.

PART - V: CONTRACTS:

5. Subject to the provisions of this Scheme, all contracts (including but not limited to Software licensing, implementation, maintenance, professional services contracts) deeds, bonds, agreements, arrangements and other instruments of whatsoever nature, pertaining to the Software Business Undertaking of the TRANSFEROR COMPANY, to which the TRANSFEROR COMPANY is a party or to the benefit of which the TRANSFEROR COMPANY may be eligible and which are subsisting or having effect immediately before the EFFECTIVE DATE, shall be in full force and effect against or in favour of the TRANSFEREE COMPANY as the case may be, and may be enforced as fully and effectually as if, instead of the TRANSFEROR COMPANY, the TRANSFEREE COMPANY had been a party or beneficiary thereto. The TRANSFEREE COMPANY shall enter into and / or issue and / or execute

deeds, writings or confirmation or enter into any multipartite agreements, arrangements, confirmations or novations to which the TRANSFEROR COMPANY will, if necessary also be a party in order to give formal effect to the provisions of this Clause, if so required or becomes necessary.

PART - VI: INCOME / PROFITS:

6. Income and profits accruing to or losses incurred by the Software Business Undertaking of the TRANSFEROR COMPANY on and from the EFFECTIVE DATE up to the COMPLETION DATE shall, for all purposes, be treated as the income, profits and / or losses, as case may be, of the TRANSFEREE COMPANY.

PART - VII: ALLOTMENT OF SHARES:

7. (a) Inconsideration of the transfer of Software Business Undertaking, the shareholders of the TRANSFEROR COMPANY, on the RECORD DATE, will be allotted on a proportionate basis, one Equity Share of Rs. 10/- each of the TRANSFEREE COMPANY credited as fully paid-up, for one Equity Share of Rs. 10/- each held by them in the TRANSFEROR COMPANY.
- (b) The shares so issued by the TRANSFEREE COMPANY shall be in certificate form.
- (c) The TRANSFEREE COMPANY, if required may enter into an agreement with a Depository for Dematerialization of the shares of the TRANSFEREE COMPANY. In such an event and in so far as the issue of shares pursuant to this clause is concerned, each member of the TRANSFEROR COMPANY shall have the option exercisable by notice in writing to the TRANSFEROR COMPANY on or before such date as may be determined by the Board of Directors of the TRANSFEROR COMPANY to receive the shares, either in the certificate form or in the dematerialized form. In the event that such notice has not been received by the TRANSFEROR COMPANY in respect of any of the members, the shares shall be issued to such members in certificate form. In respect of those members who exercise the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a Depository participant and shall provide such other confirmation and details as may be required.
- (d) The equity shares of the TRANSFEREE COMPANY issued in terms of this clause shall, subject to the execution of the listing agreement and payment of appropriate fee and subject to other approvals as may be required in that connection be listed on the relevant Stock Exchanges, where the existing equity shares of the TRANSFEROR COMPANY are listed.
- (e) The said equity shares to be issued and allotted by the TRANSFEREE COMPANY shall rank pari passu in all respects from the date of allotment in

terms of this Scheme, with the existing equity shares of the TRANSFEREE COMPANY, with all rights attached thereto.

- (f) The said equity shares to be issued and allotted by the TRANSFEREE COMPANY shall be entitled to full dividend, if any, which may be declared by the TRANSFEREE COMPANY, in respect of the financial year commencing on the first day of 1st April 1999.

PART - VIII: REMAINING BUSINESS:

8. The TRANSFEROR COMPANY shall be entitled to and continue to carry on the REMAINING BUSINESS other than those transferred to and vested in the TRANSFEREE COMPANY pursuant to this scheme.

PART - IX: GENERAL TERMS AND CONDITIONS:

9. The TRANSFEROR COMPANY and the TRANSFEREE COMPANY shall obtain the requisite consents, approvals or permissions of any authority as may be required or which by law may be necessary.
10. The TRANSFEROR COMPANY and the TRANSFEREE COMPANY shall, with reasonable despatch, make applications to the High Court of judicature at Madras for necessary orders or directions for holding meetings of the members of the TRANSFEROR COMPANY and the TRANSFEREE COMPANY for sanctioning this scheme of Arrangement under Sections 391 to 394 and other applicable provisions, if any of the ACT.
11. a) The TRANSFEROR COMPANY (by-its Directors) and the TRANSFEREE COMPANY (by its Directors).
- i) may assent to any modification or amendment to the Scheme which the Court and / or any other authorities under law may deem fit to direct or impose and / or
 - ii) may assent to any terms and / or conditions which the Court and / or any other authorities under law may deem fit to direct or impose, and / or
 - iii) may give such directions and / or may assent to any modification or amendment which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme and / or
 - iv) may do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme, and the aforesaid modifications, amendments and terms and conditions.

- b) For the purpose of giving effect to the Scheme after it is sanctioned by the Honourable High Court of judicature at Madras, the Directors of the TRANSFEROR COMPANY and the TRANSFEREE COMPANY are authorised to identify / allocate / apportion the assets and liabilities covered under the Scheme.

12. The Scheme shall be operative with effect from the EFFECTIVE DATE.

13. From the EFFECTIVE DATE until the COMPLETION DATE, the TRANSFEROR COMPANY:

- a) shall in so far as it is necessary for the implementation of this Scheme, stand possessed of all property and assets of Software Business Undertaking whatever nature for and on account of the TRANSFEREE COMPANY, and shall account and be entitled to be indemnified accordingly;
- b) shall be deemed to carry on all the business activities of Software Business Undertaking be for and on account of the TRANSFEREE COMPANY;
- c) all accretions and depletion to the Software Business Undertaking shall be for and on account of the TRANSFEREE COMPANY;
- d) The TRANSFEROR COMPANY hereby undertakes to carry on business with proper prudence and shall not, without the prior written consent of the TRANSFEREE COMPANY, alienate, charge or otherwise deal with or dispose off part or whole of the Software Business Undertaking, except to matters arising in the usual course of business or to undertake substantial expansion of its existing business pertaining to the Software Business Undertaking of the TRANSFEROR COMPANY.
- e) It is agreed that wherever the loans have been / are availed by the TRANSFEROR COMPANY for or in connection with the business of the Software Business Undertaking, against the security of the assets of the Software Business Undertaking which are sought to be vested with the TRANSFEREE COMPANY pursuant to the Scheme, the TRANSFEREE COMPANY shall discharge such liabilities and obtain release of the securities from the creditors. The liabilities so created on the assets of the Software Business Undertaking are listed in the Schedule hereto.
- f) The liabilities accrued and secured by the assets retained by the TRANSFEROR COMPANY are to be discharged by the TRANSFEROR COMPANY, but in so far as the part or whole of such liabilities have been utilized in connection with and for the performance of the Software Business Undertaking, the TRANSFEREE COMPANY has agreed to assume such liabilities and discharge the said liabilities; the liabilities so assumed and agreed to be discharged by the TRANSFEREE COMPANY are set out in the Schedules hereto.

- g) Pursuant to the Scheme, the TRANSFEROR and TRANSFEREE COMPANIES have agreed to pay their respective liabilities / loans so assumed, with interest, costs, charges and expenditure as and from the EFFECTIVE DATE, and shall otherwise comply with all other conditions on which such loans have been granted, with such modifications as the creditors may stipulate.
- h) The TRANSFEROR AND TRANSFEREE COMPANIES have agreed that in any event, to create independent security of the fixed assets of the respective business undertakings, the security created on the land and building allocated to the Software Business Undertaking under this Scheme in favour of the financial institutions, banks, creditors etc., shall be in substitution of the existing security created by the TRANSFEROR COMPANY as the composite company;
- i) subject to such conditions as the financial institutions, banks, creditors may stipulate in respect of the individual companies. The unsecured loans as appearing in the books of the TRANSFEROR COMPANY shall be so adjusted in the books of the TRANSFEROR COMPANY and the TRANSFEREE COMPANY, that the respective companies shall assume such liabilities and discharge the same as apportioned in accordance with Sec.2 (19AA) of Income Tax Act, 1961.
- j) In the event of the creditors not being able to agree to or look to the TRANSFEREE COMPANY and require the TRANSFEROR COMPANY to discharge the said liabilities, the TRANSFEROR COMPANY hereby agreed that it shall so discharge the said liabilities on the indemnity of the TRANSFEREE COMPANY and the TRANSFEREE COMPANY shall pay to the TRANSFEROR COMPANY such sums so paid to the creditors of the TRANSFEREE COMPANY.
- k) The issue and allotment of Equity Shares under the provisions of this Scheme to the Non- Resident Shareholders, Institutional Investors (including Foreign Institutional Investors), shall be made subject to the approval of the Reserve Bank of India (RBI) under the Foreign Exchange Regulation Act, 1973, and such other terms and conditions as the RBI may impose.

PART - X: EXPENSES IN CONNECTION WITH THIS SCHEME:

- 14. All costs, charges and expenses of the TRANSFEROR COMPANY and TRANSFEREE COMPANY in relation to or in connection with this Scheme and of carrying out and completing the terms of provisions of this Scheme shall be borne and paid by the TRANSFEROR COMPANY.

PART - XI: SCHEME CONDITIONAL UPON:

- 15. a) This scheme is conditional upon and subject to the sanction of the majority of members of the TRANSFEROR and TRANSFEREE COMPANIES, the sanction of the Court, and such other sanctions and approvals as may be required by law being obtained, all necessary certified copies of the orders referred to in the Scheme being filed with the Registrar of Companies, Chennai.

- b) In the event of the Scheme failing to take finality, the Scheme shall become null and void and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the parties or their shareholders or their creditors or employees or any other person.
- c) In the event of non - fulfillment of any or all obligations under the Scheme, by one Company towards the other company inter-se, or to third parties, the non-performance of which will put the other Company under any obligation, then such company will indemnify all costs, interests, etc., to the other Company.

WITNESS, the Hon'ble Thiru. KONAKUPPAKATTIL GOPINATHAN BALAKRISHNAN, the Chief Justice at Madras aforesaid, this 24th day of December 1999.

Sd/-
V. Padmavathi
(Deputy Registrar (O.S))

Certified to be a true Copy:

Dated this 11th day of January, 2000.

Sd/-
Court Officer

SCHEDULES

(Rs.)

SCHEDULE A :

OTHER FIXED ASSETS :

Plant & machinery	13,06,75,240
Electrical fittings,	4,43,05,096
Furniture and Office Equipments	6,56,07,975
Vehicles	30,81,248
	24,36,69,559

SCHEDULE B :

SECURED LOANS :

Industrial Finance Corporation of India Ltd., Building Loan	12,05,25,000
Industrial Finance Corporation of India Ltd., Equipment Credit	1,80,68,298
Hire Purchase Loan	16,40,106
IndusInd Bank, Non convertible Debentures	2,00,00,000
Industrial Development Bank of India, Bank Debentures	5,00,00,000
Industrial Investment Bank of India	15,00,00,000
Working Capital Loans from Banks	7,53,08,918
	43,55,42,322

SCHEDULE C :

UNSECURED LOANS:

a. SPECIFIC

Housing Development Finance Corporation Ltd., Staff Housing Loan	2,14,60,149
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b. GENERAL / MULTI - PURPOSE

Industrial Development Bank of India	25,00,00,000
Kothari Mutual Non-Convertible Debentures	3,00,00,000
Loans from Directors	71,66,824

28,71,66,824

GRAND TOTAL (a) + (b)

30,86,26,973

SCHEDULE D:

CURRENT ASSETS:

Stores and Spares	3,71,453
Resale Materials	4,90,53,907
Sundry Debtors	42,33,46,117
Cash in hand	8,59,014
Bank Balance	4,36,89,321
	51,73,19,812

SCHEDULE E :

LOANS AND ADVANCES :

Deposits	66,76,114
Advances	6,03,17,212
Pre-paid expenses	1,13,68,608
	7,83,61,934

SCHEDULE F:

CURRENT LIABILITIES :

Liabilities for Purchases	11,79,93,411
Liabilities for Expenses	7,42,30,918
Other Liabilities	1,62,23,138
	21,16,47,467

(1+5)
C.P. No. 278 & 279 of 1999

ORDER

DATED: 24.12.1999
The Hon'ble Mr. Justice
R. JAYASIMHA BABU

For Approval On : 11.1.2000

Approved On : 11.1.2000

High Court, Madras

Original Side

C.A. No : 38 / 2000

Applied : 4.1.2000

Stamp Called for)

Stamps put in) 11.1.2000

Ready)

C.O. (O.S)

Scheme of Arrangement

Approved by the Hon'ble High Court of Madras vide order dated
4th August 2005

(Forming part of the Memorandum of Association)

No. 37550/P.C.III/Sec.391/2005
GOVERNMENT OF INDIA
MINISTRY OF COMPANY AFFAIRS
OFFICE OF THE REGISTRAR OF COMPANIES
SHASTRI BHAVAN, II FLOOR, NO. 26, HADDOWS ROAD, CHENNAI - 6.

**CERTIFICATE OF REGISTRATION OF ORDER OF SCHEME OF
ARRANGEMENT BETWEEN M/s. RAMCO SYSTEMS LIMITED AND ITS
SHAREHOLDERS U/S 391 & 394 OF THE COMPANIES ACT, 1956.**

IN THE MATTER OF M/s. RAMCO SYSTEMS LIMITED IN COMPANY PETITION
NO : 113 OF 2005.

Pursuant to the provisions contained in Section 394 of the Companies Act, 1956, I hereby certify that the Form No. 21 dated 17.08.2005 enclosing the order passed by the Hon'ble High Court of Madras on 14.08.2005 providing for the above Scheme of Arrangement has this day being registered.

Given under my hand at CHENNAI this NINTH day of SEPTEMBER TWO THOUSAND FIVE.

Yours faithfully
Sd/-
(B.N.HARISH)
REGISTRAR OF COMPANIES,
TAMILNADU, CHENNAI.

**IN THE HIGH COURT OF JUDICATURE AT MADRAS
(ORIGINAL JURISDICTION)**

Thursday, the Fourth day of August, 2005

The Honourable Mr. Justice D. MURUGESAN

Comp. Petn. No : 113 of 2005.

In the matter of the Companies Act, 1956

And

In the matter of Scheme of Arrangement

And

In the matter of Ramco Systems Limited

And

Its Shareholders and Creditors

M/s. Ramco Systems Limited
No. 47, P.S.K. Nagar,
Rajapalayam - 626 108
Rep. by its Head Finance
Mr. R. Ravi Kula Chandran

..... Petitioner

This Company Petition praying this court to sanction the Scheme of Arrangement of the Petitioner Company so as to be binding on all the Equity Shareholders, and creditors of the petitioner Company and on the said petitioner company with effect from 31st March, 2005;

This Company Petition coming on this day before this court for hearing in the presence of Mr. T.K. Seshadri, Senior Counsel for Mr. T.K. Bhaskar, Advocate for the petitioner in the Company Petition No. 113/ 2005, and Mr. M.T. Arunan, Addl. Central Government Standing counsel appearing for the Regional Director, Southern Region, Department of Company Affairs, Chennai and upon reading the order dated 26.4.2005 and made in company application No. 629/2005 whereby the said Company viz., M/s. Ramco Systems Limited, the petitioner company in C.P. No. 113/2005 herein was directed to convene a meeting of the equity shareholders of the above named company for the purpose of considering and if thought fit, approving with or without modification of the proposed scheme of Arrangement between M/s. Ramco Systems Limited and its Shareholders and creditors; and the advertisement having been made in one issue of English Daily "Business Standard" dated 3.5.2005 and another issue of Tamil Daily

“Makkal Kural” Dated 3.5.2005 each containing the advertisement of the said meeting and the report of the Chairman of the said meeting as to the result of the meeting and it appearing from the said report that the scheme of Arrangement had been approved unanimously and upon reading the company petition No. 113/2005, and the affidavit of R. Vasudevan, Regional Director, Southern Region, Department of Company affairs, Chennai and the affidavit of R. Ravi Kula Chandran filed herein and this Court doth hereby sanction the Scheme of Arrangement Annexed hereunder and declare the same to be binding on all the equity shareholders and creditors of the said company and on the said companies, this Court doth further order as follows:

1. That, the petitioner companies herein do file with the Registrar of Companies, Chennai, a Certified copy of the order within 30 days from this date:
2. That, the parties to the Scheme of Arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in to carrying out the Scheme of Arrangement Annexed hereunder:
3. That, Mr. M.T. Arunan, the Addl. Central Government Standing Counsel shall be entitled to consolidated fee of Rs. 2500/- (Rupees Two Thousand and Five Hundred only).

A N N E X U R E

(SCHEME OF ARRANGEMENT)

Scheme of Arrangement

Between

M/s. Ramco Systems Limited

And

its Shareholders and Creditors

A. Preamble

This Scheme of Arrangement is presented by Ramco Systems Limited hereinafter referred to as "Company" / "RSL" a Company incorporated under the provisions of the Companies Act, 1956, as a limited Company on 19.02.1997 and having its registered office at 47, P.S.K. Nagar, Rajapalayam 626 108. The software business undertaking of Ramco Industries Limited was demerged into RSL under a scheme of arrangement dated 24.12.1999 of the High Court of Judicature at Madras, effective 1.4.1999.

The Company has over the years been rationalizing and improving its operations through various means in order to maintain market competitiveness in the enterprise solutions domain. In order to achieve the same, the Company has engaged in restructuring of its business activities and focused on development of its Ramco Virtual Works technology in order to achieve a steady growth in the company's customer base. In further pursuance of these initiatives, it is necessary that the Company also undertakes a process of financial restructuring so as to work with a leaner balance sheet.

It is necessary for RSL to enhance its financing capabilities in order to consolidate and grow in the interest of its shareholders. The present financial statements of RSL are not conducive to enable the Company to raise fresh financing required for its future growth plan. RSL is therefore proposing a financial restructuring in order to strengthen its financial statements and provide an impetus towards improved performance and growth.

The Scheme of Arrangement presented in terms of Sections 391 to 394 read with Sections 78 and 100 to 102 of the Companies Act, 1956, involves the adjustment of an amount not exceeding Rs. 200 crores out of the balance standing in the Share Premium Account of the Company as on the appointed date, in respect of the aggregate of (i) trade receivables due from the Subsidiaries amounting to Rs. 88.02 crores and (ii) accumulated losses as on the appointed date. The adjustment of the aforesaid amounts against the share premium account will significantly strengthen the financial statements of RSL and enhance its profitability and ability to raise further financing for growth and consolidation. The financial restructuring would also ensure that the value of the assets belonging to the Company is more accurately reflected in the financial statements of the Company so as to reflect the present financial position of the Company.

B. Definitions.

In this Scheme unless inconsistent with the subject or context, the following expressions shall have the following meanings:

1. **"Company" / "RSL":** "Company" / "RSL" means Ramco Systems Limited, a Company incorporated under the Companies Act, 1956, and having its Registered Office at No. 47, P.S.K. Nagar, Rajapalayam - 626 108 and its Corporate Office at No. 64, Sardar Patel Road, Taramani, Chennai - 600 113.
2. **The Act:** The Act means the Companies Act, 1956 (1 of 1956) as amended from time to time.
3. **Appointed date:** Appointed date means March 31, 2005.
4. **Scheme :** Scheme means this Scheme proposed by the Company for adjustment of trade receivables due from the Subsidiaries, and accumulated losses as on the appointed date, not exceeding an amount of Rs. 200 Crores against the balance standing in the share premium account as on the appointed date as contemplated herein.
5. **Subsidiaries :** Subsidiaries means (a) Ramco Systems Corporation, a corporation organized under the laws of the State of California, U.S.A., having principal place of business at Crossroads Corporate Center, 3150, Brunswick Pike, Suite 100, Lawrenceville, NJ 08648, (b) Ramco Systems Limited, a company incorporated in Switzerland, having principal place of business at Lange Gasse 90, Postfach, CH - 4020, Basel, Switzerland and (c) Ramco Systems Pte. Ltd., a company incorporated in Singapore, having principal place of business at 10, Eunus Road 8, No. 08-05, Singapore Post Centre, Singapore -4086006.
6. **Effective Date:** Effective date means the date on which the last of the approvals / events required to be satisfied under Item D of the Scheme have been obtained / have occurred.

C. Scheme:

The Company has proposed the following steps towards the restructuring of its financial statements in order to improve profitability and financing ability for consolidation and growth.

1. Adjustment of trade receivables and accumulated losses from share premium account

From the balance standing in the share premium account of the Company as on the Appointed Date, the Company proposes to adjust trade receivables due from Subsidiaries amounting to Rs. 88.02 crores as well as the accumulated losses reflected in the balance sheet of the Company as on the Appointed Date.

2. Trade Receivables from Subsidiaries.

The Subsidiaries of the Company license the software technology developed by the Company to their customers in the respective markets where they operate, for which the Subsidiaries are required to pay royalty to the Company. The Company also provides services to the Subsidiaries, which in turn offer services to customers in the respective markets where they operate. The Company also has claims from the Subsidiaries, towards reimbursement of expenses incurred by its personnel while providing services to the Subsidiaries including in respect of travel and salary. The aforesaid dues from the Subsidiaries are in the nature of subordinated dues. Further, the weak financial position of the Subsidiaries has resulted in erosion of their network. The possibility of the recovery of the trade receivables from the Subsidiaries is very remote.

The break up of the trade receivables from the Subsidiaries, which are proposed to be adjusted against share premium with regard to the above items is detailed as under:

Sl. No.	Name of Subsidiary	Currency	In foreign currency, in millions	In Rs. Cr.
1	Ramco Systems Corporation, USA	US Dollars (USD)	8.62	37.96
2	Ramco System Ltd., Switzerland	Swiss Francs (CHF)	11.98	43.20
3	Ramco System Ltd., Singapore	Singapore Dollar (\$\$)	2.62	6.86
	Total			88.02

Therefore, the Company proposes to write off the aforesaid receivables and adjust an aggregate sum of Rs. 88.02 Crores of trade receivables detailed hereinabove from the balance standing in the credit of share premium account as on the Appointed Date.

3. Adjustment of Accumulated Losses as on the Appointed Date against the Share Premium Account.

As per the audited balance sheet of the Company, as on March 31, 2004, the accumulated losses of the Company stand at Rs. 68.81 crores. Further, as per the profit and loss account statement for the period April 1, 2004, till December 31, 2004 (which statement has undergone a limited review by the Statutory Auditors of the Company), the losses of the Company for the aforesaid period are Rs. 10.33 crores. The accumulated losses of the Company have arisen, primarily on account of market development expenditure, amortization of Research and Development expenditure and bad debts that have been written off. Further, these losses are not represented by

any tangible assets. As the entire accumulated losses are determined by the Company to be permanent losses, the Company has decided to adjust the accumulated losses of the Company as on the Appointed Date from the balance standing in the credit of the share premium account as on the Appointed Date.

4. Upon the above-mentioned adjustment, the balance standing to the credit of Share Premium account as on the Appointed Date will stand reduced by the aggregate of adjustments not exceeding Rs. 200 crores proposed under Clauses 2 and 3 of the Scheme.
5. The minute of the resolution relating to the reduction in share premium account that would be registered by the Registrar of Companies, Tamil Nadu, Chennai under Sec. 103 of the Act will be as under:

“The balance standing in the share premium account of the Company as on 31.03.2005 shall stand reduced by the aggregate of (a) adjustment of trade receivables due from subsidiaries amounting to Rs. 88.02 crores and (b) adjustment of the accumulated losses of the company as on 31.03.05 together not exceeding Rs. 200 crores.”

The filing of the certified copies of the order with the Registrar of Companies, Tamil Nadu, Chennai, sanctioning the scheme by the High Court of Judicature at Madras and the minute approved by the High Court of Judicature at Madras, shall be deemed compliance of the provisions of Section 78, read with Sections 100 to 102 of the Act.

6. With effect from the Appointed Date, the Scheme becomes operative on and from the Effective Date.

D. The Scheme shall be subject to:

1. the approval by the requisite majority of the equity shareholders of the Company at such meeting as may be convened by the High Court of Judicature at Madras.
2. the sanction of the Scheme by the High Court of the Judicature at Madras under Sections 391 to 394 read with Sections 78 and 100 to 102 of the Act and the filing of the certified copies of the orders with the Registrar of Companies, Tamil Nadu, Chennai.
3. such other statutory and regulatory approvals, as may be required under applicable laws, being obtained.

E. General

1. The Company, through any of its Directors, may consent on behalf of all persons concerned to any modification or amendments of this Scheme or to any conditions which the Court and / or any authority under law may deem fit to approve of or impose, or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and for all acts, deeds and things as may be necessary, desirable or expedient for bringing the Scheme into effect.

2. In the event of any of the said sanctions or approvals not being obtained and / or the Scheme not being sanctioned by the High court on or before 31.12.2005 or such other extended time as may be decided by the Board of Directors of the Company, this Scheme shall become null and void.
3. The approval of the Scheme by the equity shareholders pursuant to a meeting convened by the High Court of Judicature at Madras under Section 391 of the Act, will itself operate as the approval of the Shareholders for reduction of share premium under Section 78 read with Sections 100 to 102 of the said Act.
4. The Scheme is in the interests of the Company, its shareholders and creditors and workmen of the company and does not cause any prejudice to secured or unsecured creditors of the company and there are no debenture holders in the company.
5. All costs, charges and expenses of and incidental to this Scheme and of carrying out and completing the terms and provisions of the Scheme shall be borne and paid by the Company.

WITNESS, the Hon'ble Thiru MARKANDEY KATJU, the Chief Justice of Madras High Court, aforesaid this the Fourth day of August, 2005.

Sd/-
S.J. Brindha
Deputy Registrar (O.S)

Certified to be a true copy:
Dated this 10th Day of August 2005

Sd/-
Court Officer

HIGH COURT MADRAS	
ORIGINAL SIDE	
C.A. NO	: 5459/05
Applied	: 05.08.05
Stamp Called for	: 10.08.05
Stamp put in	:
Ready	:
C.O. (O.S.)	

ARTICLES OF ASSOCIATION

OF

RAMCO SYSTEMS LIMITED

(UNDER THE COMPANIES ACT, 1956)
(COMPANY LIMITED WITH SHARES)

1. Subject to what is hereinafter provided, the regulations contained in Table A in the Schedule I to the Companies Act, 1956, shall apply to the Company.
2. The Authorised Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 equity shares of Rs. 10/- each with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively, such preferential, deferred, qualified or special rights, privileges or conditions in accordance with the provisions of the Companies Act, 1956.
(Existing Article 2 substituted by the above New Article 2 at the EGM held on 18.09.2008)
3. Subject to the provisions of the Companies Act, the Company may, at any time, issue Preference Shares with such rights attached to them as the Board may from time to time deem fit.
4. The Company may exercise the powers of paying commission conferred by Section 76 of the Act and in such case shall comply with the requirement of the section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue or debentures pay such brokerage as may be lawful.
5. If any shares certificate be worn out or defaced or if the cages on the reverse of the certificate for recording transfers have been fully utilized, then upon production thereof to the Board, it may order the same to be cancelled and issue a new certificate in lieu thereof without any charge. If any Certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board and on such indemnity as it may seem expedient and adequate being given, a duplicate certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate and no fee shall be charged.
(Existing Article 5 substituted by the above New Article 5 at the EGM held on 18.02.2000)

6. Every person whose name is entered as a member in the Register of Members shall be entitled to receive Share Certificate / Certificates in market lots and where such certificates are issued for either more or less than market lots, subdivision or consolidation of such shares will be made by the Company free of charge.

(New Article 6A inserted after Article 6 at the EGM held on 18.02.2000)

6A. DEMATERIALIZATION OF SECURITIES

1. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

2. OPTIONS FOR INVESTORS

Every person subscribing to the securities offered by the Company shall have the option to receive the certificates or to hold the securities with a Depository. Such a person, who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, 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 certificates of the securities.

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

3. SECURITIES WITH DEPOSITORIES TO BE IN FUNGIBLE FORM

All securities held by a Depository shall be dematerialized and be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 and such other applicable provisions if any, of the Companies Act, 1956, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

4. RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

- 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 and otherwise as provided in (a) above, the Depository as the registered owner of the securities shall not have any voting right or any other rights in respect of the securities held by it.

c. Every person holding the securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits be subject to all the liabilities in respect of the securities held by a Depository on behalf of a beneficial owner.

5. SERVICE OF DOCUMENTS

Notwithstanding anything contained in the Companies Act, 1956 or these Articles to the contrary, where securities are held with 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.

6. TRANSFER OF SECURITIES

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

7. ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY

Notwithstanding anything contained in the Companies Act, 1956 or these Articles, where securities are dealt with a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

8. DISTINCTIVE NUMBERS OF SECURITIES HELD WITH A DEPOSITORY

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

9. REGISTER AND INDEX OF BENEFICIAL OWNERS

The Register and the Index of the beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and Security holders for the purposes of these Articles.

7. The Board

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

aa) The Board may, from time to time, may calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) on such terms as the Board may in its discretion deems fit.

(New Article 7aa Inserted after Article 7a at the EGM held on 02.08.1999)

- b) Upon all or any of the monies 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 6% per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Provided that any such amount paid up in advance of calls shall not in respect thereof confer a right to dividend or to participate in profits.

“Provided further that the length of each call shall be for a minimum period of Thirty Days.”

(Inserted as new proviso as above at the EGM held on 18.02.2000)

8. Subject to the provisions of these Articles and of Section 81 of the Act, the shares shall be under control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Board thinks fit provided that the option or rights to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
- 8a. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with 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 and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

(Inserted as a New Article 8A after Article 8 at the EGM held on 18.02.2000)

9. The Board of Directors may subject to right of appeal conferred by Section 111 of the Act, at their absolute discretion and decline to register.
- a) The transfer of any share whether fully paid or not to a person whom they do not approve, notwithstanding that the proposed transferee is already a member of the Company.
- or
- b) Any transfer of shares on which the Company has a lien, provided that registration of the transfer shall not be refused on the ground whether the transferor is either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
- c) No fee shall be charged for share / debentures or for effecting transmission or for registering any letter or probate, letters of administration and similar other documents.

(Inserted as a new Article 9(c) after 9(b) at the EGM held on 18.02.2000)

10. The Company shall not forfeit any unclaimed dividend. Such unclaimed dividend shall be disposed off in the manner prescribed under Section 205 (A) of the Companies Act, 1956.

(Existing Article 10 substituted by a new Article 10 at the EGM held on 18.02.2000)

11. The instrument of transfer of any shares shall be duly stamped and executed both by or on behalf of the transferor and by or on behalf of the transferee, and the transferor shall be deemed to remain the holder of such until the name of the transferee is entered in the register in respect thereof.

12. The Board of Directors shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and transferee, has been delivered to the Company at its office or at such other place as the Directors may appoint for registration accompanied by the share certificate (or if no such certificate is in existence, by the letter of allotment of shares) and such other evidence as the Company may require to prove the title of the transferor of his right to transfer the shares.

Provided that where it is proved to the satisfaction of the Board of Directors that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may if the Board of Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer, register the transfer on such terms as to indemnify as the Board of Directors may think fit.

13. An application for the registration for the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Articles 18 of the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

14. For the purpose of sub-clause (13) notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.

15. Nothing in sub-clause (14) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.

16. Nothing in this article shall prejudice the power of the Board of Directors to refuse to register the transfer of any shares to a transferee, whether a member or not.
17. The Company will effect transfer, transmission, sub-division and consolidation of shares / debentures within one month from the date of lodgment thereof.
18. Share in the Company shall be transferred by an instrument in writing in the prescribed form and shall in all respects comply within the provision of the Act and any modifications thereof and the rules prescribed thereunder.
19. All instruments of transfer which shall be registered shall be retained by Company but any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.

(a) NOMINATION OF SHARES

Every holder of shares, in, or holder of Debentures of, the Company may at any time, nominate a person, to whom his shares in, or debentures of, the Company shall vest in the event of his death in the manner prescribed in the Act.

Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders in the manner prescribed in the Act.

Notwithstanding anything contained any other law for the time being in force or any disposition whether testamentary or otherwise in respect of such shares in or debentures of the Company, where a nomination made in the manner prescribed in the Act, purports to confer on any person the right to vest the shares in or debentures of the Company the nominee shall on the death of the shareholder or holder of debentures of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the share or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debentures of the Company to the exclusion of all other persons unless the nomination is varied or cancelled in the manner prescribed in the Act.

Where nominee is the minor, it shall be lawful for the holder of the share or holder of the debentures to make the nomination to appoint in the manner prescribed in the Act any person to become entitled to shares in or debentures of the Company in the event of his death during the minority.

TRANSMISSION OF SHARES:

- a. Any person, who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either.
 - i) To be registered himself as holder of the share or debenture as the case may be, or
 - ii) To make such transfer of share or debenture as the case may be, as the deceased shareholder or debenture holder as the case may be could have made.
- b. If the person being a nominee, so becoming entitled, elects to be registered as holder of the shares or debentures himself as the case may be, he shall deliver or sent to the Company the notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holders as the case may be.
- c. All the limitations, restriction and provisions of the Act relating to the right to transfer and the registration of transfer of the shares or debentures shall be applicable to any such notice or transfer as aforesaid, if the death of the members had not occurred and the notice of transfer where a transfer signed by the shareholder or debenture holder as the case may be.
- d. A person being a nominee becoming entitled to a share or debenture by reason of the death of the holder, shall be entitled to the same dividend and other advantages to which he would be entitled were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

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

(New Article 19(a) as above inserted after Article 19 at the EGM held on 18.2.2000)

20. The number of Directors shall be not less than three and not more than twelve.
21. The following shall be the first directors of the Company
 - a)
 1. Shri. P. R. Ramasubrahmaneya Rajha
 2. Shri. P.R. Venketrama Raja
 3. Shri. S.S. Ramachandra Raja
 4. Shri. N.K. Shrikantan Raja
 - b) The Directors need not hold any shares in the Company.

22. Every Director of the Company shall be entitled to receive sitting fees as may be fixed by the Board of Directors subject to the limits, provisions prescribed under the Companies Act, 1956 and rules / amendments made thereunder from time to time and in excess thereof with the approval of Central Government, for every meeting of the Board or a Committee of Directors or the Company's General Meeting attended by him in addition to reasonable traveling, hotel and other out of pocket expenses incurred by him for attending and returning from meetings of the Board or any committee thereof or the General Meeting of the Company.
23. Subject to the provisions of Sections 198, 309 and 314 of the Companies Act, 1956, if any Director shall be called upon to perform and shall perform extra services or make special exertions for any of the purpose of the Company then and in any such cases the Company may remunerate the Director so doing, either by a percentage of the profits, or fixed sum annual or otherwise, and such remuneration may at the discretion of the Board of Directors, be either in addition to or in substitution for, all or any part of any other remuneration to which such director may be entitled under any other of these Articles.
24. In the event of the Company entering into an agreement or agreements for the purchase of machinery and for procuring technical assistance etc., in connection with the installation of machinery and or manufacture of the Company's products, and if the terms of the agreement provide for the appointment of a person or persons as Directors, the Company shall appoint such persons as Directors subject to Section 255 of the Act and such of those regulations in these presents as to holding qualification shares or retirement by rotations shall not be applicable to the Directors so appointed.

The person or persons or the corporate body having the right to appoint Directors as above shall have the right to remove at any time any Director or Directors so appointed and to appoint another person as director in the place of Director so removed or in the place vacated by resignation of the Directors appointed by them.

25. Subject to the provisions of Section 255 of the Companies Act, 1956, if and when the Company borrows any money from any Finance Corporation including M/s. Industrial Finance Corporation of India, and if such Corporation so stipulates as a condition for the advancing of such loan that it should have the right of appointing one or more individuals as Director / Directors of the Company the Finance Corporations shall have the right of appointing one or more individuals as Director / Directors of the Company to act as such during the period of loan. The Finance Corporation may at any time remove any Director or Directors so appointed and appoint any other Director or Directors in his place or their places. The Finance Corporation may also appoint any Director in the place of one previously appointed by it, in cases of vacation of office by resignation or otherwise. The individuals so appointed by the corporation shall be known as Corporation Directors and they shall not be subject to those regulations of the Company that pertain to qualification shares and retirement by rotation of Directors of the Company.

26. Subject to the provisions of Section 255 of the Companies Act, 1956, any Finance Institution shall in the event of their taking up any shares in the Company for a nominal value of not less than Rupees Five Lakhs and so long as they continue to be shareholder of the Company, have the right of appointing an individual as a Director of the Company. Such Finance Institution may at any time, remove any Director so appointed and appoint another Director in the place of a Director so appointed who resigns or otherwise vacates his office. The Directors so appointed shall not be subject to those regulations of the Company that pertain to qualification shares and retirement by rotation of Directors of the Company.
27. The Board of Directors may, when any director has left or is about to leave the State of Tamilnadu for not less than three months appoint any person to be an Alternate Director during the absence of the Original Director and such appointment shall have effect and such appointee whilst he hold office as an Alternate Director shall be entitled to notice of meetings of Directors and to attend and vote thereat accordingly, but he shall not require any qualification and shall ipso facto vacate office if and when the original director vacates office as a Director.
28. An Alternate Director appointed under the preceding article need not be a member of the Company.
29. The Directors for the time being may, subject to the amended provisions of Section 269 of the Companies Act, 1956 and subject to further amendments if any, appoint one or more of their body to be Managing Director or Managing Directors or whole time director or Whole time Directors of the Company for a terms not exceeding five years. The Directors may also appoint a Manager. The remuneration of the Managing Director, Whole - time Director, Manager appointed under the Companies Act, shall not exceed the limits stipulated under the Schedule XIII to the Companies Act, 1956.
30. Subject to Section 255 of the Act, at each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
31. Not less than two third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors, by rotation.
32. A Managing Director and or Whole time Director shall not, while he continues to hold that office be subject to retire by rotation, but (subject to the provisions of any contract or agreement between him and the Company and to the foregoing provisions) he shall be subject to the same provisions (as to resignation and removal) as the other Directors of the Company, and if he ceases to hold the office of Director from any cause, shall ipso facto and immediately cease to be a Managing Director.

- 32a. The Board of Directors shall have the power to appoint the Managing Director of the Company as Chairman / Vice Chairman of the Company as well.
(New Article 32(a) as above inserted at the AGM held on 28.7.2014)



33. The Management of the whole affairs of the Company shall, subject to the supervision control and direction of the Board of Directors, be in the hands of the Managing Director.
34. The remuneration of a Managing Director or Whole time Director subject to Section 198 and 309 of the Companies Act, 1956, shall from time to time be fixed by the Board of Directors, subject to approval of the Company in General Meeting and the approval of the Central Government.
35. The Directors may from time to time entrust to and confer upon a Managing Director, Whole-time Director or Manager appointed pursuant to Section 269 of the Companies Act, 1956, such of the powers exercisable under these presents by the Directors as they think fit and confer upon such powers for such time and to be exercised for subject, object and purposes and upon such terms and conditions and with such restrictions as they think expedient and may from time to time, revoke, withdraw, alter or vary all or any of such powers.
36. The Managing Director of the Company may on his own initiative and shall on the written requisition of any two Directors of the Company, convene meetings of the Board.
37. The Board shall have the right of convening general meetings of the Company and of fixing the date and agenda of the meetings. The Board shall exercise the right subject to the provisions of Section 166 and 169 of the Act.
38. Subject to the provisions of the Act, no Director of the Company shall be disqualified by his office from holding any office or place of profit under the Company or under any Company in which this Company shall be a shareholder or otherwise interested or from contracting with the Company either as vendor, purchaser, or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any director of the Company shall be in any way interested, be avoided nor shall any director of the Company be liable to account to the Company for any profit arising from any such office or place or profit or realized by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relations thereby established.
39. The Board may, from time to time, at its discretion, borrow and secure the payment of any sum or sums of moneys for the purpose of the Company, provided that the Board shall not, except with the consent of the Company in general meeting borrow moneys, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserve not set apart for any specific purposes of the Company.

40. Subject to the provisions of the preceding Article, the Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit, by the issue of bonds, perpetual or redeemable, debentures or debenture stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board, which may issue them upon such terms and conditions and in such manner and for such consideration as it shall consider to be for the benefit of the Company. The Board may, upon the issue of any bonds, debentures stock or other securities, confer on the creditors of the Company holding the same or any trustee or other persons acting on their behalf, a voice in the management of the Company, whether by giving them the right of attending, but not voting at general meetings of the Company or empowering them to appoint a person to be a Director of the Company, or otherwise as may be agreed. If the uncalled capital of the Company is, at any time secured for the repayment of any loan raised by the Company, the creditor can make the call of the unpaid share capital so charged only when the Company in General Meeting authorize him to do so.

40a. Debenture / Debenture Stock Loan/ Loan Stock, bonds or other securities conferring the right to allotment or conversion into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the Company in General Meeting.

(New Article 40(a) as above inserted at the EGM held on 18.2.2000)

41. Any dividend, interest, or other moneys payable in cash in respect of shares or debentures may be paid by the Company by cheque or warrant drawn on the Company's bankers and sent through post directly to the registered address of the holder or in the case of joint holders to the registered address of one of the joint holders who is first named on the register of members or to such persons and to such address as the holders or joint holders may in writing direct.

42. The Common Seal shall not be affixed to any instrument except by authority of a resolution of the Board or of a Committee and unless the Board otherwise determines, every deed or other instrument to which the Common Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director or other duly authorized Officer in whose presence the Common Seal shall have been affixed and countersigned by the Secretary, or such other person as may, from time to time, be authorized by the Board, provided nevertheless that any instrument bearing the Common seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same.

(Inserted by a Special Resolution passed on 18th February, 2000)

Sl. No.	Signature, Name, Address, Description and Occupation of the Subscribers	Signature, Name, Address, Description and Occupation of the Witness
1	Sd/ P.R. RAMASUBRAHMANEYA RAJHA S/o. Sri. P.A.C. Ramasamy Raja Ramamandiram, Rajapalayam. (Industrialist)	Sd/- S. RAMESH S/o. Sri. A S Sampath Kumar 6, Second Lane, Baroda Street, West Mambalam Chennai - 600 033 Service
2	Sd/ P.R. VENKETRAMA RAJA S/o. Sri. P. R. Ramasubrahmaneya Rajha Ramamandiram, Rajapalayam. (Industrialist)	
3	Sd/ S.S. RAMACHANDRA RAJA S/o. Sri. S.N.R. Sriranga Raja 58, P.S.K. Nagar, Rajapalayam. (Business)	
4	Sd/ N.K. SHRIKANTAN RAJA S/o. Sri. N.R. Krishnama Raja 39, P.S.K. Nagar, Rajapalayam. (Business)	
5	Sd/ S. GANAPATHY S/o. Sri. Sankar Iyer 2, I Cross, Karpagam Gardens, Adyar, Chennai - 600 020. (Company Executive)	
6	Sd/ S. RAMACHANDRAN S/o. Sri. P.R. Subramanian 9J, Greenwood Apts., 3rd Canal Cross Road, Gandhi Nagar, Adyar, Chennai - 600 020. (Company Executive)	
7	Sd/ S.A. BHIMA RAJA S/o. Sri. S.M. Ayyanar Raja B8, Aswathi, 16, 2nd Crescent Park Road, Gandhi Nagar, Adyar, Chennai - 20. (Company Executive)	

Place: Chennai
Date : 9th February, 1997