

**ARTICLES OF ASSOCIATION**  
**OF**  
**SERVELOTS INFOTECH PRIVATE LIMITED**

*(Limited by shares-incorporated under the Companies Act, 1956)*

**TABLE - 'A'**

1. The Regulations contained in Table 'A' in the first schedule to the Companies Act, 1956 so far as the same are applicable to a private company as defined in the said Act, shall apply to this Company to the extent to which they are not modified, varied, amended or altered by these Articles.

**INTERPRETATION**

2. In these Articles, unless there is something in the subject or context inconsistent therewith :

"The Company": "The Company" when used with reference to this Company means the above named Company.

"The Act" or "The said Act" : "The Act" or "The said Act" means the Companies Act of 1956.

"The Directors" or "The Board" or "The Board of Directors" : "The Directors" or "The Board" or "The Board of Directors" means the Directors for the time being of the Company or the Directors assembled at the Board.

"Month" : "Month" means a calender month.

" The Office" : "The Office" means the Registered Office for the time being of the Company.

"These Presents" : "These Presents" means the Articles of Association as originally framed or as altered from time to time.

"The Seal" : "The Seal" means the common seal of the Company.

"Writing" : "Writing" shall include printing and lithography and any other mode or modes of reproducing words in an intelligible form.

"Singular Number" : Words importing the singular number only shall include the plural number and vice-versa.

"Gender" : Words importing the masculine gender only shall include the feminine gender and vice-versa.

"Person" : Words importing persons shall include Corporation.

"Relative" : Relative means spouse or children.

Subject as aforesaid, any word or expression in the Act shall except where the subject or context forbids bear the same meaning in these presents. The marginal notes hereto shall not affect the construction thereof.

#### PRIVATE COMPANY

3. The Company is a PRIVATE COMPANY within the meaning of Section 3(1)(iii) of the Companies Act, 1956 and accordingly:
  - (a) The right of transfer of the shares of the Company is restricted in the manner hereinafter provided.
  - (b) The number of members of the Company exclusive of (1) persons who are in the employment of the Company and (2) persons, who having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased shall be limited to 50(fifty); provided that where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as single member; and
  - (c) No invitation shall be issued to the public to subscribe for any shares in, or debentures of the Company.
4. Subject to the provisions of the Act and these presents, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions at such time or times as the Directors think fit, subject to the provisions of Articles hereof.
5. Subject to the provisions of the Act and these presents, the Board may allot and issue shares in the capital of the Company on payments for any property brought or transferred or for services rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.
6. The money (if any) which the Board shall on the allotment of any shares being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the inscription of the name of the allottee in the Register of Members as the holder of the such shares become debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

7. Every Member, or his heirs, executors or administrators or other representatives, shall pay to the Company the portion of the capital represented by his share, which may, for the time being remain unpaid thereon, in such manner as the Board of Directors, shall from time to time, in accordance with the Company's regulation fix the payments thereof.
8. If any share stands in the name of two or more persons, the person first named in the Register of Members shall as regards receipt of dividends, serving of notice and all or any other matter/s connected with the Company, except voting at meeting and the transfer of shares, be deemed the sole holder thereof, but the joint holder of shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares and for all incidents thereof according to the Company's Regulations.
9. The Company shall not be bound to recognize any equitable, contingency, future or partial interest in any share or except only as is by these presents, otherwise expressly provided any right in respect of a share other than absolute right thereto in accordance with these presents, in the persons from time to time registered as the holders thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
10. The certificate of title of shares shall be issued under the seal of the Company and the Company shall comply with the requirements of the Company's (issue of share certificate) Rules, 1960.
11. No member shall be entitled to receive any dividend or to exercise any privilege as a member until he has paid all calls or other sums for the time being due and payable on every share held by him, whether alone or jointly with any other persons together with interest and expenses (if any) or in regard to whose shares the Company has exercised any right of lien.
12. Whenever it is proposed to increase the subscribed capital of the Company by allotment of further shares then :
  - (a) Such further shares shall be offered to the persons who, on the date of offer are holders, of the equity shares of the Company in proportion as nearly as circumstances admit to the capital paid up on those shares at that date.

- (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting the time to not less than 15 days from date of the offer with in which the offer if not accepted, will be deemed to have been declined.
  - (c) The offer aforesaid will include a right exercisable by the persons concerned to renounce the shares offered to him or any of them in favor of his relatives and the notice referred to in clause (b) shall contain a statement of this right.
  - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given declining to accept the shares offered, the Board of Directors may dispose them off in such a manner as they think most beneficial to the Company.
13. Notwithstanding anything contained in clause 13 above, the further shares may be offered to any person (whether or not those persons include the persons referred to in sub-clause 'a' of clause 13 above) in any manner whatsoever if a special resolution to that effect has been passed by the Company in General Meeting.
14. Subject to the provisions of Section 92 of the Act or any statutory modifications thereof :
- (i) The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money uncalled and unpaid upon any shares held by him; and
  - (ii) Upon all or any of the money so advanced, the Company may (until the same would but for such advance become presently payable) pay interest at such percentage not exceeding 15% P.A. as may be agreed to between the Board and member paying the sum of in advance.
  - (iii) Such member/s shall not be entitled to any voting rights in respect of the amounts advanced and the directors may at any time repay the amount so advanced as they think fit.

#### **TRANSFER OF SHARES**

15. A share may be transferred by a member or other persons entitled to transfer, to any person elected by the transferor, but no share shall be transferred to a person, who is not a member so long as any member or any person selected by the Directors, whom it is desirable in the interest of the Company to admit to membership, is willing to purchase the same at the fair value.

### CONDITIONS AND PROCEDURES FOR TRANSFER

16. The person proposing transfer of any share (hereinafter called "the proposing transferor") shall give notice in writing (hereinafter called a transfer notice) to the Company that he desires to transfer the same. Such notice shall specify the sum he fixes as the fair value and shall constitute the Company, his agent for the sale of the shares to any member of the Company approved or selected as being willing to purchase the share (hereinafter called the "purchasing member") at a price so fixed, or at the option of the purchasing member at the fair value fixed by the Auditors of the Company in accordance with Article 19 hereof.

A transfer notice may include several shares and in such case shall operate as if it were separate notice in respect of each shares. A Transfer notice shall not be revocable except with the sanction of the Board of Directors.

17. If the Company within a space of 90 (ninety) days after being served with a transfer notice finds a purchasing member, it shall give notice thereof to the proposing transferor, and he shall be bound, upon payment of the fair value in accordance with Article 19 hereof to transfer the shares to the purchasing member.
18. In case any differences arise between the proposing transferor and the purchasing member as to the fair value of the share, the auditors of the company (to mean the Statutory Auditors of the company) shall, on the application of either party certify in writing the sum which, in the opinion, is the fair value and such sum be deemed to be the fair value and in so certifying the auditors shall be considered to be acting as experts and not as arbitrators and accordingly the Indian Arbitration Act or any statutory modifications thereof, for the time being in force, shall not apply. The fair value so certified shall thereupon supersede the price, if any fixed, by the proposing transferor for all purposes.
19. If in any case the proposing transferor after having become bound to transfer as aforesaid, makes default transferring any shares, the company may receive the purchase money and the proposing transferor shall be deemed to have appointed any one Director or the Secretary of the company as his agent to execute the transfer of shares to the purchasing member in trust for the proposing transferor, cause the name of the purchasing member to be entered in the register as the holder of such shares. The receipt issued by the company for purchase money shall be a good discharge to the purchasing member and after his name has been entered in the Register in exercise of aforesaid the power, the validity of the proceedings shall not be questioned by any person.

20. If the company does not, within the space of 90 (ninety) days after being served with a transfer notice, in the manner aforesaid find a purchasing member, the proposing transferor shall, at any time within three months after the expiration of the said 90 (ninety) days, be at liberty subject to Article 3 hereof to sell and transfer the share specified in the sale notice to any person and at any price not being less than the price fixed by him as provided in Article 17 or the fair value as the case may be.
21. The shares specified in the transfer notice given to the company as aforesaid shall be offered by the company in the first place to the members other than the proposing transferor as nearly as may be in proportion to shares respectively held by them and the offer shall in each case limit the time ( being not less than 7 days but not more than 21 days from the date of receiving such notice) within which the same, if not accepted will be deemed to be declined and may notify to the members that any member who desire an allotment of shares in excess of his proportion should in his reply state how many excess shares he desires to have if any member does not claim his proportion the unclaimed shares shall be used for satisfying the claim in excess. If any shares shall not be capable of being offered to the members without fraction in proportion to their existing holding, the same shall be disposed off by the Directors in such manner as they may find advisable.
22. No transfer shall be made to a person of unsound mind.

#### **GIFT, TRANSFER OR TRANSMISSION TO RELATIVES**

23. Any shares may be transferred by a member to any of his relatives and shares standing in the name of the Trustees under a Will of deceased member may be transferred upon any change of the Trustees for the time being of such Will and the restrictions in Article 17 to 22 hereof shall not apply to any transfer authorised by this Article.

#### **BOARD'S POWER REGARDING TRANSFER**

24. The Board of Directors may in the absolute and uncontrolled discretion and without assigning any reason decline to register or acknowledge any transfer of shares in the following circumstances:
  - a) where the shares desired to be transferred are not fully paid-up;
  - b) when the Company has a lien on the shares;
  - c) without stating any reason thereof where it is not proved to their satisfaction that the proposed transferee is a responsible person;

- d) where the Board is of the opinion that the proposed transferee is not a desirable person to admit to membership, but clauses (c) and (d) of this Article shall not apply where the proposed transferee is already a member.

#### TRANSMISSION OF SHARES

25. The Executors or Administrators of the deceased member or the holders of the succession certificate in respect of a deceased member (such deceased member not being one of several joint holders) shall be the only person recognised by the Company as having any interest in or title to the shares registered in the name of member and Company shall not be bound to recognise such executors unless such executors shall have obtained a probate from a Court in India having jurisdiction provided that in any case where the Directors in their absolute discretion think fit, they may dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise as they may deem fit and register the name of any person who claims to be absolutely entitled to shares standing in the name of the deceased as a member.
26. Every transmission of shares shall be varied in such a manner as the Directors may require and the Company may refuse to register any transmission until the same is verified or until or unless an indemnity is given to the Company with regard to such registration which the Directors at their absolute discretion shall consider sufficient provided nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity.

#### FORFEITURE AND SURRENDER OF SHARES

27. If any member fails to pay any call or installment of a call on or before the date appointed for the payment of the same including any extension thereof, the Board may at any time thereafter during such time as the call or installment remains unpaid, give notice to the member requiring him to pay the call together with interest thereon. The notice shall also state that in the event of nonpayment of the call on or before the time specified in the notice, the shares will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, the Board may forfeit the shares by a resolution to that effect.
28. The Board may, subject to the provisions of the Act accept surrender of any share from a member desirous of surrendering on such terms as the Board deems fit.
29. Any forfeited or surrendered shares may be sold or otherwise disposed off by the Board of Directors and such shares shall be offered at the fair value of the shares as fixed by the auditors of the Company to the persons who, at the date of the offer are holders of the equity shares of the Company in proportion

as nearly as circumstances admit to the capital paid up on those shares at that date and the provisions of Article 13 (b), (c) and (d) above shall mutatis mutandis apply and at any time before the sale or disposition the forfeiture may be annulled on such terms as the Board may think fit.

30. A person whose shares have been forfeited shall cease to be member in respect of the forfeited shares but shall, notwithstanding the forfeiture remain liable to pay the Company all money which at the date of forfeiture were presently owing by him to the Company in respect of such shares but his liability shall cease if and when the Company received payments in full of the nominal amount of shares.
31. A duly verified declarant in writing that the declaration is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts stated as against all persons claiming to be entitled to the shares and that declaration and the receipts of the Company for consideration if any given for the shares on the sale or disposal thereof shall constitute a good title to the share and the person to whom the share is sold or disposed off shall not be registered as the holder of the shares and he shall not be bound to see as to the application of the purchase money (if any) nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
32. The provision of these presents as to forfeiture shall apply in the case of non payment of any sum such by the terms of the issue of the share becomes payable at a fixed time whether on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

#### DIRECTORS

33. The company shall not have less than two and not more than twelve Directors including all kinds of Directors.
34. The First Directors of the Company shall be:
  1. ASHA PRASANNA KUMAR
  2. B. N. PRASANNA KUMAR
35. The Board of Directors shall have powers at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, provided that the total number of Directors shall not exceed the maximum number

fixed by these presents and the provisions of Section 260 and 262 of the Act respectively are complied with.

36. The Board may appoint an alternate Director to act in place of a Director (herein called the 'original Director') during his absence from the State in which the meetings of Directors are normally held. An alternate Director appointed under the Article shall not hold office longer than the original Director returns to the State.
37. Each Director may be paid out of the funds of the Company a remuneration by way of sitting fees not exceeding Rs. 2500/- as the Board may fix from time to time for every meeting of the Board or its Committee at which he shall be present in person, besides traveling, hotel and other expenses incurred by him as may be determined by the Board of Directors from time to time.
38. Subject to the provisions of the Act, the Board may from time to time appoint one or more of their body to the office of the Managing Director, Technical Director, Finance Director or any other whole time Director by whatever name called on such terms and on such remuneration (whether by way of commission or salary or partly by one way and partly in any other) as they may think fit.
39. The Directors of the Company shall not be liable to retire by rotation but his appointment shall be subject to the provisions of any contract between him and the Company and subject further to determination of office ipso facto if he ceases from any cause to be a Director or if the Company in General Meeting resolves that his tenure of office be determined.
40. Subject to the provisions of Section 314 of the Act, if any Director is appointed to advise the Company as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay such director such special remuneration as they think fit which remuneration may be in the form of either salary, commission at a fixed percentage of net profits of the Company or a combination of both. The Board may reimburse all expenses incurred by such Directors in connection with the business and function of the Company.
41. The business of the Company shall be managed by the Directors who may pay all expenses incurred in getting the Company registered and shall exercise all such powers of the Company as are not, either by the Act or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to the regulation in these presents and the Act, exercise of the powers by the Board shall be subject also to the control and regulations of the Company in General Meeting but no resolution passed by the Company in general shall invalidate any prior act

of the Directors which would have been valid if such resolution had not been made.

42. Without prejudice to the generality of the above powers, the Directors are also authorised to enter into partnership or any other arrangements for sharing profits, union of interest, co-operation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engaged in transaction or business which this Company is authorised to carry on, conduct or engaged in or any business or transactions which may seem or capable of being carried on or conducted so as to directly or indirectly benefit the Company.
43. Subject to the provisions of Section 292 of the Act, the Board of Directors may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money for and on behalf of the Company from any person, firm, company, banks, financial institutions or any other body or authority on such terms and conditions as the Board of Directors may think fit and proper and with power mortgage, pledge or charge the whole or any part of the properties, assets, undertaking and/or revenue of the Company both present and future including its uncalled capital as a security for repayment of such money.
44. Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon the managing or any whole time Director for the time being or any other person such of the power exercisable under these presents by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and with such restrictions as they may think expedient and they may confer such powers, either collaterally with or to the exclusion of and, in the substitution for all or any of the powers of the Directors in that behalf and may from time to time withdraw, revoke, alter or vary all or any such powers.
45. No Director shall be disqualified from his office by contracting with the Company nor shall any such contract entered into by or on behalf of the company in which any Director is in any way interested be avoided nor shall any directors contracting or being so interested be liable to account to the Company for any profit realised from such contract by reason of only such Director holding such office or the fiduciary relation thereby being established, but the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract is first taken into consideration or if his interest is not then existing or in any other case, at the first meeting of the Directors held after the acquisition of the interest.

### BOARD MEETING

46. A Director may from time to time and the Managing Director or any whole time Director by whatever name called, if any, shall upon the request of any Director, convene a meeting of the Board of Directors.
47. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with all necessary papers to all the Directors then in India (not being less in number than the quorum fixed for a meeting or in India and has been approved by all other Directors at their usual addresses entitled to vote on the resolution shall be as valid and effectual as if it had been passed by a meeting of the Boards duly convened and held. In the event of the signature of any one or more of the Directors to any such resolution being affixed on different dates, the said resolution shall be deemed to be passed on the date of the Director signing last.
48. The quorum for a meeting of the Board of Directors of the Company shall be  $\frac{1}{3}$  of its strength (any fraction contained in that  $\frac{1}{3}$  being rounded off as one) or two Directors, whichever is higher.

### DIVIDENDS

49. Subject to the provisions of the Section 205 of the Act, the Company in General Meeting may declare dividends to its members but no such dividend shall exceed the amount recommended by the Board.
50. The Board may from time to time, pay to members such Interim dividends as appears to it be justified by the profits of the Company.
51. The Company shall pay dividend in proportion to the amount paid up or credited as paid up on each shares.
52. The dividends remaining unclaimed or unpaid shall be dealt with in accordance with the provisions of Section 205A and other applicable provisions of the Act.

### GENERAL MEETINGS

53. The provisions of Section 171 to 186 of the Companies Act, shall apply to the Company with modifications mentioned below:
  1. 7 days shall be substituted in the place of 21 days wherever it occurs.
  2. 75% shall be substituted in the place of 95% wherever it occurs.
  3. Section 173 of the Act shall not apply to the Company.

4. Only one proxy shall be appointed and a proxy so appointed shall not be entitled to speak at the General Meeting.
5. A proxy shall be entitled to vote only on a poll but not on show of hands
6. The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy in order that the appointment may be effective at a meeting, may be deposited with the Company at any time within 96 hours before the time fixed for holding the meeting or adjourned the meeting.

#### **ACCOUNTS**

54. The Company shall keep at the Registered Office or at such other place in India as the Boards thinks fit, proper books of Accounts in accordance with Section 209 of the Act.
55. The Directors shall, cause to be prepared and laid before the Company in every Annual General Meeting a Balance Sheet, Profit & Loss Account duly audited and other reports as required by the Act. A copy of every such document shall be sent to every member of the Company as required.

#### **AUDIT**

56. The first Auditor of the company shall be appointed by the Board within one month of the date of registration of the company. The Auditor so appointed shall hold office until the conclusion of the First Annual General Meeting and thereafter the Auditor shall be eligible for reappointment at every Annual General Meeting.

#### **THE SEAL**

57.
  - 1) The Board shall provide for the common seal and its safe custody.
  - 2) The seal of the Company shall not be affixed to any instrument except by the authority of the Board by means of a resolution.

#### **CAPITALIZATION OF PROFITS**

58. The Company in general meeting may, upon the recommendations of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and that such sum be accordingly set free for distribution in the manner specified amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

59. The sum aforesaid shall not be paid in cash but shall be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members or paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members or partly in one way or the other.

#### SECRECY

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

#### INDEMNITY

61. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses which such office; or servant or auditors may incur or become liable to by reason of any contract entered into or in any way in the discharge of his duties including expenses and in particular and so as not limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer, Auditors or Servant in defending acquitted or in connection with any application under Section 633 of the Act, in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as amongst the members over all other claims.

Sl No.	Names and Addresses, Descriptions and Occupations of the Subscribers	Signature of the Subscriber	Signature, Name, Address, Description and Occupation of the Witness
1.	<p><b>Mrs. ASHA PRASANNA KUMAR</b>  D/o. Dr. T. B. Basavarajendra  No.3354, 'Pankaja',  BSK II Stage, K.R. Road,  Bangalore  <i>Housewife</i></p>	Sd/-	
2.	<p><b>Mr. B. N. PRASANNA KUMAR</b>  S/o. B. C. Nanjundaiah  No.3354, 'Pankaja',  BSK II Stage, K.R. Road,  Bangalore  <i>Business</i></p>	Sd/-	<p>Sd/-  <b>K. N. GURUNATH</b>  S/o. H. Narasimha Murthy  C4, No. 64,  Dr. D.V.G. Road,  Bangalore - 560 004  Chartered Accountant</p>

Dated this 1st day of October, 1999 at Bangalore.