

E. VENKATESH
S.V.L. NO. 66/96, R.L. NO.
H. NO. 2-3-512/94/1
BAPUNAGAR, AMBERPET
HYDERABAD
LICENSE NO. 132007
 UNDER THE COMPANIES ACT, 1956
 (1 OF 1956)
 (COMPANY LIMITED BY SHARES)

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ARTICLES OF ASSOCIATION
 OF
NELLI FOUNDATION

1. APPLICATION OF "TABLE A"

The regulations contained in "Table A" of the First Schedule of the Companies Act, 1956, in so far as they are applicable to Private Company shall apply to this company save in so far as they are expressly or impliedly excluded by the following Articles.

2. INTERPRETATION

In these Articles unless the context otherwise requires:

- a) "The Act" means the Companies Act, 1956;
- b) The "Board" or "Directors" means the Board of Directors of the Company duly constituted for the time being;
- c) The "Company" means **NELLI FOUNDATION**.
- d) "Word" importing the masculine gender also includes the feminine gender.
- e) "Register of members" means the Register of Members to be kept pursuant to the Act.
- f) "Seal" means the Common Seal for the time being of the Company.
- g) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

3. PRIVATE COMPANY

The Company is a private Company within the meaning of Clause (iii) of sub section (1) of Section 3 of the Act and by its Articles:

- (a) restricts the right to transfer its shares, if any;
- (b) limits the number of its members to fifty not including
 - i). Persons who are in the employment of the Company;
 - ii). Persons who, having been formerly in the employment of the Company, were members of the Company while in the employment and have continued to be the members after the employment ceased, and

provided that where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single member.

(c) Prohibits any invitation to the public to subscribe for any shares in, or debentures of the company.

(d) Prohibits any invitation or acceptance of deposits from persons other than its members, directors or their relatives.

e) The minimum paid up Capital of the Company shall be Rs. 1,00,000/-(One Lakh only) or such higher amount as may be prescribed.

4. SHARE CAPITAL

a) The share Capital of the Company is Rs.1,00,000/-(Rupees One Lakh only) with rights, privileges and conditions attaching thereto as may be provided by the Articles of Associations of the Company for the time being with powers 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 to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights privileges and conditions in such manners as may for the time being be provided by the Articles of Association of the Company, but subject always to the provisions of the Companies Act of 1956 including amendments thereto from time to time.

b) Upon any increase of Capital, the Company is to be at liberty to issue any new share with any preference, qualification or conditions attached thereto.

c) If at any time preference shares are issued to Financial Corporations, such Corporations will have the right to vote and participate in surpluses on par with the equity shareholders of the Company, and such preference shares shall be redeemable before 10 (ten) years.

d) The Shares shall be under the control of Directors who may allot or otherwise dispose of the same to such persons, or any other financial institutions and on such conditions as to payment by way of deposit or called or as to the amount or time for payment of the calls either at par or subject to the provisions of the Companies Act, at a discount and at such time as the Directors may think fit.

e) The Company shall be entitled to register any share in the name of any minor person, represented by lawful guardians, if fully paid, and allow the dividend thereof to be collected by the guardian shall exercise all the rights in respect of such shares including the right of voting and transfer.

f) The Company in General Meeting may alter the conditions of its Memorandum pursuant to Section 94 of the said Act.

g) Save as herein otherwise provided the company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent Jurisdiction or as required by statute be bound to recognize any equitable or other claim to or interest in such share on the part of any other persons.

5. SHARES AT DISCOUNT

With the previous authority of the company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with section 79 of the Act, it shall be lawful for the Board of Directors to issue at a discount, shares of class already issued.

6. PERSON HOLDING SHARES UPON ANY TRUST

Except as required by law, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof), any equitable, contingent future or partial interest in any share, or any interest in any fractional part of share or (except only as by these regulations or by law otherwise provide) any other rights in respect of any share except an absolute right to be entirely thereof in the registered holder.

7. SHARE CERTIFICATE

Every person whose name is entered as a member in the register of member shall be entitled to receive within three months after allotment or within two months after the application for the registration or transfer (or within such other period as the conditions to issue shall provide)

8. SIGNATURE ON CERTIFICATES

Every share certificate shall be issued under the Common Seal of the Company and shall be signed by two directors and the secretary or any other person authorised for the purpose by the Board of Directors. Every certificate shall specify the shares to which it relates and the amount paid up thereon.

9. LOSS OF SHARE CERTIFICATE

If share certificate is defect, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding two rupees, and on such terms if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence, as the directors think fit.

10. LIEN

The company shall have 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 or his debts, liabilities and engagements solely or jointly with any other person, to or with the Company whether the period for payment, fulfillment or discharge thereof shall have actually arrived or not and no equitable interest in any manner shall be created and such lien shall extend to all dividends from time to time declared in respect of such shares.

The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

11. CALLS ON SHARES AND FORFEITURE

- 1) The Directors may from time to time call upon members in respect of all money on their shares. A call shall be deemed to have been made at the time when the resolution of authorizing such calls was passed.
- 2) If any member fails to pay call on appointed time for payment thereof, the Board of Directors at any time thereafter serve a notice on him to pay the call with any interest when accrued. The notice shall name further earlier than the expiration of 14 days of notice on or before which payment the notice to be made and shall state that in the event of non-payment the share money in respect of which the call was made will be liable to be forfeited.

- 3) If the requirements of any such are not complied with by any member, any shareholder in respect of whom a notice has been served may at any time thereafter be forfeited by the Board of Directors.
- 4) A forfeited share may be sold or otherwise disposed off on such terms and in manner as the directors may decide, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms, as the Directors may think fit.

12.TRANSFER OF SHARES

No transfer of any share in the Share Capital of the Company shall be made or registered without the previous sanction of the Board who may without assigning any reason decline to give any such sanction. The Directors may also suspend registration of the transfers during 21 days preceding the Annual General Meeting in each year.

13.TRANSMISSION OF SHARES

On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other person.

14.SURRENDER OF SHARES

The Directors may accept on behalf of or for the benefit of the company surrender of any shares liable to forfeiture so far as the Act permits.

15.INCREASE OF SHARE CAPITAL

The Company in General Meeting may increase the capital by creation of new shares of the same or different class for such amount as may be deemed expedient and to attach thereto any special rights, privileges or conditions as may be determined in accordance with the provisions of the Companies Act and regulations of the company.

16.REDUCTION OF SHARE CAPITAL

Subject to Sections 100 to 105 of the Companies Act, 1956 and the confirmation of the Court the company may from time to time by special resolution and in any manner authorised by law reduce its share capital in any way and in particular with out prejudice to the generality of the foregoing power;

- a) Extinguish or reduce the liability on any of its share capital not paid up.
- b) Either with or with out extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or is unrepresented by available assets.

17.GENERAL MEETINGS

- 1) A General Meeting of the company be called by giving not less than twenty one days clear notice in writing.
- 2) A General Meeting may be called after giving a shorter notice than that specified under sub-clause (a) if consent is accorded thereto in the case of Annual General Meeting by all the members of the company and in the case of any other meeting by the members of the company holding not less than 95% of such part of the paid-up capital of the company as gives a right to vote at the meeting.
- 3) Every notice of a meeting of the company shall specify the place, the date and the hour of General Meeting of the company and shall contain a statement of the business to be transacted thereunder. The Board of Directors may give such explanatory statement as is required by the provisions of the Companies Act, 1956.

18.PROCEEDINGS AT GENERAL MEETINGS

The Chairman of the Board of Directors shall preside at the Board and General Meetings. If at any meetings the chairman is not present within fifteen minutes after the time appointed for holding such meeting, the Directors or members (as the case may be) present shall choose one of the Directors as a Chairman and if no Director is present or all directors present decline to take the chair, then the members present shall choose one of their members as the Chairman of the Meeting.

19.QUORUM

- i) The quorum for the General Meeting of the company shall be two members personally present.
- ii) Any member of the company entitled to attend and vote at the meeting of the company shall be entitled to appoint another person (whether member or not) as his proxy to attend and vote instead of himself.
- iii) The instrument appointing a proxy shall be in the form set out in the Act.
- iv) On show of hands, every member present in person shall have one vote. On a poll voting right shall be in accordance with section 87 of the Act.

20. BOARD OF DIRECTORS

- a) The number of Directors shall be not less than two and not more than twelve including Managing, Whole-time, Additional, Alternate and Nominee Directors.
- b) The following shall be the first Directors of the Company and they shall hold the office from the date of incorporation:

1. **Mr. VENKATA LAKSHMI NARAYANA JADAPALLI**
2. **Mr. MOUNIKA NELLI**
3. **Mr. GIRIJA RANI AMBULA**

- c) The Board shall have the power at any time and from time to time to appoint any other person or persons as Additional Director(s) provided the total number of Directors including additional Directors shall not at any time exceed the maximum strength fixed in Clause 20 (a) of these Articles. Such persons shall hold office only upto the date of next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at the meeting, subject to the provisions of the said Act.

d) It will not be necessary for any persons to acquire any shares in the Share Capital of the Company as qualification shares for becoming a Director of the Company.

e) Any Government, Bank or any Financial Institution granting loans to the Company shall be entitled, so long as the Company is indebted to such Government, Bank or institution, to nominate and from time to time, to substitute in place of such nominees, one or more individuals as Directors and while holding such office such nominees shall not be liable to retirement by rotation.

f). The Directors shall be paid a fee for attending the meeting of the Board or any committee thereof as may from time to time be determined by the Board. Additional remuneration may be paid to the Directors for any extra service rendered subject to the provisions of the Act. In addition to the above remuneration payable to them, the Directors may be paid all other expenses properly and actually incurred by them to attend the meeting of the Board or of any committee thereof.

21.DEBENTURE DIRECTORS

If and when debentures of the Company are issued the holders shall have the right to appoint and from time to time to remove and re-appoint a Director in accordance with the provisions of the Trust Deed securing the said Debentures. The Director appointed under this Article is herein referred to as the debenture Director and the term 'Debenture Director' means the Directors for the time being in office under these Articles.

22.DIRECTORS TO DELEGATE

a) Subject to Section 292 of the said Act, the Directors from time to time and at any time any delegate to any Managing Director, whole time Director, Sub-committee of Directors or Attorney, any of the powers, authorities or discretion for the time being vested in the Directors any such appointment or delegation may be made on such terms and subject to such conditions including power to sub-delegate as the Directors may think fit and the Directors may at any time remove any person so appointed and may annual or vary any such delegation but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.

b) Subject to the provisions of Section 314 of said Act, notwithstanding anything in these Article contained and notwithstanding the relation (if any) and the position with the Company, a Director is expressly allowed to work for the Company, and specially to do the work of the Company as provided by these Articles and to do the other work of the Company upon such terms and conditions and on such remuneration the Board of Directors shall from time to time decide.

23.PROCEEDINGS OF BOARD DIRECTORS

a) The quorum necessary of the transaction of the business at the meeting Board shall be two or one third of its strength whichever is higher.

- b) All the minutes shall be signed by the chairman for the meeting at which the proceedings were held or by the chairman of the next succeeding meeting. The Minutes purporting to be signed shall for all purposes be prima facie evidence of the actual passing of the resolutions recorded in the minute book.

24.MANAGING DIRECTOR / WHOLE-TIME DIRECTOR

- a) The Board may appoint one or more Directors as the Managing Director or Whole-time Director for managing the Company's affairs.
- b) Without restricting the generality of the powers of Board conferred by these Articles but subject to the provisions of Section 292 of the Act, the Managing Director or Whole time Directors shall be entitled to look after and manage the business of the Company, to do all such acts, deeds and things and sign all such papers and documents as may be necessary for carrying on the business and managing the affairs of the Company.

25.POWERS AND DUTIES OF DIRECTORS & MANAGING DIRECTOR

1. Without prejudice to the general powers conferred by the regulations contained in *Table 'A'* and these presents, on the Board of Directors it is, hereby expressly declared that the Directors shall have the following powers, that is to say:-
2. To pay the preliminary expenses incurred in the promotion and registration of the Company.
3. To purchase or otherwise acquire for the Company any property, right or privileges which the company is authorized to acquire under the Memorandum of Association at such price and generally on such terms and conditions as they think fit.
4. At their discretion to pay for any property, right or privileges acquired by, or services rendered to the company either wholly or partly in cash, or in shares, bonds, debentures or other securities of the Company and any such shares may be issued as either fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debenture or other securities may be either specially charged upon all or any of the Company or its uncalled capital or not so charged.
5. To establish branches and to appoint agents or sub-agents in India or elsewhere at such remuneration and with such powers and authorities and power of sub-delegation or otherwise as they shall think fit.
6. To raise or borrow moneys with or without interest either from members or Directors of the Company or from any other person, firm or Bank or Financial Institutions or corporation for the purpose of the Company's business or in connection therewith in such manner and upon such terms and conditions as the Directors may think fit, and in particular by the issue of debentures or debenture-stock convertible into shares of this or any other company and as security for any such money so borrowed, raised or received to mortgage , pledge or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer of assign the same absolutely or in trust and to give the lender power of sale and other powers as may seem expedient.
7. To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge on all or any part or the assets of the Company and its uncalled capital for the time being in such manner as they may think fit.

8. Subject to section 49 to appoint any person or persons (whether in corporate or not) to accept and hold in trust for a Company any goods or other property belonging to the Company, or in which it is interested or for any other; purpose and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide the remuneration of such trustee or trustees.
9. To execute in the name and on behalf of the Company in favour of any member or director or other person who may incur any personal liability for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit and any such mortgage a may contain power of sale and such other powers, convenient, and provisions as shall be agreed upon.
10. To provide for the welfare of employees or ex-employees of the Company and the families of the dependents or connections of such persons by grant of money, pensions, allowance, bonus or other payments or any creating any from time to time subscribing or contributing to provident and other funds.
11. To appoint and at their discretion to remove or suspend such officers, clerks, agents and servants for permanent, temporary, or special services, as they may from time to time deem fit.
12. From time to time make, vary and repeal be laws for the regulation of the business of the company, its officers and servants.
13. To direct manage and supervise the business of the Company and to do all acts, matter and things deemed necessary for carrying on and conduct the business and concern of the Company.
14. To exercise all powers, authorities and directions for the Company escaped only such of them as by the said Act or these presents are expressly directed to be exercised by the shareholders in General Meetings.
15. They retain all moneys belonging to the Company in their own hands or to pay the same to such bankers as they shall deem expedient and to make, sign and give all receipts, releases and other discharges for moneys paid or payable to the Company and for the claims and demands for the Company such receipts being and effectual discharge for the moneys therein stated to have been received.
16. Subject to Section 292 of the said Act to delegate all or any of their powers to the managers, agents or to other as they deem expedient and revoke such powers at pleasure.
17. To make, keep and file or cause to me made, kept or filed all such registers, returns and statements as are required under the said Act.
18. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound or allow time for payment or satisfaction of any debts, debts, dues and any claims or demands by or against the Company.
19. To act on behalf of the Company in all matters relating to bankrupts and insolvent.
20. To refer any claims or demand by or against the Company to arbitration, and conserve and perform the awards.
21. To sign on the Company's behalf bills, receipts, acceptances, endorsements, cheques, release, contract, and any or all other documents.

22. To invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such securities and in such manner as they think fit, and from time to time vary or realize such investments.
23. To enter into all such negotiations or contracts and to execute all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any matter aforesaid or other wise for the purpose of the Company.
24. A director notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director was appointed to hold any office or place of profit under the Company or at which the terms of any such appointment or arrangement were approved and he may vote on any such appointment or arrangement other than his own appointment or the arrangements or the terms thereof.
25. The Board may pay a gratuity or pension or allowance on retirement to any director who had held any other salaried office or place of profit with the Company or to his widow or dependents and make contributions to any fund including provident fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance subject to compliance as section 314 of the Act.
26. All acts done at any meeting of the Board or a committee of Directors or by any person acting as Director under the authority of Board shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director subject to section 290 of the Act.
27. A resolution in writing, signed by majority of the Directors for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held subject to section 289 of the Act.

26. BORROWING POWERS

- a) Subject to Section 292 of the Act, the Board may from time to time guarantee, raise or borrow any sum of money for and on behalf of the Company from the members or from other persons, Companies, Firms, institutions, Agencies or Banks or the Directors may themselves advance money to the Company on such terms and conditions that may be approved by the Board.
- b) The Board may from time to time secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge on all or part of the property of the Company.

27. COMMON SEAL

The Company shall have a Common Seal and Directors shall provide for the safe custody thereof. It shall not be affixed to any instrument except by the authority of a resolution of Board and in the presence of at least one director and such Director shall sign every instrument to which the seal of the Company so affixed in his presence.

28.INDEMNITY

Subject to the provisions of Section 201 of the Act, the Directors, Auditors, Secretary and other Officers or Agents, for the time being, of the Company shall be indemnified out of assets of the Company against any liability incurred by them in discharge of their duties to Company.

29.WINDING UP

- a) The Liquidator on any winding up (voluntary or compulsory) with the sanction of the special but subject to the rights attached to any preference share capital, divide among the contributors in species or part of the assets of the company and may with the like sanction rest any of the assets of the company in trustees upon which trusts for the benefit of the contributors as the liquidator with the like sanction may think fit.
- b) Subject to the provision of Section 201 of the Companies Act, 1956 the Managing Director, Secretaries and other officers for the time being of the Company, and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company, and against all suits, proceedings, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts except such (if any) as they shall incur or sustain by or through their own willful neglect or default respectively and such officer or trustee shall be answerable for the acts, receipts, neglect or defaults to any other officer or trustee or for joining in any receipts for the sake of conformity or for the solvency or honesty of any banker or other person with whom any money or effects, belonging to the Company may be lodged or deposited for safe custody or for any insufficiency or deficiency of any security upon which any moneys of the Company shall be entrusted or for any other loss or damages due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such officer or trustee.

30.SECRECY

- a) Every Director, Managing Director, Auditor, Secretary, member of Committee, Officer, Servant, Accountant or other person of the Company shall observe a strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties except which are required to do so by the Board or by any general meeting of the Company or by a Court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles or of the Act.
- b) No member or other person, not being a Director, shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or to require discovery of any information respecting any details of the trading of the Company or any matter which may relate to the business of the Company and which in the opinion of the Board will be inexpedient in the interest of the Company to communicate.

S.No.	Name, Address, Description and Occupation of the Subscriber with their signature	Name, Address and Description and Occupation and signature of the witness to subscriber
1.	<p><u>J.V.L. NARAYANA</u> JADAPALLI VENKATA LAKSHMI NARAYANA S/O JADAPALLI DASARADHA RAO AGE - 42 YEARS OCC : FILM DIRECTOR R/O : H.No: 12-2-B23/6/501, SUKYA RESIDENCY, ST. ANN'S COLLEGE ROAD, MEHDI PAKHIL, HYDERABAD - 500098, AP DOB : 28-05-1965</p>	<p><u>J. SRAVAN KUMAR</u> S/O. J.V. RAO OCC : CHARTERED ACCOUNTANT AGE : 31 YEARS R/O : 501, ANURUPA ESTATES, NIMHATHNAGAR, HYDERABAD - 500019 D.NO: 215065</p>
2.	<p><u>Mounika</u> NELLI MOUNIKA D/O NELLI ANIMA KRISHNA AGE : 18 YEARS OCC : STUDENT R/O : ALI PADIMATA APT, SANTOSH NAGAR COLONY, MEHENDI NAGAR, HYDERABAD - 500028, AP DOB : 24-01-1996</p>	

Place: Hyderabad,
Date : 08-1-09

S.No.	Name, Address, Description and Occupation of the Subscriber with their signature	Name, Address and Description and Occupation and signature of the witness to subscriber
3.	<p><i>Aggr-Bus</i></p> <p>AMBULAGIRISADANI D/OMELLI VENKATA AGE 50y SWAMY OC: DOCTOR R/o HNO 54-120 KAMALANAGAR VANASTHALIBUDDH HYDERABAD 500070 DOB: 02-07-1957</p>	<p><i>Chh</i></p> <p>J. SRAVAN KUMAR S/O. J.V. RAO AGE: 31 YEARS OC: CHARTERED ACCOUNTANT R/O: 401, AMRUTHA ESTATES HIMAYATNAGAR HYDERABAD - 500029 KIND: 215065</p>

Place: Hyderabad,
Date: 08. 01-09