

## ARTICLES OF ASSOCIATION OF

### APAR INDUSTRIES LIMITED

#### (FORMERLY GUJARAT APAR POLYMERS LIMITED)

#### TABLE "F" NOT TO APPLY

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the 27<sup>th</sup> Annual General Meeting of the Company held on 5<sup>th</sup> August, 2016, in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

1. (a) The regulations contained in the Table marked "F" in Schedule I of the Companies Act, 2013 (hereinafter called the Act or the said Act) shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

#### **COMPANY TO BE GOVERNED BY THESE ARTICLES**

- (b) The regulations for the management of the Company and for the observance of the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 14 of the Act, be such as are contained in these Articles.

#### INTERPRETATION

#### **MARGINAL NOTES NOT AUTHORITATIVE**

2. The marginal notes used in these Articles shall not affect the construction hereof.

#### INTERPRETATION CLAUSE

In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context:

#### **"THE COMPANY" OR "THIS COMPANY"**

"The Company" or "This Company" means Apar Industries Limited (Formerly Gujarat Apar Polymers Limited)

#### **"THE ACT"**

"The Act" or "The said Act" means the Companies Act, 2013 (Act 18 of 2013), as applicable and subsequent amendments thereto or any statutory modifications or reenactments thereof for the time being in force.

#### **"AFFILIATE"**

"Affiliate" means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such person. For the purpose of this definition:

- (i) "**Control**" means the power to direct the management and policies of an entity whether through the ownership of voting capital, through the right to appoint a majority of directors to the board of an entity, by contract or otherwise (and the terms "Controlled" and "Controlling" shall be construed accordingly unless repugnant to the context), and
- (ii) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity;

Without limiting the generality of the foregoing, with respect to the Investor, the term "Affiliate" shall also mean (a) any Person that acquires the Investor; and (b) any fund (present and in future) or collective investment scheme of which the Investor or its Affiliate is an investment manager or general partner.

**"AGREEMENT"**

"Agreement" means the Subscription & Investor Rights Agreement dated 31<sup>st</sup> March, 2011 between the Company and the Investor.

**"ALTER AND ALTERATION"**

"Alter" and "Alteration" shall include the making of additions and omissions.

**"ANNUAL GENERAL MEETING"**

"Annual General Meeting" means a general meeting of the members held in accordance with the provisions of Section 96 of the Act and any adjourned holding thereof.

**"ARTICLES"**

"Articles" means the Articles of Association of the Company as originally framed or as altered from time to time.

**"AUDITORS"**

"Auditors" means and includes those persons appointed as such for the time being by the Company.

**"AUTHORISED CAPITAL" OR "NOMINAL CAPITAL"**

"Authorised Capital" or "Nominal Capital" means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company;

**"BOARD" OR "BOARD OF DIRECTORS"**

**"BOARD" OR "BOARD OF DIRECTORS"** means the Board of Directors of the Company or a duly constituted Committee thereof.

**"BUSINESS"**

"Business" means the business currently being carried out by the Company namely the manufacturing and marketing of uninsulated conductors of all types, speciality oils (including transformer oils), and Cables of all types and manufacturing and marketing of such activities that may be carried on by the Company from time to time in terms of the Objects Clause of the Memorandum of Association of the Company.

**"BUSINESS DAY"**

"Business Day" means a day which is not (a) a Saturday or Sunday; nor (b) a day on which banks in Mumbai and Mauritius are closed for ordinary banking business;

**"BODY CORPORATE" OR "CORPORATION"**

"Body Corporate" or "Corporation" includes a Company incorporated outside India, but does not include:

- (a) a co-operative society registered under any law relating to Co-operative societies; and
- (b) any other body corporate (not being a Company as defined in the Act), which the Central Government may, by notification, specify in this behalf.

**"CALLED-UP CAPITAL"**

"Called-up Capital" means such part of the capital, which has been called for payment;

**"CAPITAL"**

"Capital" means the share capital for the time being raised or authorised to be raised, for the purposes of the Company.

**"CHARGE"**

"Charge" means an interest or lien created on the property or assets of a company or any of its undertakings or both as security and includes a mortgage;

**"CHARTERED ACCOUNTANT"**

"Chartered Accountant" means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949) who holds a valid certificate of practice under sub-section (1) of section 6 of that Act;

**"CHIEF EXECUTIVE OFFICER"**

"Chief Executive Officer" means an officer of a company, who has been designated as such by it;

**"CHIEF FINANCIAL OFFICER"**

"Chief Financial Officer" means a person appointed as the Chief Financial Officer of a company;

**"COMPANY"**

"Company" means "Apar Industries Limited", a Public Company incorporated under the Companies Act, 1956.

**"COMPANY SECRETARY" OR "SECRETARY"**

"Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by a company to perform the functions of a company secretary under this Act;

**"COMPANY SECRETARY IN PRACTICE"**

"Company Secretary in Practice" means a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980 (56 of 1980);

**"CONFIDENTIAL INFORMATION"**

"Confidential Information" includes but is not limited to information relating to the business, affairs, performance and finances of the Company or any company, which is for the time being, a Subsidiary of the Company, and trade secrets (including, without limitation, technical data and know-how) relating to the business of the Company or any company, which is for the time being, a Subsidiary of the Company or of any of its respective clients or customers.

**"CONTROL"**

"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

**"COURT"**

"Court" shall have a meaning assigned thereto by Section 2(29) of the Act

**"COST ACCOUNTANT"**

"Cost Accountant" means a cost accountant as defined in clause (b) of sub-section (1) of section 2 of The Cost and Works Accountants Act, 1959 (23 of 1959);

**"DAYS"**

"Days" shall mean calendar days.

**"DEBENTURE"**

"Debenture" includes debenture-stock, bonds and other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

**"DEPOSITORY"**

"Depository" means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996);

**"DIRECTORS"**

"Directors" shall mean a director appointed to the Board of a Company from time to time in accordance with applicable laws;

**"DIVIDEND"**

"Dividend" includes any interim dividend.

**"DOCUMENT"**

"Document" includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;

**"EMPLOYEES' STOCK OPTION"**

"Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price;

**"ENCUMBRANCE"**

"Encumbrance" means any encumbrance including, without limitation, any claim, debenture, security interest, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership, any provisional or executorial attachment, and any other interest held by a third party;

**"EQUITY SHARES"**

"Equity Shares" means the equity shares of the Company having a par value of Rs. 10/- (Rupees Ten only) each or any alteration thereto from time to time and any references to Equity Shares in these Articles shall, where the context permits, include a reference to the Subscription Shares;

**"EXTRAORDINARY GENERAL MEETING"**

"Extraordinary General Meeting" means general meeting of the members other than Annual General Meeting duly called and constituted and any adjourned holding thereof.

"FINANCIAL STATEMENT" means Financial statement as defined under section 2(40) of the Companies Act, 2013.

**"FINANCIAL YEAR"**

"financial year", in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up:

**"FREE RESERVES"**

"Free Reserves" means such reserves which, as per the latest audited balance sheet of a company, are available for distribution as dividend:

**Provided that—**

- (i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
- (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,

shall not be treated as free reserves;

**"GENDER"**

Words importing the masculine gender also include, where the context requires or admits, the feminine gender.

**"GOVERNMENT"** shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same and any local or other authority exercising powers conferred by Law and shall include, without limitation, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**") and the Foreign Investment Promotion Board ("**FIPB**");

**"GOVERNMENT APPROVALS"**

"Government Approvals" means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government;

**"HOLDING COMPANY"**

"Holding Company", in relation to one or more other companies, means a company of which such companies are subsidiary companies;

**“INDEPENDENT DIRECTOR”**

“Independent Director” means an independent director referred to in sub-section (5) of Section 149 of the Act.

**“INVESTOR”**

“Investor” means Templeton Strategic Emerging Markets Fund III, L.D.C., a company incorporated under the laws of the Cayman Islands, having its registered office at c/o Maples Corporate Services Ltd., P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.

**“INVESTOR’S CONSENT”**

“Investor’s Consent” shall mean the written consent of the Investor.

**“INVESTOR DIRECTOR”**

“Investor Director” means the director nominated by the Investor pursuant to Article 132 of these Articles.

**“INVESTOR GROUP”**

“Investor Group” means the Investor and its Affiliates.

**“INVESTOR SHARES”**

“Investor Shares” means the Subscription Shares and any other Equity Shares or Securities convertible into, or exchangeable for, Equity Shares as may be subscribed to from time to time by the Investor or any of its Affiliates.

**“INDEBTEDNESS”**

“Indebtedness” as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money, (b) all obligations evidenced by a note, bond, debenture, letter of credit, draft or similar instrument, (c) that portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with Indian Generally Accepted Accounting Procedures, (d) notes payable and drafts accepted representing extensions of credit, (e) any obligation owed for all or any part of the deferred purchase price of property or services, (f) all guarantees of any nature extended by such Person with respect to Indebtedness of any other person and (g) all indebtedness and obligations of the types described in the foregoing clauses (a) through (f) to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person.

**“ISSUED CAPITAL”**

“Issued Capital” means such capital as the company issues from time to time for subscription;

**KEY MANAGERIAL PERSONNEL**

“key managerial personnel”, in relation to a company, means—

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed;

“LAW” includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognised stock exchange and, if applicable, international treaties and regulations;

**LISTING REGULATIONS**

Listing Regulations means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

**“LOSSES”**

“Losses” means all direct losses, claims, liabilities, costs, and damages, including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements.

**“MANAGING DIRECTOR”**

"Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

**“MEETING” OR “GENERAL MEETING”**

"Meeting" or "General Meeting" means a meeting of Members.

**“MEMBERS”**

"Member", in relation to a company, means—

- (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;
- (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;
- (iii) every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository;

**“MEMORANDUM”**

"Memorandum" means the Memorandum of Association of the Company as originally framed or as altered from time to time.

**“MONTH”**

"Month" means a calendar month.

**"NATIONAL HOLIDAY"**

"National Holiday" means and includes a day declared as National Holiday by the Central Government.

**“OFFICE”**

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

**“ORDINARY OR SPECIAL RESOLUTION”**

"Ordinary or Special Resolution" means an ordinary resolution, or as the case may be, special resolution referred to in section 114 of the Act;

**“ORDINARY COURSE OF BUSINESS”**

"Ordinary Course of Business" shall mean the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency), but only to the extent consistent with applicable Law and the custom of entities engaged in the same business of the Company.

**“PAID UP SHARE CAPITAL ”**

"Paid-up Share Capital" or "Share Capital Paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;

**“PERSON(S)”**

"Person(s)" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, Government Authority or trust or any other entity or organization;

**“PLURAL NUMBER”**

Words importing the plural number also include, where the context requires or admits, the singular number, and vice versa.

**“POSTAL BALLOT”**

"Postal Ballot" means voting by post or through any electronic mode.

**"PRESCRIBED"**

"Prescribed" means prescribed by rules made under this Act;

**"PROMOTERS"**

"Promoters" means Dr. N. D. Desai, Mr. K. N. Desai, Mr. C. N. Desai, Chaitanya N. Desai Family Trust (Trustee Dr. N. D. Desai), Kushal Chaitanya Desai Family Trust (Trustee Dr. N. D. Desai),, Mr. Rishabh K. Desai, Ms. Gaurangi K. Desai, Mrs. Noopur K. Desai, Apar Corporation Private Limited, Scope Private Limited, Maithili N. Desai Family Private Trust and Maithili Trusteeship Services Private Ltd.

**"PROXY"**

"Proxy" include attorney duly constituted under the power of attorney.

**"REGISTER OF MEMBERS"**

"Register of Members" means the Register of Members to be kept on paper or in any electronic mode under the Act.

**"REGULATIONS"**

"Regulations or the Company's Regulations" means the regulations for the time being for the management of the Company.

**"REORGANISATION"**

"Reorganisation" means every issue by way of capitalisation of profits or reserves and every issue by way of rights or bonus and every consolidation or sub-division or reduction of capital, buy-back of Equity Shares or Securities or capital distribution or other reconstruction or adjustment relating to the equity share capital of the Company and any amalgamation or reconstruction affecting the equity share capital of the Company.

**"RESERVED MATTER(S)"**

"Reserved Matter(s)" means the matters listed in Article 173.

**"RULES"**

"Rules" shall mean the rule or rules framed and notified by the Central Government pursuant to the Powers conferred under the Act.

**"SEAL"**

"Seal" means the common seal, if any, made of metal or rubber, for the time being.

**"SECTION"**

"Section" or "Sections" means a Section of the Act for the time being in force.

**"SECURITIES"**

"Securities" means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

**"SECURITIES AND EXCHANGE BOARD OF INDIA OR SEBI"**

"Securities and Exchange Board" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

**"SHARE"**

"Share" means share in the share capital of the Company, and includes stock excepted where a distinction between stock and share is expressed or implied.

**"SHAREHOLDERS"**

"Shareholders" shall mean all the holders of Equity Shares, including but not limited to the Investor and the Promoters.

**"SUBSCRIPTION SHARES"**

"Subscription Shares" means 36,36,363 ("Thirty Six Lacs Thirty Six Thousand Three Hundred and Sixty Three") Equity Shares of Rs. 10/- (Rupees Ten) each of the Company.

**“TRANSFER”**

“Transfer” shall mean (in either the noun or the verb form including, with respect to the verb form, all conjugations thereof within their correlative meanings) with respect to any Equity Shares, the sale, assignment, transfer or other disposition (whether for or without consideration, whether directly or indirectly, and whether voluntary, involuntary) of any such Equity Shares or any interest therein;

**“THESE PRESENTS”**

“These Presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.

**"TOTAL VOTING POWER"**

"Total Voting Power", in relation to any matter, means the total number of votes which may be cast in regard to that matter on a poll at a meeting of a company if all the members thereof or *their proxies* having a right to vote on that matter are present at the meeting and cast their votes;

**"TRIBUNAL"**

"Tribunal" means the National Company Law Tribunal (NCLT) constituted under Section 408;

**“VARIATION” AND “VARY”**

“Variation” shall include abrogation and “Vary” shall include abrogate.

**"VOTING RIGHT"**

"Voting Right" means the right of a member of a company to vote in any meeting of the company or by means of postal ballot;

**“WRITTEN” AND “IN WRITING”.**

“Written” and “In Writing” include printing, lithography and any other mode or modes of representing or reproducing words in a visible form or electronic form or partly one and partly the other.

**“YEAR” and “FINANCIAL YEAR”**

“Year” means a calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2 (41) of the Act.

**“EXPRESSION IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES”**

Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

Words and expressions used and not defined in this Act but defined in the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) shall have the meanings respectively assigned to them in those Acts.

**COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY**

3. Pursuant to Section 17 of the Act, the Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a prescribed fee, a copy of each of the following documents, as in force for the time being -
  - (i) the Memorandum;
  - (ii) the Articles, if any;
  - (iii) every other agreement and every resolution referred to in sub-section (1) of Section 117, of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

**COMPANY'S FUNDS MAY NOT BE APPLIED IN PURCHASE OF OR LENT FOR SHARES OF THE COMPANY.**

4. (a) The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 66 or Section 242 of the Act.



- (b) The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.

Provided that nothing in this clause shall be taken to prohibit:-

- (i) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding Company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or
- (ii) the making by the Company of loans, within the limit laid down in Sub-Section (3) of Section 67 of the Act, to persons (other than Directors or key managerial personnel) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares of the Company or its holding company to be held by themselves by way of beneficial ownership.
- (c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.
- (d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 55 of the Act.

#### **SHARE CAPITAL AND VARIATION OF RIGHTS**

5. (a) The Authorised Share Capital of the Company shall be the Capital as specified in the Memorandum of Association with power to increase or reduce the share 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, cumulative, convertible, preference, guaranteed, qualified or special rights including differential rights as to dividend, voting or otherwise, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.
- (b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid-up on such equity shares respectively at the commencement of the winding up.
- (c) The Company in General Meeting may, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges, including differential rights as to dividend, voting or otherwise annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at General Meetings of the Company in conformity with Sections 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of the Act, as may be applicable.

#### **FURTHER ISSUE OF CAPITAL**

- (d) Where at any time the Company proposes to increase its subscribed capital by the issue of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered in accordance with sections 62, 42, 43, 54 and other applicable provisions of the Act as amended from time to time.

## **DIRECTORS MAY ALLOT SHARES AS FULLY PAID UP**

- (e) Subject to the provisions of the Act and these Articles, the Directors may issue and allot share in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or, machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.

## **SAME AS ORIGINAL CAPITAL**

- (f) Except so far as otherwise provided by the conditions of Issue or by these presents any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.

## **UNCLASSIFIED SHARES**

- (g) Any unclassified shares (whether forming part of the original capital or of any increased capital of the Company) may subject to the provisions of the Act and these presents be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given and in all other cases, as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed provided however that no shares shall be issued pursuant to this Article without the sanction of the Company in General Meeting unless they shall subject to the provisions of Section 62 of the Act be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit to the capital paid up on those shares.

## **ISSUE OF SHARES WITHOUT VOTING RIGHTS**

- (h) Notwithstanding anything contained in these Articles, in the event it is permitted by law to issue Shares without voting rights attached to, then the Board of Directors may issue such Shares upon such terms and conditions and with such rights and privileges attached thereto as thought fit and as may be permitted by law.

## **REDEEMABLE PREFERENCE SHARES**

6. Subject to the provisions of Section 55 and other applicable provisions the Act, the Company shall have the power to issue Preference Shares from time to time which are liable to be redeemed within 20 years and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

## **PROVISION TO APPLY ON ISSUE OF REDEEMABLE PREFERENCE SHARES**

7. On the issue of Redeemable Preference Shares under the provision of Article 6 hereof, the following provisions shall take effect :
  - a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.
  - b) No such shares shall be redeemed unless they are fully paid;
  - c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in section 55, apply as if the Capital Redemption Reserve Account were paid-up share capital of the company; and

- d) (i) in case of such class of companies, as may be prescribed and whose financial statement comply with the accounting standards prescribed for such class of companies under section 133, the premium, if any, payable on redemption shall be provided for out of the profits of the company, before the shares are redeemed:
- that premium, if any, payable on redemption of any preference shares issued on or before the commencement of this Act by any such company shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed.
- (ii) in a case not falling under (i) above, the premium, if any, payable on redemption shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed.

#### **REDUCTION OF CAPITAL**

8. The Company may from time to time by special resolution, subject to confirmation by the Tribunal and Subject to the provisions of Sections 52, 55, 66 and other applicable provisions of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorised by law in particular without prejudice to the generality of the foregoing power may by:
- (a) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up;
  - (b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or
  - (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company;

and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

#### **DIVISION, SUB-DIVISION, CONSOLIDATION, CONVERSION AND CANCELLATION OF SHARES**

9. Subject to the provisions of Section 61 of the Act, and these Articles, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may :-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares subject to the approval of the Tribunal if such consolidation and division results in changes in the voting percentage of shareholders;
  - (b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.
  - (c) convert, all or any of its fully paid up shares into stock and re-convert that stock into fully paid up shares of any denomination.
  - (d) cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

## **NOTICE TO REGISTRAR OF CONSOLIDATION OF SHARE CAPITAL, CONVERSION OF SHARES INTO STOCKS ETC.**

10. (a) If the Company has :-
- (i) consolidated and divided its share capital into shares of larger amount than its existing shares;
  - (ii) converted any shares into stocks;
  - (iii) re-converted any stock into shares;
  - (iv) sub-divided its share or any of them;
  - (v) redeemed any redeemable preference shares; or
  - (vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 66 of the Act.

the Company shall in accordance with the provisions of Section 64 of the Act within prescribed time after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, subdivided, redeemed or cancelled or the stocks re-converted.

- (b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.

### **MODIFICATION OF RIGHTS**

11. If at any time the share capital, by reason of the issue of Preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a special Resolution passed at separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this article were omitted. The provisions of these Articles relating to general meeting shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Articles 101 is not present, those persons who are present shall be the quorum.

### **BUY BACK OF SHARES**

12. Notwithstanding anything contained in these Articles but subject to the provisions of the Act, the company may purchase its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of any shares or other specified securities other than out of the proceeds of an earlier issue of the same kind of shares or same kind of other securities by passing a special resolution in the general meeting of the company subject to the provisions of sections 68, 69 and 70 of the Act.

## **SHARES AND CERTIFICATES**

### **ISSUE OF FURTHER SHARES NOT TO AFFECT RIGHT OF EXISTING SHAREHOLDERS**

13. Subject to these Articles the rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.

### **PROVISIONS OF SECTION 43 TO 47 OF THE ACT TO APPLY**

14. The provisions of Section 43 to 47 of the Act in so far as the same may be applicable shall be observed by the Company.

### **REGISTER OF MEMBERS AND DEBENTUREHOLDERS**

15. (a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 88 of the Act and Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 88 of the Act.
- (b) The Company shall also comply with the provisions of Section 92 of the Act as to filing of Annual Returns.

- (c) The Company shall duly comply with the provisions of the Act in regard to keeping of the Registers, indexes, copies of Annual Returns and giving inspections thereof and furnishing copies thereof.

#### **RESTRICTION ON ALLOTMENT**

16. Subject to the provisions of these Articles the Board shall observe the restriction as to allotment of shares to the public contained in Section 39 of the Act and shall cause to be made the return as to allotment provided for in Section 39 of the Act.

#### **SHARES TO BE NUMBERED PROGRESSIVELY**

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

#### **SHARES UNDER CONTROL OF DIRECTORS**

18. Subject to the provisions of these Articles and of the Act, the shares in the capital of the Company (including any shares forming part of any increased capital of the Company) shall be under control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par at such times as the Directors may think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 39 of the Act.

#### **EVERY SHARE TRANSFERABLE ETC.**

19. (i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
- (ii) Each share in the Company shall be distinguished by its appropriate number.
- (iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be, prime facie, evidence of the title of the member of such shares.

#### **ASSIGNMENT OF RIGHTS**

20. (a) Subject to Article 65 the Investor shall be entitled to assign its rights and/or transfer its obligations hereunder.
- (b) In relation to any rights available to the Investor on the basis of the number of Equity Shares or the percentage of the Company's share capital held by the Investor, the Investor shall be entitled, at its sole discretion, to aggregate the Equity Shares held by any member(s) of the Investor Group with those held by the Investor.
- (c) Without prejudice to the above, any of the rights of the Investor hereunder may be exercised by any member of the Investor Group on behalf of the Investor.

#### **APPLICATION OF PREMIUM RECEIVED ON ISSUE OF SHARES**

21. (a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called "the share premium account" and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.
- (b) The share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company-

- (i) in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- (ii) in writing off the preliminary expenses of the Company;
- (iii) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or
- (iv) in providing for the premium payable on the redemption of any redeemable preference shares or any debentures of the Company.

#### **SALE OF FRACTIONAL SHARES**

22. If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any shares are held by members in fractions, the Directors shall, subject to the provisions of the Act and the Articles if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### **ACCEPTANCE OF SHARES**

23. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Directors shall comply with the provisions of Sections 39 and 40 of the Act in so far as they are applicable.

#### **DEPOSITS AND CALLS ETC. TO BE A DEBT PAYABLE IMMEDIATELY**

24. 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, immediately on the insertion of the name of the holder of such shares, become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

#### **COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARES OTHER THAN OF REGISTERED HOLDER**

25. (a) Subject to these Articles, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of the Act shall apply.

#### **DECLARATIONS OF PERSON NOT HOLDING BENEFICIAL INTEREST IN SHARES**

- (b) When any declaration is filed with the Company under the provisions of Section 89 of the Act by any holder of shares who does not hold beneficial interest in such shares specifying the particulars of the person holding beneficial interest in such shares or by a person who holds beneficial interest in any shares of the Company but is not the registered holder thereof, the Company shall make a note of such declaration in its register of members and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration.

#### **ISSUE OF CERTIFICATES OF SHARES TO BE GOVERNED BY SECTION 46 OF THE ACT ETC.**

26. (a) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of section 46 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, if any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.

## **CERTIFICATE OF SHARES**

- (b) The Certificate of title of shares shall be issued under the seal of the Company and shall be signed by such Directors or officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such person as the Directors may determine from time to time.
- (c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 46 of the Act.

## **LIMITATION OF TIME OF ISSUE OF CERTIFICATE**

27. (a) Every member or allottee of shares, other than a beneficial owner, shall be entitled, without payment, to one Certificate for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and deliver such Certificates within the time provided by Section 56 of the Act unless the conditions of issue thereof otherwise provide. Every Certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Directors shall prescribe or approve provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one Certificate and delivery of a certificate of shares to one of several jointholders shall be sufficient delivery to all such holders.
- (b) The Company shall not entertain any application for split of share/debenture certificate for less than 10 shares/debentures (all relating to the same series) in market lots as the case may be.
- Provided however this restriction shall not apply to an application made by the existing member or debenture holder for split of share/debenture certificate with a view to make an odd lot holding into a marketable lot subject to verification by the Company.
- (c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.

## **ISSUE OF NEW CERTIFICATES IN PLACE OF ONE DEFACED, LOST OR DESTROYED.**

28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back there of for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any Certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificate under this Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re. 1/- for, each Certificate) as the Directors shall prescribe. Out of pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the company if demanded by the Directors.

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

Provided further that the Company shall comply with the provisions of Section 46 of the Act and other applicable law in respect of issue of Duplicate Shares.

The Directors shall, however, comply with such requirements of the Stock Exchange where shares of the Company may be listed or such requirements of any Rules made under the Act or the requirements of the Securities Contracts (Regulation) Act, 1956 or any other Act and / or Rules made thereunder, as may be applicable.

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

## DEMATERIALISATION OF SECURITIES

### 30. (i) Definitions

For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a Depository.

'Depositories Act 1996' includes any Statutory modification or re-enactment thereof for the time being in force.

'SEBI' means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

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

'Security' means and includes Shares, Debentures and such other security as may be specified by the SEBI Board from time to time.

'Member' would also mean a Beneficial Owner in the records of the Depository.

### (ii) Dematerialisation of Securities

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

### (iii) Options for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security 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, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of 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 record the names of the allottees as the beneficial owners of the security.

### (iv) Securities in Depositories to be in fungible form

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 112, 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### (v) Rights of Depositories and Beneficial Owners

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer, of ownership of security on behalf of the beneficial owner.

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

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



**(vi) Service of Documents**

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

**(vii) Transfer of Securities**

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. The Company shall not be required to maintain the Register of Transfers for entering particulars of transfer of Securities in dematerialized form.

**(viii) Allotment of Securities dealt with in a Depository**

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

**(ix) Distinctive numbers of Securities held in a Depository**

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to Securities held with a depository. No Certificate shall be issued for the Securities held by a Depository.

**(x) Register and Index of Beneficial Owners**

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

**(xi) Investment of the Company**

Notwithstanding anything contained in the Act or these Articles, the Company can hold its investments in the name of a Depository when such investments are in the form of Securities held by the Company as a Beneficial Owner.

**UNDERWRITING COMMISSION AND BROKERAGE**

**POWER TO PAY CERTAIN COMMISSION AND PROHIBITION OF PAYMENT OF ALL OTHER COMMISSIONS, DISCOUNTS ETC.**

31. (A) The Company may, subject to these Articles, and subject to the conditions specified in sub-section (6) of section 40 and other applicable provisions of the Act, may pay commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional.

**CALLS**

**DIRECTORS MAY MAKE CALLS**

32. The Directors may from time to time and subject to Section 49 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture-holders in respect of all moneys unpaid on the shares/debentures held by them respectively and each member/debenture holder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments as may be decided by the Board. A call may be postponed / revoked as the Board may determine.

**CALLS TO DATE FROM RESOLUTION**

33. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed and may be made payable by members/debentureholders on a subsequent date to be specified by the Directors.

#### **NOTICE OF CALL**

34. One month notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debentureholders revoke the same.

#### **DIRECTORS MAY EXTEND TIME**

35. The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members debentureholders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/debentureholder shall be entitled to such extension, save as a matter of grace and favour.

#### **SUMS DEEMED TO BE CALLS**

36. Any sum, which by the terms of issue of a share/debenture becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share/debenture or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue, the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

#### **INSTALMENTS ON SHARES TO BE DULY PAID**

37. If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time, shall be the registered holder of the share or his legal representative.

#### **CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

38. Where any calls for further share Capital are made on shares, such calls shall be made on a uniform basis on all share falling under the same class.

Explanation: For the purpose of this provision, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

#### **LIABILITY OF JOINT HOLDERS OF SHARES**

39. The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.

#### **WHEN INTEREST ON CALL OR INSTALMENT PAYABLE**

40. If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to the time of actual payment but the Directors may waive payment of such interest wholly or in part.

#### **PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE**

41. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest: nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

## **PROOF ON TRIAL OF SUIT FOR MONEY DUE ON SHARES**

42. On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

## **PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST**

43. (a) The Directors may, if they think fit subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the money due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.
- (b) The member shall not however be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
44. The provision of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

## **LIEN**

### **COMPANY'S LIEN ON SHARES / DEBENTURES**

45. The Company shall have a first and paramount lien upon all the shares and/or debentures (other than fully paid-up shares and/or debentures) registered in the name of each Member and/or debenture holder (whether held singly or jointly with others) in respect of monies whether presently payable or not and shall extend to all dividends, interest rights and bonuses from time to time declared in respect of such shares and/or debentures. Unless otherwise agreed, the registration of transfer of shares and/or debentures shall operate as a waiver of Company's lien, if any, on such shares and/or debentures. The Directors may at any time declare any share and/or debenture wholly or in part exempt from the provisions of this Article.

### **AS TO ENFORCING LIEN BY SALE**

46. For the purpose of enforcing such lien, subject to the provision of these Articles, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their members or appoint any officer or Agent to execute a transfer thereof on behalf of and in the name of such member/debentureholder. No sale shall be made until such period, as may be stipulated by the Board from time to time and until notice in writing of the intention to sell shall have been served on such member and/or debentureholder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

### **APPLICATION OF PROCEEDS OF SALE**

47. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares and/or debentures at the date of the sale.

## **OUTSIDERS LIEN NOT TO AFFECT COMPANY'S LIEN**

- (b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.

## **FORFEITURE**

### **IF CALL OR INSTALMENT NOT PAID NOTICE MUST BE GIVEN**

48. (a) If any member or debentureholder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debentureholder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

### **FORM OF NOTICE**

- (b) The notice shall name a day not being less than one month from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment of call amount with interest on or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.

### **IN DEFAULT OF PAYMENT, SHARES OR DEBENTURES TO BE FORFEITED**

49. If the requirements of any such notice as aforesaid are not complied with, any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company, in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

### **ENTRY OF FORFEITURE IN REGISTER OF MEMBERS/ DEBENTUREHOLDERS**

50. When any shares/debentures shall have been so forfeited, notice of the forfeiture shall be given to the member or debentureholder in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

### **FORFEITED SHARE / DEBENTURE TO BE PROPERTY OF COMPANY AND MAY BE SOLD**

51. Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

### **POWER TO ANNUL FORFEITURE**

52. The Directors may, at any time, before any shares or debenture so forfeited shall have been sold, re-allotted or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.

## **SHAREHOLDERS OR DEBENTUREHOLDERS STILL LIABLE TO PAY MONEY OWING AT TIME OF FORFEITURE AND INTEREST**

53. Any member or debentureholder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest, expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.

## **EFFECT OF FORFEITURE**

54. The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and call claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.

## **CERTIFICATE OF FORFEITURE**

55. A Certificate in writing under the hand of one Director and countersigned by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a share or debenture was made and notice thereof given and that default in payment of the call was made that the forfeiture of the share or debenture was made by a resolution of Directors to that effect shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.

## **VALIDITY OF SALES UNDER THESE ARTICLES**

56. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of Members or Register of Debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of Members or Debenture holders in respect of such shares or debenture the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.

## **CANCELLATION OF SHARE / DEBENTURE CERTIFICATE IN RESPECT OF FORFEITED SHARES / DEBENTURES**

57. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debentureholder) stand cancelled and become null and void and be of no effect and the directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.

## **TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES/DEBENTURES**

58. The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.

## **SURRENDER OF SHARES OR DEBENTURE**

59. The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debentureholder desirous of surrendering them on such terms as they think fit.

## **TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES**

### **REGISTER OF SHARES OR DEBENTURES**

60. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

### **FORM OF TRANSFER**

61. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.

### **INSTRUMENT OF TRANSFER TO BE EXECUTED BY TRANSFEROR AND TRANSFEREE**

62. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

### **DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

63. a) Subject to the provisions of Section 58 / 59 of the Act and subject to the provisions of the Securities Contract (Regulations) Act, 1956 and the rules and regulations made thereunder and subject to the applicable provisions of SEBI LODR Regulations, the Directors may, at their own absolute and uncontrolled discretion, decline to register or acknowledge any transfer of shares giving reasons whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.
- b) Nothing in Sections 56 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission by operation of law of the rights to, any shares or interest of a member in, or debentures of the Company.

### **TRANSFER OF SHARE**

64. (a) An application of registration of the transfer of shares may be made either by the transferor or 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 Clause (d) of this Article, 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 of members 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.
- (b) For the purpose of clause (a) above, notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.
- (c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company along with the certificate relating to the shares and if no such Certificate is in existence, along with the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer, provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the 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 indemnity as the Directors may think fit.

- (d) Nothing in clause (c) above shall prejudice any power of the Company to register as share holder any person to whom the right to any share has been transmitted by operation of law.
- (e) The Company may not accept applications for transfer of less than 10 (ten) equity shares and 5 (five) debentures (all relating to the same series) less than in market lots of the Company provided however, that this condition shall not apply to:
  - (i) transfer of equity shares/debentures made in pursuance of any statutory provision or an order of a competent court of law.
  - (ii) the transfer of the entire equity shares/debentures by an existing shareholder/debentureholder of the Company holding under one folio less than 10 (ten) equity shares or 5 (five) debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.
  - (iii) the transfer of not less than 10 (ten) equity shares or 5 (five) debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate (s) to the transfer of less than 10 (ten) equity shares/5 (five) debentures.
  - (iv) the transfer of less than 10 (ten) equity shares or 5 (five) debentures (all relating to the same series) to the existing shareholder/debentureholder subject to verification by the Company.

Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).
- (f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.

**SPECIAL PROVISION RELATING TO TRANSFER OF SHARES**

- 65.**
- (1) The Company will, subject to the provision of the applicable Law, exercise all its rights and powers to ensure that the Equity Shares of the Company are dealt with in the manner permitted under these Articles. Any Transfer or attempted Transfer of any Equity Shares and/or Securities of the Company in violation of the Articles shall be void, and, to the extent it is within the reasonable control of the Company, no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes.
  - (2) Subject to any statutory lock-in restrictions applicable to the Investor's holding of the Subscription Shares, the Investor shall have the right at any time to sell all or part of its shareholding either through a private sale or through the stock exchanges except that the Investor shall not be entitled to transfer the Subscription Shares (or any part thereof) to a Competitor through a privately negotiated sale.
 

"Competitor" means any of the following entities:

    - (i) Savita Oil Technologies Limited;
    - (ii) Nynas AB, Sweden;
    - (iii) Sterlite Technologies Limited; and
    - (iv) Polycab Wires Private Limited."
  - (3) In any sale of Investor Shares by the Investor through a privately negotiated sale, the Investor shall be entitled to transfer all rights attached to the Investor Shares other than the Investor Specific Rights, it being understood that (i) all such rights shall be exercisable through the Investor; (ii) if the transferee of the Investor makes an onward transfer of the Equity Shares acquired from the Investor, then the subsequent transferee shall not acquire any rights; and (iii) upon termination of the Agreement, all rights held by the Investor thereunder or by any transferee shall cease to be available. It is hereby

clarified that any sale of Investor Shares by the Investor through the stock exchanges (except through a block deal that is privately negotiated) shall always be without the assignment of rights attached to the Investor Shares by virtue of the Agreement. In any sale of Equity Shares by the Investor, the Company shall if requested by the Investor, to the extent permissible in Law, render all necessary assistance for the purpose of facilitating such an exit. Notwithstanding the above, the Investor, shall at all times, be entitled to transfer any Investor Shares and/or assign the rights attached to the Investor Shares when coupled with such transfer, to any Affiliate of the Investor.”

Investor Specific Rights shall mean rights available to the Investor (i) under the Agreement for indemnification for breach of warranties (ii) under Article 132 to appoint Director on the Board (iii) under Article 173 in relation to Reserve Matters and (iv) under Article 228 in relation to Information Rights.

- (4) In connection with its right to sell its shareholding, the Investor shall have the right to demand that the Company register the Investor Shares with all regulatory authorities necessary to ensure free transferability of such Investor Shares.

(5) **Transfer by Promoters**

(a) **Investor Consent**

During the validity of the Agreement, none of the Promoters shall, directly or indirectly, Transfer or attempt to Transfer all or any of their any Equity Shares, warrants or other Securities convertible into Equity Shares held by them in the Company in any manner whatsoever to any Person without seeking prior written consent of the Investor. Any Transfer of the Equity Shares, warrants or other Securities convertible into Equity Shares by any Promoter after seeking prior written consent of the Investor shall strictly be in accordance with this Article 65, provided however that the Promoters shall be entitled to Transfer any of their Equity Shares (including warrants or other Securities convertible into Equity Shares) inter-se amongst the Promoters and/or their respective Affiliates subject to such transferees executing a Promoter Deed of Adherence in terms of the Agreement.

(b) **Investor Tag Along Rights**

Subject to Article 65(5) a):

- (i) In the event anyone or more of the Promoters propose to Transfer any of their Equity Shares (or any other securities or other equity linked instruments) held by them in the Company (subject to obtaining prior approval of the Investor in accordance with the provisions of Article 65(5)(a)) to any Person, then the Investor shall have the option to require the transferring Promoter to include in the proposed sale, on a pro-rata basis such number of the Investor Shares as are equivalent to the shareholding percentage held by it, at the relevant time, at the same price and on the same terms as have been offered to the Promoters.
- (ii) This right of the Investor contained herein is called the “**Tag Along Right**”. The Tag Along Right set forth in this Clause is not exercisable “one time only” but shall apply in each case of a proposed Transfer by the Promoters subject to the terms of this Undertaking and the Agreement.
- (iii) If any of the Promoters propose to Transfer any of the Equity Shares held by them in the Company, then, the Promoter/s shall first give a written notice (hereinafter referred to as “**Tag Along Notice**”) to the Investor. The Transfer Notice shall state:
- (A) the number of Equity Shares of the Company proposed to be Transferred (hereinafter referred to as the “**Tag Along Shares**”) and the number and class of Equity Shares in the Company the Promoter/s own(s) at that time on an undiluted basis,
- (B) the name and address of the proposed transferee,



- (C) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee,
  - (D) the proposed date of consummation of the proposed Transfer,
  - (E) a representation that the proposed transferee has been informed of the Tag Along Right provided for in this Undertaking and has agreed to purchase all the Equity Shares required to be purchased in accordance with the terms of this Article, and
  - (F) a representation that no consideration, tangible or intangible, is being provided, directly or indirectly, to the Promoter/s that will not be reflected in the price paid to each Investor on exercise of the Tag Along Right hereunder. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Tag Along Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The total value of the consideration for the proposed Transfer is referred to herein as the "**Tag Along Price**". The Tag Along Notice shall be accompanied by a true and complete copy of all documents constituting the agreement between the Promoter/s and the proposed transferee regarding the proposed Transfer;
- (iv) The Investor shall be entitled to respond to the Tag Along Notice by serving a written notice (the "**Response Notice**") on the Promoters prior to the expiry of 30 (thirty) Days from the date of receipt of the Tag Along Notice ("**Tag Along Period**") requiring the Promoter/s to ensure that, the proposed transferee of the Tag Along Shares also purchases such number of the Investor Shares which are proportionate to the shareholding percentage held by it at the relevant time, at the same price and on the same terms as are mentioned in the Tag Along Notice, except that the Investor shall not be required to provide any representations or warranties, other than in respect of their title to such Equity Shares, to the proposed transferee;
  - (v) It shall be the responsibility and liability of the Promoters to ensure that, along with the Tag Along Shares, the proposed transferee also acquires the Investor Shares specified in their respective Response Notices for the same consideration and upon the same terms and conditions as applicable to the Tag Along Shares. Where the Investor has properly elected to exercise its Tag Along Right and the proposed transferee fails to purchase from the Investor, the Investor Shares which the Investor is entitled to sell in terms of this Article, the Promoters shall not make the proposed Transfer, and if purported to be made, such Transfer shall be null and void.
  - (vi) In the event that the Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Tag Along Period, then, upon the expiry of the Tag Along Period, the Promoters shall be entitled to sell and transfer the Tag Along Shares to the proposed transferee mentioned in the Tag Along Notice on the same terms and conditions and for the same consideration as is specified in the Tag Along Notice. If completion of the sale and transfer to the proposed transferee does not take place within a period of 90 (ninety) Days following the expiry of the Tag Along Period, the Promoters' right to transfer the Tag Along Shares to such third party shall lapse and the provisions of this Article 65(5) (b) shall once again apply to the Tag Along Shares.
  - (vii) Notwithstanding anything else contained in this Article, in the event any of the Promoters propose to Transfer, whether directly or indirectly, any of their Equity Shares (or any other securities or other equity linked instruments) held by them in the Company (subject to obtaining prior approval of the Investor in accordance with the provisions of 65(5) (a))

and such proposed Transfer by such transferring Promoter would result in Transfer of more than 3% (three percent) of the Promoters' aggregate shareholding percentage (reckoned as on the Completion Date as per the Agreement) post the proposed Transfer (either through any single or series of transactions), then the Investor shall have the option (but not the obligation) to require the Promoters to include any or all of the Equity Shares held by the Investor as part of the total number of Equity Shares proposed to be sold to the proposed transferee, at the same price and on the same terms as have been offered to the Promoters. In any Transfer pursuant to this Article, in the event that the proposed transferee is only interested in acquiring a limited number of Equity Shares, the Promoters shall ensure that they reduce the number of Equity Shares sought to be Transferred by the Promoters to the extent necessary in order to fully accommodate a Transfer of the Equity Shares by the Investor.

- (6) Any Transfer of the Equity Shares by the Investor shall be strictly in accordance with this Article 65.
- (7) The Transfer restrictions on the Promoters contained herein shall not be capable of being avoided by the holding of Equity Shares indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Shares free of such restrictions. Any Transfer, issuance or other disposal of any Equity Shares or Securities (or other interest) resulting in any change in the Control, directly or indirectly, of the Promoters, or of any Affiliate of any Promoters which holds, directly or indirectly, any Equity Shares, shall be treated as being a Transfer of the Equity Shares held by the Promoters, and the provisions of this Article that apply in respect of the Transfer of Equity Shares shall thereupon apply in respect of the Equity Shares so held.
- (8) Any Transfer or attempted Transfer of any Equity Shares and/or Securities of the Company in violation of this Article shall be void and the Promoters shall ensure that no such Transfer is recorded on the Company's books and the purported transferee in any such Transfer is not treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes.
- (9) Where any of the Investor or the Promoters (the "**Relevant Party**") require prior legal, Governmental, regulatory or Shareholder consent for a disposal of Equity Shares pursuant to this Article, then notwithstanding any other provision of these Articles or the Agreement, the Relevant Party shall only be obliged to dispose of Equity Shares once such consent or approval is obtained, and the Parties shall use their best endeavours to obtain any such required approvals. Any period within which a Transfer of such Equity Shares by the Relevant Party has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals.

#### **CUSTODY OF INSTRUMENT OF TRANSFER**

66. The Instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.

#### **TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED**

67. The Board shall have power on giving not less than seven days, previous notice by advertisement in some newspaper circulating in the district in which the Registered office of the Company is situate, to close the Transfer books. The Register of Members or Register of Debentureholders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

#### **TRANSFER TO MINORS ETC.**

68. Only fully paid shares or debentures shall be transferred to a minor acting through his / her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

## **TITLE TO SHARES OF DECEASED HOLDER**

69. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a Succession Certificate or the legal representative of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained Probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case, where the Directors, in their absolute discretion think fit, the Directors may dispense with the production of Probate or letters of administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 68 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

## **REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER**

70. (a) Subject to the provisions of Article 69, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.
- (b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

## **Nomination**

71. 1) Every holder of share(s) in, and / or debenture(s) of the Company so entitled under the Act and Rules framed hereunder may at any time nominate in the manner prescribed under the Act, a person to whom his share(s) in, and / or debenture(s) of the Company shall vest in the event of his death.
- 2) Where the share(s) in and or debenture(s) of the Company are held by more than one person jointly the joint holders so entitled under the Act and Rules framed thereunder may together nominate in the manner prescribed under the Act, a person to whom all the rights in the share(s) and / or debenture(s) of the Company, as the case may be shall vest in the event of death of all the joint holders.
- 3) Notwithstanding anything contained in these Articles or in any disposition whether testamentary or otherwise in respect of such share(s) in and / or debenture(s) of the Company where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in and / or debenture(s) of the Company the nominee shall on the death of the shareholder and / or debenture holder concerned or on the death of all the joint holders as the case may be become entitled to all the rights in relation to such share(s) and / or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- 4) Where the nominee is a minor the holder of the share(s) in, and / or debenture(s) of the Company can make a nomination in the manner prescribed under the Act to appoint any person to become entitled to the shares(s) in, and / or debenture(s) of the Company in the event of his death during the minority.

- 71A.** 1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 71 (1) upon the production of such evidence as may be required by the Board and subject as herein after provided, elect either,
- (a) to be registered himself as holder of share(s) and / or debentures(s) as the case may be, or
  - (b) to make such transfer of the share(s) and / or debentures(s) as the case may be as the deceased shareholder and / or debenture holder as the case may be, could have made.
- 2) If the person being a nominee, so becoming entitled, elects to be registered as holder of share(s) and / or debenture(s) as the case may be, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder(s) and / or debenture holder(s) as the case may be.
- 3) All the limitations, restrictions and the provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and / or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/ debenture holder had not occurred and the notice or transfer were signed by that shareholder and / or debenture holder as the case may be.
- 4) A person, being a nominee, becoming entitled to the share(s) or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and / or debenture(s), except that he shall not before being a member in respect of these share(s) and / or debenture(s) be entitled in respect of it to exercise any right conferred by membership in relation to the 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(s) and / or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of share(s) and/or debenture(s) until the requirements of the notice have been complied with.

#### **CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE**

- 72.** The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency or the holder shall be entitled to the same dividends and other advantage to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

#### **PERSONS ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS MEMBER**

- 73.** (a) A person entitled to a share by transmission shall, subject to the rights of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.
- (b) This Article shall not prejudice the provisions of Article 72.

#### **REFUSAL TO REGISTER NOMINEE**

- 74.** Subject to these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### **DIRECTORS MAY REQUIRE EVIDENCE OF TRANSMISSION**

75. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

#### **THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER**

76. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice or persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.

#### **NOT MORE THAN FOUR PERSONS AS JOINT HOLDERS**

77. The Company shall be entitled to decline to register more than four persons as the holders of any shares.
78. The provisions of these articles shall mutatis mutandis apply to the transfer or transmission by operation of law to debentures of the Company.

#### **JOINT HOLDERS**

##### **JOINT HOLDERS**

79. Where two or more persons are registered as the holders of any share/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.

##### **TRANSFER BY JOINT HOLDERS**

- (a) In the case of a transfer of share/debenture held by joint holders, the transfer will be effective only if it is made by all the joint holders.

##### **LIABILITY OF JOINT HOLDERS**

- (b) The joint holder of any share/ debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/debenture.

##### **DEATH OF ONE OR MORE JOINT HOLDERS**

- (c) On the death of anyone or more such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on share / debentures held by him jointly with any other person.

##### **RECEIPT OF ONE SUFFICIENT**

- (d) Anyone of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.

## **DELIVERY OF CERTIFICATE AND GIVING OF NOTICES TO FIRST NAMED HOLDER**

- (e) Only the person whose name stands first in the Register of Members/Debentureholders as one of the joint holders of any share/ debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) hereof) and any document served on or sent to such person shall be deemed service on all the joint holders.

## **VOTE OF JOINT HOLDERS**

- (f)
- (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by Attorney or by proxy although the name of such joint-holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.
- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.

## **BORROWING POWERS**

### **CONDITIONS ON WHICH MONEY MAY BE BORROWED**

#### **POWER TO BORROW**

80. Subject to the provisions of Section 73 to 76, 179 and 180 of the Act or applicable law the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company, provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys except with the consent of the Company in General Meetings.

#### **PAYMENT OR REPAYMENT OF MONEYS BORROWED**

81. Subject to the provisions of Article 76 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Resolution shall prescribe including the issue of debenture or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being; and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **BONDS, DEBENTURES ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS**

82. Any bonds, debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may, subject to these Articles, issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company. Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by this Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

#### **SECURITIES MAY BE ASSIGNABLE FREE FROM EQUITIES.**

83. Debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

## **ISSUE AT DISCOUNT ETC. OR WITH SPECIAL PRIVILEGES**

- 84.** Any bonds, debentures, debenture-stocks or other securities may be issued, subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and with any special privilege as to redemption, surrender, drawing, appointment of directors and otherwise and subject to the following:

### **DEBENTURES WITH VOTING RIGHTS NOT TO BE ISSUED**

- (a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.
- (b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with provisions of the Act.
- (c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of the Act.
- (d) Certain charges mentioned in Section 77 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 77 of the Act.
- (e) The term 'charge' shall include mortgage in these articles.
- (f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.

### **LIMITATION OF TIME FOR ISSUE OF CERTIFICATE**

- (g) The Company shall, within six months after the allotment of any of its debentures or debenture-stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks shall complete and deliver the certificate of all the debentures and the certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture-stocks otherwise provide.

The expression 'transfer' for the purpose of this clause means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.

### **RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED**

- (h)
  - (i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures of any member of the Company at his request and within seven days of the making thereof on payment.
    - (1) in the case of a printed Trust Deed of the sum of Rupee one and
    - (2) in the case of a Trust Deed which has not been printed of thirty-seven paise for every one hundred words or fractional part thereof required to be copied.
  - (ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debentureholder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

### **MORTGAGE OF UNCALLED CAPITAL**

- 85.** If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members respect of such uncalled capital in trust for the person in whose favour such mortgage or security executed.

## **INDEMNITY MAY BE GIVEN**

- 86.** If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or, cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

## **REGISTRATION OF CHARGES**

- 87.**
- (a) The provisions of the Act relating to registration of charges shall be complied with.
  - (b) In case of charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.
  - (c) Where a charge is created in India but comprises property outside India the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by section 77 of the Act.
  - (d) Where any charge on any property of the Company required to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
  - (e) In respect of registration of charges on properties acquired subject to charge, the provisions of section 79 of the Act shall be complied with.
  - (f) The Company shall comply with the provisions of the Act relating to particulars in case of series of debentures entitling holders *pari passu*.
  - (g) The Company shall comply with the provisions of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.
  - (h) The Company shall comply with the provisions of section 77 & 78 of the Act as regards to the registration of particulars of every charge and of every series of debentures.
  - (i) As to modification of charges, the Company shall comply with the provisions of section 79 of the Act.
  - (j) The Company shall comply with the provisions of Section 84 of the Act with regard to entering in these register of charges any appointment of Receiver or Manager as therein provided.
  - (k) The Company shall also comply with the provision of section 82 of the Act as to reporting satisfaction of any charge and procedure thereafter.

### **Register of charges etc. to be kept**

- 88.** The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirements of Sections 77 to 87 (both inclusive) of the Act in that behalf to be duly complied with, so far as they are required to be complied with by the Board.

### **Register and Index of Debenture-holders**

- 89.** The Company shall if at any time it issue debentures, keep a Register and Index of Debenture-holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any State or Country outside India, a branch Register of Debenture-holders resident in that State or Country.



Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

#### **TRUST NOT RECOGNISED**

90. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debentureholders.

#### **CONVERSION OF SHARE INTO STOCK AND RECONVERSION**

##### **SHARE MAY BE CONVERTED INTO STOCK**

91. The Company in general meeting may convert any paid up share into stock and when any share shall have been converted into stock the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up share of any denomination.

##### **RIGHTS OF STOCK HOLDERS**

92. The holders of stock shall, according to the amount of stock, held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock-arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and the assets on winding up) shall be conferred by an amount of stock, which would not if existing in share, have conferred that privilege or advantage.

#### **GENERAL MEETINGS**

##### **ANNUAL GENERAL MEETING**

93. Subject to the provisions contained in Sections 96 and 129 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meetings and shall specify, the meeting as such in the notice calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.

Provided that subject to the provisions of the Act, if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.

##### **TIME AND PLACE OF ANNUAL GENERAL MEETING**

94. Every annual general meeting shall be called at any time during business hours, on a day that is not a National holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated and the notice calling the meeting shall specify it as the annual general meeting.

##### **SECTIONS 98, 101 TO 109 OF THE ACT SHALL APPLY TO MEETING**

95. Sections 98, 101 to 109 of the Act with such adaptation and modifications, if any as may be prescribed, shall apply with respect to meeting of any class of members or debentureholders of the Company in like manner as they with respect to general meetings of the Company.

##### **POWERS OF DIRECTORS TO CALL EXTRAORDINARY GENERAL MEETING**

96. The Directors may call an extraordinary general meeting of the Company whenever they think fit.

##### **CALLING OF EXTRA ORDINARY GENERAL MEETING ON REQUISITION**

97. Subject to the provisions of Section 100 of the Act,

- (a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extra-ordinary general meeting of the Company.
- (b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by requisitionists, and shall be deposited at the registered office of the Company.
- (c) The requisition may consist of several documents in like forms, each signed by one or more requisitionists.
- (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.
- (e) Where two or more distinct matters are specified in the requisition, the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.
- (f) The requisition made under sub-section (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.
- (g) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
- (h) A meeting under sub-section (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.
- (i) Where two or more persons hold any shares or interest in the Company jointly, requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.
- (j) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

#### **LENGTH OF NOTICE FOR CALLING MEETING**

**98.** Subject to the provisions of Section 101 of the Act,

- (a) A general meeting of the Company may be called by giving not less than twenty one clear days' notice either in writing or through electronic mode.
- (b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded in writing or by electronic mode thereto;
  - (i) In the case of an annual general meeting by all the members entitled to vote thereto; and
  - (ii) in the case of any other meeting, by members, of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meetings;

Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.

## **CONTENTS AND MANNER OF SERVICE OF NOTICE AND PERSONS ON WHOM IT IS TO BE SERVED**

**99.**

- (a) Every notice of a meeting of the Company shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (b) Notice of every meeting of the Company shall be given:
  - (i) to every member of the Company, legal representative of any deceased member or the assignee of an insolvent member in any manner authorised by sub-sections (2) of Section 20 of the Act;
  - (ii) to the Auditor or Auditors for the time being of the Company and
  - (iii) to all the Directors of the Company.

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under Section 20 of the Act, the statement of the material facts referred to in Section 102 of the Act need not be annexed to the notice as required by that section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

- (c) Any accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.
- (d) In case, if any shareholder requests the Company for delivery of any document through a particular mode, the Company may send such document through that mode upon receipt of equivalent amount of charges payable by him to the Company for getting the documents deliverable by that particular mode.

## **EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE**

**100.**

- (a) For the purpose of this Article, subject to the provisions of Section 102 of the Act, :
  - (i) In the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with the exception of business relating to :
    - (a) the consideration of financial statements and the reports of the Board of Directors and Auditors.
    - (b) the declaration of any dividend.
    - (c) the appointment of directors in place of those retiring, and
    - (d) the appointment of, and the fixing of the remuneration of, the auditors, and
  - (ii) in the case of any other meetings, all business shall be deemed special.
- (b) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of special business including in particular the nature of the concern or interest, financial or otherwise, if any, therein of –
  - (i) every Director, and the manager, if any,
  - (ii) every key managerial personnel; and
  - (iii) relatives of the persons mentioned in sub-clauses (i) and (ii).

Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other Company, the extent of shareholding interest in that other Company of every promoter, director, manager, if any, and of every other key managerial personnel and relatives of such persons of the first-mentioned company shall, if the extent of such shareholding is not less than 2 % of the paid-up share capital of that company shall also be set out in the statement.

- (c) Where any item of business consists of the according of approval to any documents by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.

#### **QUORUM FOR GENERAL MEETING**

**101.** Subject to the provisions of Section 103 of the Act,

- (a) Thirty members personally present, if the number of members as on the date of the meeting exceeds five thousand, shall be the quorum for a general meeting of the Company.

#### **IF QUORUM NOT PRESENT, MEETING TO BE DISSOLVED OR ADJOURNED**

- (b)
  - (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand cancelled.
  - (ii) In any other case, the meeting, shall stand adjourned to the same day in the next week, at the same time and place or to such other date and at such other time and place, as the Board may determine.

#### **ADJOURNED MEETING TO TRANSACT BUSINESS**

- (c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.

#### **RESOLUTION PASSED AT ADJOURNED MEETING**

- (d) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

#### **PRESENCE OF QUORUM**

**102.**

- (a) No business shall be transacted at any general meeting unless the requisite quorum be present not only at the commencement of the business but also while transacting business.

#### **BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILST CHAIR VACANT**

- (b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
- (c)
  - (i) The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, if there be no Chairman or if at any meeting he shall be not present within 15 (fifteen minutes) after the time appointed for holding such meeting or is unwilling to act, the Director present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be the chairman and if no Directors are present or be not willing to take the chair, the members present shall choose one of themselves to be the Chairman on a show of hands.
  - (ii) If at any meeting a quorum of members shall be present, and the chair shall not be taken by the Chairman or Vice-Chairman of the Board or by a Director at the expiration of 15 minutes from the time appointed for holding the meeting or if

before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their member to be the Chairman of the meeting on a show of hands.

#### **CHAIRMAN WITH CONSENT MAY ADJOURN THE MEETING**

- (d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.

#### **BUSINESS AT THE ADJOURNED MEETING**

- (e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

#### **NOTICE OF ADJOURNED MEETING**

- (f) In case of an adjourned meeting or of a change of day, time or place of meeting under Article 102(e), the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in newspapers, (one in English and one in Vernacular language) which is in circulation at the place where the Registered Office of the Company is situated.

#### **IN WHAT CASES POLL TAKEN WITH OR WITHOUT ADJOURNMENT**

- (g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment of the meeting shall be taken at the meeting forthwith, save as aforesaid, any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

#### **PROXIES**

**103.** Subject to the provisions of Section 109 of the Act,

- (a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in case of joint holder all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.

Provided that unless where the proxy is appointed by a body corporate, a proxy shall not be entitled to vote except on a poll.

- (b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.
- (c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (forty eight) hours before the meeting in order that the appointment shall be effective thereat.
- (d) The instrument appointing a proxy shall:
  - (i) be in writing and
  - (ii) be signed by a appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or any attorney duly authorised by it.

#### **FORM OF PROXY**

- (e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual form provided in Rules of the Companies Act.
- (f) An instrument appointing a proxy, if in the form as may be prescribed, shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.

- (g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.

#### **VOTES OF MEMBERS**

#### **RESTRICTIONS ON EXERCISE OF RIGHTS OF MEMBERS WHO HAVE NOT PAID CALLS ETC.**

#### **NO RIGHT TO VOTE IF CALLS OR OTHER SUMS ARE UNPAID RIGHT OF LIEN EXISTS**

104. No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

#### **RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID**

105. A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.

#### **EQUAL RIGHTS OF SHARE HOLDERS**

106. Any shareholders whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.

#### **VOTING TO BE BY SHOW OF HANDS IN FIRST INSTANCE**

107. At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under section 109 of the Act or the voting is carried out electronically, be decided on a show of hands.

108. (a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.

#### **NO VOTING BY PROXY ON SHOW OF HANDS**

- (b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Section 113 or 112 of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.

#### **HOW MEMBERS COMPOSMENT IS AND MINOR MAY VOTE**

- (c) Subject to the provisions of the Act, a member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.

#### **VOTES IN RESPECT OF SHARES OF DECEASED OR INSOLVENT MEMBERS ETC.**

- (d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposed to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

#### **CUSTODY OF INSTRUMENT**

- (e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meeting of the Company, it shall remain permanently or for such time as the Directors may, determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.

#### **VALIDITY OF VOTES GIVEN BY PROXY NOTWITHSTANDING DEATH OF MEMBERS ETC.**

- (f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.

#### **TIME FOR OBJECTIONS FOR VOTE**

- (g) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose for such meeting or poll whatsoever.

#### **CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF ANY VOTE**

- (h) The Chairman of any meeting shall be the solo judge of the validity of every vote tendered at such meeting. The chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

#### **CHAIRMAN'S DECLARATION OF RESULT OF VOTING BY SHOW OF HANDS TO BE CONCLUSIVE**

- 109.** A declaration by the Chairman in pursuance of Section 107 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without the proof of the number or proportion of the votes cast in favour of or against such resolution.

#### **DEMAND FOR POLL**

- 110.** Subject to the provisions Section 109 of the Act,
- (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than Five Lacs Rupees or such higher amount as may be prescribed has been paid up.
  - (b) The demand for a poll may be withdrawn at any time by the person or persons who make the demand.

#### **DEMAND FOR POLL NOT TO PREVENT TRANSACTION OF OTHER BUSINESS**

- (c) The Demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than then question on which the poll has been demanded.

#### **TIME OF TAKING POLL**

- 111.
- (a) A poll demanded on a question of adjournment shall be taken forthwith.
  - (b) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

#### **RIGHT OF A MEMBER TO USE HIS VOTES DIFFERENTLY**

112. On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.

#### **SCRUTINIZERS AT POLL**

- 113.
- (a) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of persons as he deems necessary as scrutinizer to scrutinise the poll process and the votes given on the poll and to report thereon to him in the manner as may be prescribed under the Act.
  - (b) The Chairman shall have the power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

#### **MANNER OF TAKING POLL AND RESULT THEREOF**

- 114.
- (a) Subject to the provisions of the Act, Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
  - (b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

#### **CASTING VOTE**

115. In the case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote or votes to which he may be entitled as member.

#### **REPRESENTATION OF BODY CORPORATE**

116. A body corporate (whether a Company within the meaning of the act or not) if it is a member or creditor (including a holder of debenture) of the Company may in accordance with the provisions of Section 113 of the Act authorize such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

#### **REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS**

- 117.
- (a) The President of India or the Governor of State if he is a member of the Company may appoint such person as he think fit to act as his representative at any meeting of the Company or at any meeting of any class of member of the Company in accordance with the provisions of section 112 of the Act or any other statutory provision governing the same.
  - (b) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise to same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.



## **CIRCULATION OF MEMBERS RESOLUTION**

118. The Company shall comply with the provisions of section 111 of the Act, relating to circulation of members resolutions.

## **SPECIAL NOTICE**

119. Subject to the provisions of Section 115 of the Act,

Where, by any provision contained in this Act or in the articles of a company, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the company by such number of members holding not less than one per cent of total voting power or holding shares on which *such aggregate sum not exceeding five lakh rupees, as may be prescribed*, has been paid-up and the company shall give its members notice of the resolution in such manner as may be prescribed under the Act.

## **RESOLUTIONS PASSED AT ADJOURNED MEETING**

120. The provisions of Section 116 of the Act shall apply to resolutions passed at an adjourned meeting of the Company or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been' passed on any earlier date.

## **REGISTRATION OF RESOLUTIONS AND AGREEMENTS**

121. The Company shall comply with the provisions of section 117 of the Act relating to registration of certain resolutions and agreements.

## **MINUTES OF PROCEEDINGS OF GENERAL MEETING AND OF BOARD AND OTHER MEETINGS AND RESOLUTIONS PASSED BY POSTAL BALLOT**

- 122.

- (a) The Company shall cause minutes of all proceedings of every general meeting of any class of shareholders or creditors, and every resolution passed by postal ballot and every meeting of its Board of Directors or of every committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, or passing of Resolution by Postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
- (b) In case of every resolution passed by postal ballot, a brief report on the postal ballot conducted including the resolution proposed, the result of the voting thereon and the summary of the scrutinizer's report shall be entered in the minutes book of general meetings along with the date of such entry within thirty days from the date of passing of resolution.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
  - (i) in the case of minutes of proceedings of the Board or of a committee thereof by the chairman of the said meeting or the Chairman of the next succeeding meeting.
  - (ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
  - (iii) In case of every resolution passed by postal ballot, by the chairman of the Board within the aforesaid period of thirty days or in the event of there being no chairman of the Board or the death or inability of that chairman within that period, by a director duly authorized by the Board for the purpose.

- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (f) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (g) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain:
  - (i) the names of the Directors present at the meetings, and
  - (ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (h) Nothing contained in clauses (a) to (e) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
  - (i) is, or could reasonably be regarded, as defamatory of any person.
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.
- (i) The minutes of meetings kept in accordance with the provision of section 118 of the Act shall be evidence of the proceedings recorded therein.
- (j) The minute books of general meetings, shall be kept at the registered office of the company and shall be preserved permanently and kept in the custody of the company secretary or any director duly authorised by the board or at such other place as may be approved by the Board.
- (k) The minutes books of the Board and committee meetings shall be preserved permanently and kept in the custody of the company secretary of the company or any director duly authorized by the Board for the purpose and shall be kept in the registered office or such place as Board may decide.

#### **PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED**

- 123.** Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 118 of the Act then, until the contrary is proved, the meeting, shall be deemed to have been duly called and held, and all proceedings there at to have duly taken place, and the Resolution passed by the Postal Ballot to have been duly passed and in particular all appointments of Directors, Key Managerial Personnel, Auditors or Company Secretary in Practice made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

#### **INSPECTION OF MINUTE BOOKS OF GENERAL MEETINGS**

- 124.** Subject to the provisions of Section 119 of the Act :
- (a) The books containing the minutes of the proceedings of any general meeting of the Company or of a Resolution passed by the Postal Ballot shall:-
    - (i) be kept at the registered office of the Company and
    - (ii) be open, during the business hours to the inspection of any member without charge, subject to such reasonable restrictions as the Company may in general meeting impose so however that not less than two hours in each business day are allowed for inspection.

- (b) Any member shall be furnished, within seven working days after he has made a request in that behalf to the Company, with a copy of any minutes referred to in clause (a) above on payment of such fees as may be prescribed under the Act for each page or part of any page required to be copied.
- (c) The Company shall furnish soft copy in respect of minutes of any previous general meetings held during a period immediately preceding three financial years with free of cost to the member who has made a request for provision of soft copy.

#### **PUBLICATION OF REPORTS OF PROCEEDINGS OF GENERAL MEETINGS**

- 125.** No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

Where permitted or required by the Act, Board may, instead of calling a Meeting of any members / class of Members / Debenture-holders, seek their assent by Postal Ballot. Such Postal Ballot will comply with the Provisions of Applicable Laws in this behalf.

Where permitted/ required by Applicable Law, the Board may provide Member/ Members of a class / Debenture-holders right to vote through e-voting, complying with Applicable Law.

Notwithstanding anything contained in the foregoing paragraphs, the Company shall transact such business, follow such procedure and ascertain the assent or descent of Members for a voting conducted by Postal Ballot, as may be prescribed by section 110 of the Act and rules made thereunder.

In case of Resolutions to be passed by Postal Ballot, no meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum.

#### **MANAGERIAL PERSONNEL**

#### **MANAGERIAL PERSONNEL**

- 126.** The Company shall duly observe the provisions of section 196 of the act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

#### **BOARD OF DIRECTORS**

#### **BOARD OF DIRECTORS**

- 127.**
- (a) The first Directors of the Company were:-
    - (i) Mrs. Shantaben Dharmsinh Desai
    - (ii) Dr. Narendra Dharmsinh Desai
    - (iii) Mr. Suresh Amarchand Shroff and
    - (iv) Mr. Kushal Narendra Desai
  - (b) Until otherwise determined by the Company in General meeting, the number of Directors shall not be less than three and more than fifteen. The appointment of Directors exceeding 15 will be subject to the provisions of Section 149 of the Act.

#### **APPOINTMENT OF SENIOR EXECUTIVES AS WHOLE-TIME DIRECTORS**

- 128.**
- (a) Within the overall limit prescribed under the Article for the number of Directors, the Board may appoint any senior Executive of the Company as a Whole Time Director of the

Company for such period and upon such terms and conditions as the Board may decide. The senior Executive so appointed shall be, governed by the following provisions:

- (i) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constitute a breach in his appointment, as Whole Time Director.
  - (ii) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.
  - (iii) He shall cease to be a Director of the Company on the happening of any event specified in section 164 and 167 of the Act. He shall cease to be a Director of the Company, if for any, reason whatsoever, he ceases to hold the position of senior Executive in the Company or ceases to be in the employment of the Company.
  - (iv) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board, shall exercise, such powers and authorities subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.
  - (v) His remuneration shall be fixed by the Board and shall be subject to the approval of the Company in general meeting and of the central government as may be required under the provisions of the Act.
- (b) Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole-time Directors.

#### **DEBENTURE DIRECTOR**

**129.** Any Trust Deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of Debentures or debenture-stocks from time to time, to remove and reappoint any Directors so appointed. The Director/s so appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

#### **130. NOMINEE DIRECTOR**

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), the Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or any other Financing Company or Body is hereinafter in this Article referred to as "the corporation") continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the corporation on behalf of the Company remains outstanding, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole-time non whole-time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the corporation or so long as the corporation holds debentures in the Company as a result of a direct subscription or private placement or so long as the corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of the any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the corporation is paid off or on the corporation ceasing to hold debentures/ shares in the Company or on satisfaction of the liability of the Company arising out of any guarantee furnished by the corporation.

The Nominee Director/s so appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the Meetings of the committee of which the Nominee Director/s is/are member/s. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the corporation and same shall accordingly be paid by the Company directly to the corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment or Directorship, shall be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fee in relation such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the fees relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole-time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.

### **SPECIAL DIRECTOR**

**131.**

- (a) In connection with any collaboration arrangement with any Company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorize such Company, corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time, any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangement or at any time thereafter.
- (b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such Company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

- (c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as a Director(s) and so that if more than one collaborator is so entitled there may at any time be as many Special Directors as the collaborators eligible to make the appointment.

### **132. Investor Director**

- (a) The Board shall at all times be constituted in accordance with all corporate governance norms, including the provisions of the listing agreements between the Company and the exchanges on which the Equity Shares of the Company are listed. The Investor shall be entitled to appoint and maintain in office one Director ("Investor Director"). All appointments or removal of the Investor Director shall be in writing and delivered to the registered office of the Company. To the extent permissible by Law, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal under this Article 132 shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If the Law does not permit the person nominated by the Investor to be appointed as a Director merely by such nomination, the Company shall ensure that the Board forthwith at the next Board meeting appoints such person as a Director and further that, unless the Investor changes or withdraws such nomination, such person is also elected as a Director at the next annual general meeting of the shareholders of the Company. The Investor Director shall serve from the time of his appointment until the earlier of his removal, resignation, death, disqualification or retirement.
- (b) The Investor Director shall be a non-executive Director and shall have no responsibility for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Law. The Company shall nominate Directors or persons other than the Investor Director as "persons in charge" as contemplated under applicable Laws and shall ensure that the Investor Director is not included within the scope of "officer who is in default" under applicable Laws and the Company shall at all times appoint a compliance officer or a designated officer(s) of the Company who shall be the officer in default for the purposes of applicable Law. In the event that any notice or proceedings have been filed against the Investor Director by reason of him/ them being included within the scope of "officer(s) who is in default", the Company shall take all necessary steps to ensure that name of the Investor Director is / are excluded / deleted and the charges / proceedings against the Investor Director is withdrawn and shall also take all steps to defend the Investor Director against such proceedings and shall pay all costs, damages, fines, levies etc. that may be levied against the Investor Director. The Investor Director shall not be liable to retire by rotation;
- (c) Without prejudice to the above and subject to applicable Laws, the Company shall exercise all powers and rights available to it so as to fix the number of Directors in accordance with this Article 132 and to ensure that the person nominated by the Investor is expeditiously appointed or removed (as the Investor may specify) as a Director and the appointments and removals referred to in this Article 132 result in the persons nominated / appointed or removed becoming or ceasing to be Directors of the Company.
- (d) The Investor shall be entitled to from time to time nominate a person to be appointed as the alternate director to the Investor Director; and the Company, and Promoters subject to the applicable laws, shall exercise all its rights and powers and take all requisite actions to ensure that such person is appointed forthwith as the Investor Director's alternate director.
- (e) Subject to the relevant provisions of the Act, the provisions of these Articles and the policies and guidelines framed by the Company in this regard, the Company shall, pay the Investor Director (and the alternate director to the Investor Director, if applicable) all reasonable out of pocket expenses (including international air fares and boarding and lodging expenses) incurred in order to attend Board and committee meetings of the Company or otherwise perform their duties and functions as a Director of the Company or member of any committee of the Board.

### **INDEPENDENT DIRECTOR**

- 133.** The Board shall, at all times, comprise of such number of independent non-executive Directors ("**Independent Directors**") in compliance with the provisions of the Act and relevant Listing

Regulations, who shall have appropriate experience and qualifications to hold a position of this nature on the board of a company such as the Company.

#### **LIMIT ON NUMBER OF NON-RETIRING DIRECTORS**

134. Subject to the provisions of section 152 of the Act and these Articles, the number of Directors appointed under Article 126, 127 and 128 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

#### **APPOINTMENT OF ALTERNATE DIRECTOR**

135. Subject to the provisions of Section 161 of the Act, the Board may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held. An alternate Director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate if and when the original Director returns to the state in which meetings of the Board are ordinarily held.

#### **APPOINTMENT OF ADDITIONAL DIRECTOR**

136. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional director on the Board.. Any director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for reappointment.

#### **APPOINTMENT OF DIRECTOR TO FILL THE CASUAL VACANCY**

137. Subject to the provisions of section 161 of the Act, the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

#### **INDIVIDUAL RESOLUTION FOR DIRECTORS APPOINTMENT**

138. At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this article shall be void whether or not objection was taken at the time of its being so moved. Provided that were a resolution so moved is passed, no provision for the automotive re-appointment of retiring director by virtue of these articles and the act in default of another appointment shall apply.

#### **QUALIFICATION OF DIRECTOR**

139. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

#### **REMUNERATION OF DIRECTORS**

- 140.
- (a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.
  - (b) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:
    - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government, or
    - (ii) by way of commission, with the approval of the Company in General Meeting
  - (c) Every Director shall be paid such amount of remuneration by way of a fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time,

as may be determined by the Board for each meeting of the Board or committee thereof attended by him.

#### **TRAVELLING AND OTHER EXPENSES**

141. A Director is entitled for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for traveling, boarding and lodging and incidental and/or actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meetings to and from the place at which the meetings of the Board or Committees thereof of the Company are held from time to time or any other place at which the Directors executes his duties.

#### **REMUNERATION FOR EXTRA SERVICES**

142. If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to the provisions of the Act, remunerate such Director either by fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under section 197 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

#### **INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION**

143. Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or Whole time Director or Executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions is contained in these Articles or in any agreement entered into by the Company or in any resolutions passed by the Company in General Meeting or by the Board of Directors shall be subject to the provisions of Sections 196, 197 and 198, of the Act and in accordance with the conditions specified in paragraphs I and II of Schedule V and subject to the provisions of part III of that Schedule and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government from time to time and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

#### **DIRECTORS NOT TO ACT WHEN NUMBER FALLS BELOW MINIMUM**

144. When the number of Directors in the office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum, they may so act notwithstanding the absence of the necessary quorum.

#### **ELIGIBILITY**

145. A person shall not be capable of being appointed as a Director, if he has the disqualifications referred to in Section 164 of the Act.

#### **DIRECTORS VACATING OFFICE**

146. Subject to the provisions of Section 167 of the Act,
- (a) The office of a Director shall become vacant if –
    - (1) He incurs any of the disqualification specified in Section 164 of the Act, as enumerated below :
      - (a) he is of unsound mind and stands so declared by a competent court;
      - (b) he is an undischarged insolvent;
      - (c) he has applied to be adjudicated as an insolvent and his application is pending;
      - (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:



**Provided** that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

- (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- (h) he has not complied with sub-section (3) of section 152.

**147.** The office of a director shall become vacant in case—

- (a) he incurs any of the disqualifications specified in section 164;
- (b) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:  
**Provided** that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- (g) he is removed in pursuance of the provisions of this Act;
- (h) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

Notwithstanding anything in sub-clause (d), (e) and (g) of clause (147) above, the disqualifications referred to in these sub-clauses shall not take effect:

- (i) for 30 days from the date of conviction or order of disqualification ;
- (ii) when an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed off; or
- (iii) where any further appeal or petition is preferred against order or sentence within seven days until such further appeal or petition is disposed off.

## **REMOVAL OF DIRECTORS**

**148.**

- (a) The Company may (subject to the provisions of section 169 and other applicable provisions of the Act and these Articles) remove any director other than ex-officio directors or special directors or debenture directors or a nominee director or a director appointed by the Tribunal in pursuance of section 242 of the Act, before the expiry of his period of office.
- (b) Special notice as provided by section 115 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (c) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (d) Whether notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the

Company, the Company shall unless the representations are received by it too late for it to do so,

- (i) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and
  - (ii) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company), and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting, provided that copies of the representations need not be sent or read out at the meeting if so directed by the court.
- (e) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Section 161 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under clause (e) above, it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 161 of the Act, and all the provisions of that section shall apply accordingly:

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

- (g) Nothing contained in this Article shall be taken.
- (i) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director; or
  - (ii) as derogating from any power to remove a Director which may exist apart from this Article.

#### **DIRECTORS MAY CONTRACT WITH COMPANY**

- 149.** Subject to the restrictions imposed by these Articles and by Sections 179, 181, 185, 188, 184, 186 and any other provisions of the Act, no Director, Managing Director, or other officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Jt. Managing Director, Executive Director, other officer or employee shall be in any way interested, be avoided, not shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 184 of the Act where that section be applicable.

#### **DISCLOSURE OF DIRECTORS' INTEREST**

- 150.** (1) Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed.
- (2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

- (a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,

shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

**Provided** that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- (3) A contract or arrangement entered into by the company without disclosure under subsection (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.
- (4) Nothing in this section—
  - (a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;
  - (b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in the other company.
- (5) It shall be the duty of the director giving notice of interest to cause it to be disclosed at the meeting held immediately after the date of the notice.
- (6) All notices shall be kept at the registered office and such notices shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose.

#### **BOARD RESOLUTION NECESSARY FOR CERTAIN CONTRACTS**

**151.** Subject to the provisions of Section 188 of the Act,

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed, the company shall enter into any contract or arrangement with a related party with respect to—

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company:

**Provided** that whenever applicable, the aforesaid contracts or arrangement as the case may be, shall take place with the consent of the shareholders as per the provisions contained in the Act.

**Provided further** that no member of the company shall vote on such special resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party:

**Provided also** that nothing in this Article shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

## **LOANS TO DIRECTORS ETC.**

- 152.** Save as otherwise provided in this Act, the company shall not, directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person:

**Provided** that nothing contained in this Article shall apply to—

- (a) the giving of any loan to a managing or whole-time director—
  - (i) as a part of the conditions of service extended by the company to all its employees; or
  - (ii) pursuant to any scheme approved by the members by a special resolution; or
- (b) any loan made by the Company to its wholly owned subsidiary company or any guarantee given or security provided by the Company in respect of any loan made to its wholly owned subsidiary company; or
- (c) any guarantee given or security provided by the Company in respect of loan made by any bank or financial institution to its subsidiary company;  
Provided that the loans made under clauses (b) and (c) are utilized by the subsidiary company for its principal business activities.

For the purposes of this Article the expression "to any other person in whom director is interested" means—

- (a) any director of the lending company, or of a company which is its holding company or any partner or relative of any such director;
- (b) any firm in which any such director or relative is a partner;
- (c) any private company of which any such director is a director or member;
- (d) any body corporate at a general meeting of which not less than twenty-five per cent of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or
- (e) any body corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.

## **INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE IN BOARD'S PROCEEDINGS**

- 153.** No Director of the Company shall as a Director take any part in the discussion of or vote on any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement nor shall his presence count or the purpose of forming a quorum at the time of any such discussion or vote and if he does vote it shall be void; PROVIDED that the Board of Directors or any of its number may vote on any contract of indemnity against any loss which it or anyone of or more of its number may suffer by reason of becoming or being sureties or surety for the Company. Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into with a public Company or a private Company which is a subsidiary of a public Company in which the interest of the Director aforesaid consists solely

- (i) in his being a Director of such Company and the holder of not more than shares of such number or value therein as is requisite to qualify him for the appointment as a Director thereof, he having been nominated as such Director by the Company.
- (ii) in his being a member holding not more than two percent of its paid up share capital.

This Article is subject to the provisions of section 184 of the Act.

## **REGISTER OF CONTRACTS IN WHICH DIRECTORS ARE INTERESTED**

- 154.** (1) The company shall keep one or more registers giving separately the particulars of all contracts or arrangements to which sub-section (2) of section 184 or section 188 applies, in such manner and containing such particulars as may be prescribed and after entering

the particulars, such register or registers shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.

- (2) Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in the other associations which are required to be included in the register under that sub-section or such other information relating to himself as may be prescribed.
- (3) The register referred to in clause (1) shall be kept at the registered office of the company and it shall be open for inspection at such office during business hours and extracts may be taken therefrom, and copies thereof as may be required by any member of the company shall be furnished by the company to such extent, in such manner, and on payment of such fees as may be prescribed.
- (4) The register to be kept under this Article shall also be produced at the commencement of every annual general meeting of the company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
- (5) Nothing contained in clause (1) shall apply to any contract or arrangement—  
for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed five lakh rupees in the aggregate in any year; or

### **ROTATION AND APPOINTMENT OF DIRECTORS**

#### **DIRECTOR MAY BE DIRECTORS OF COMPANIES PROMOTED BY THE COMPANY**

- 155.** Subject to these Articles, a Director may be or become a Director of any Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197 or Section 188 of the Act may be applicable.

Not less than two thirds of the total number of Directors shall:

- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

#### **ASCERTAINMENT OF DIRECTORS RETIRING BY ROTATION AND FILLING UP VACANCY**

**156.**

- (a) At every annual general meeting one-third of such directors for the time being as are liable to retire by rotation, or if their number is not three or multiple of three, then the number nearer to one-third, shall retire from office.

The Debenture Directors, Corporation Directors, Special Directors, and subject to Article 155, Managing Director or whole time Director if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a 'Retiring Director' means a Director retiring by rotation.

- (b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot. A Retiring Director shall be eligible for re-election.
- (c) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

- (d)
  - (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
  - (ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that the meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless
    - (1) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
    - (2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
    - (3) he is not qualified or is disqualified for appointment;
    - (4) a resolution whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act; or

**RIGHTS OF PERSONS OTHER THAN RETIRING DIRECTORS TO STAND FOR DIRECTORSHIP**

**157.**

- (a) A person who is not a retiring Director shall in accordance with Section 160 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of director or the intention of such member or members to propose him as a candidate for that office as the case may be along with a deposit of Rs. 1,00,000/- which shall be refunded to such person or as the case may be to such member, if the person succeeds in getting elected as the director.
- (b) The Company shall inform its members of the candidature of a person for the office of director or the intention of a member (s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 160 of the Act.

**CONSENT OF CANDIDATES FOR DIRECTORSHIP TO BE FILED WITH THE REGISTRAR**

- 158.** Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of section 152 of the Act in so far as they may be applicable.

**COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS OR REMOVE DIRECTOR.**

- 159.** Subject to the provisions of Sections 151, 152 and 149 of the Act, and these Articles the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors and may prescribe or alter qualifications.

**APPOINTMENT OF DIRECTORS TO BE VOTED INDIVIDUALLY**

**160.**

- (1) No motion at any general meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be made, has been first agreed to by the meeting without any vote being given against it.

- (2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided that for the automatic re-appointment of retiring Director in default of another appointment as hereinbefore provided shall apply.
- (3) For the purpose of this article, a motion for approving a person's appointment, or for nominating person for appointment, shall be treated as a motion for his appointment.

#### **NOTICE OF CANDIDATURE FOR OFFICE OF DIRECTORS EXCEPT IN CERTAIN CASES**

**161.**

- (1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other member intending to propose him has, at least fourteen days before the meeting, left at the office of the company a notice in writing under his hand signifying his candidature for the office of a Director or the intention of such member to propose him as a Director for office as the case may be along with a deposit of Rupees 1,00,000 which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director.
- (2) The Company shall inform its members of the candidature of the person for the office of Director or the intention of a member to propose such person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting. Provided that it shall not be necessary for the Company to serve individual notices on the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered office of the Company is located, of which one is published in the English language and the other in the regional language of that place.
- (3) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director if appointed.
- (4) A person, other than
  - (a) a Director, re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
  - (b) an additional or alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

#### **REGISTER OF DIRECTORS AND NOTIFICATION OF CHANGE TO REGISTRAR**

**162.**

- (1) The Company shall keep at its Registered office a Register containing the particulars of its Directors and other persons mentioned in Section 170 of the Act and shall send to the Registrar a Return containing the particulars specified in such Register and shall otherwise comply with the provisions of the said Section in all respects.

#### **REGISTER OF DIRECTORS' SHARE HOLDING**

- (2) The Company shall keep at its Registered office a Register showing as respects each Director of the Company the number, description, and amount of any shares in or debentures of the Company or any other body corporate being the Company's subsidiary or holding Company or a subsidiary of the Company's holding Company which are held by him or in trust for him or of which he has any right to become the holder whether on

payment or not, as required by Section 170 of the Act. Such Register shall be kept open for inspection by any member or debenture holder of the Company as required by Section 171 of the Act.

#### **DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE**

163. Every Director (including a person deemed to be a Director of the Company by virtue of the explanation to Section 170 of the Act), Managing Director, Manager or Secretary of the Company who is appointed to or relinquishes office of Director, Managing Director, Manager or Secretary of any other body corporate shall within thirty days of his appointment to, or as the case may be, relinquishment of such office, disclose to the Company the particulars relating to the office in the other body corporate which are required to be specified under Section 170 of the Act.

#### **DISCLOSURE BY DIRECTORS OF THEIR HOLDINGS OF SHARES AND DEBENTURES OF THE COMPANY**

164. Every director and every person deemed to be director of the Company by virtue of section 170 of the act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

### **PROCEEDINGS OF DIRECTORS**

#### **MEETING OF DIRECTORS**

165. The meetings of the Board shall be held at the registered office or corporate office (at Mumbai) of the Company (unless agreed otherwise) at least once in three months and at least four such meetings shall be held every year. Any Director shall be entitled to convene a meeting of the Board in accordance with the articles of association of the Company.

#### **WHEN MEETING TO BE CONVENED**

166. Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

#### **DIRECTORS ENTITLED TO NOTICE**

167. The notice of every Board meeting shall be given to each Director at the address notified from time to time by such Director, at least 7 (seven) Business Days prior to such meeting, provided that, the notice period of 7 (seven) Business Days may be shortened by written consents of all the Directors (including the Investor Director).
168. Save where agreed upon otherwise in writing by the Directors including the Investor Director, each notice notifying of a Board meeting shall be accompanied with an agenda of the meeting specifying in reasonable details the matters to be discussed at the relevant meeting accompanied by the relevant papers for discussion shall be given to each Director and no decision shall be taken and/or any resolution passed on any matter that has not been included in the agenda, provided however that any routine and operational matters may be taken up at a meeting of the Board with permission of the chairman of the relevant Board meeting. Any notice sent to an address outside India shall be sent by courier and by electronic message.

#### **APPOINTMENT OF CHAIRMAN**

169. (a) The Directors may elect a Chairman of their meeting and determine a period for which he is to hold office. If at any meeting of the Board of Directors of the Company, the Chairman is not present within thirty minutes of the time appointed for holding the same, or is unwilling to preside, the Directors present at such meeting may elect one of the Directors present at such meeting to be Chairman of such a meeting.
- (b) The Chairman of the Board meeting or the Shareholders' meeting of the Company shall, other than with respect to any Reserved Matters, have a second or casting vote in the event of an equality of votes at such Board meetings or Shareholder meetings of the Company.



## QUORUM AT BOARD MEETING

170. The quorum at a Board meeting shall be 2 (two) Directors or one-third of its total strength, whichever is higher, provided that for any Board meeting for which the agenda contains a Reserved Matter, the said Reserved Matter shall not be put to vote at the relevant meeting of the Board without the presence of the Investor Director and such agenda matter shall be taken up at the next Board meeting or at an adjourned Board meeting. If within 30 (thirty) minutes of the time appointed for holding any Board meeting, the required quorum is not present, then the Directors present at such meeting shall resolve to adjourn the meeting to a specified place, at the same day and time in the week following the week of the adjourned meeting. If at such adjourned meeting also the required quorum is not present within half an hour from the time appointed for holding the meeting, then at such adjourned meeting any two or more Directors present shall validly constitute the quorum provided that no agenda items which were not specifically set out on the agenda for the meeting, which was adjourned, may be considered at the adjourned meeting. It is clarified that if a Reserved Matter was part of the original meeting, at an adjourned meeting, such Reserved Matter shall be capable of being resolved by a majority of Directors present and voting, provided that if the Investor Director is present, such resolutions on a Reserved Matter shall require the affirmative vote of the Investor Director.

## QUESTIONS AT BOARD MEETINGS HOW TO BE DECIDED

171. Subject to Article 173, questions arising at meeting of the Board of Directors or a committee thereof shall be decided by a majority of votes. PROVIDED that in the event of equality of votes, the chairman shall have a casting vote other than in respect of Reserved Matters.

## 172. COMMITTEES

The Investor shall be entitled to require the appointment of the Investor Director on the following committees constituted by the Board:

- (i) Compensation committee;
- (ii) the audit committee; and
- (iii) the committee constituted for the appointment of the chief executive officer of and chief financial officer of the Company.

## RESERVED MATTERS

173. (a) No action or resolutions of the Company (whether at a Board meeting or a meeting of the Shareholders) shall be taken or passed with respect to any of the matters listed below ("**Reserved Matters**") without the prior written consent of the Investor. Subject to Article 170, it is further agreed that no Reserved Matters shall be put to vote at a meeting of the Shareholders unless it has been approved by a duly constituted meeting of the Board and the Investor has granted its written consent to the passing of a resolution with respect to such Reserved Matter at a meeting of the Board.
1. Any issuance of or alteration in the share capital, whether by way of issue of Equity Shares, Securities, rights, options, bonus, warrants to purchase capital stock (or other convertible securities), buy-back, reduction of capital or otherwise other than any issuance of Equity Shares or other Securities pursuant to the proposed merger of Uniflex and Marine Cables with the Company;
  2. Any material modification of the scheme filed with the Board of Industrial & Financial Reconstruction in connection with the proposed merger of Uniflex and Marine Cables with the Company;
  3. Incurrence of debt (including issuance of preference shares not convertible into Equity) by the Company if the long term debt equity ratio is exceeding 0.75:1 in the aggregate and the establishment of any mortgage, pledge or lien over any assets of the Company, where for the purposes of this Article 173(a)(3), the term "debt" shall mean all secured and unsecured loans payable after twelve months and shall not include all types of working capital loans and the term "equity" shall mean all forms of equity infusions and all types of reserves;

4. Incurrence of any working capital facility if the total working capital to net sales ratio is exceeding 1:1 (net working capital as defined in current assets-current liabilities);
  5. Any merger demerger, arrangement, consolidation, initial public offer, follow-on public offer, acquisition or the sale, lease or other disposal of all or substantially all of Company's assets.
  6. Any joint venture involving equity participation or provision of debt or guarantee by the Company or contingent liability arising out of the matters not in the Ordinary Course of Business of the Company;
  7. Any banking or debt transaction involving any affiliate of one of the Company's shareholders;
  8. Liquidation, dissolution or winding up of the Company;
  9. Any change to either the memorandum of association or the articles of association of the Company;
  10. Any material change in the Business of the Company;
  11. Approval of the Annual Business Plan and the annual budget;
  12. The establishment or incorporation of any new Subsidiary or Affiliate;
  13. Any transaction or series of transactions of similar kind in a year, exceeding USD 5,000,000 (United States Dollars Five Million only) involving expenditure on premises, plant, equipment, Research & Development and/or any other capital expenditure except as agreed in the Annual Business Plan;
  14. Any transaction above USD 1,000,000 (United States Dollars One Million only) per transaction or above USD 5,000,000 (United States Dollars Five Million only) per annum in the aggregate with any officer, Director, shareholder or other interested party, or any other party related, directly or indirectly, to any of them;
  15. The constitution of, and/or any delegation to, any committee of the Board of the Company;
  16. Appointment of the CEO and CFO by a committee of the Board comprising of the Investor Director, an Independent Director and a director nominated by the Promoters;
  17. Any change of auditors of the Company.
- (b) A decision to be taken by the Board may be taken by way of a circular written resolution of the Board in lieu of a physical Board meeting, provided that where such resolution relates to a Reserved Matter, the prior written consent of the Investor shall be required.

**BOARD MAY APPOINT CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR / CHIEF FINANCIAL OFFICER / COMPANY SECRETARY**

**174.**

- (a) The Company shall have a Whole-time Chief Executive Officer ("CEO") (whether called Managing Director or by any other designation), Chief Financial Officer (CFO) and Company Secretary (CS).
- (b) Subject to the provisions of Article 181 and the superintendence of the Board, the CEO shall have the management of the affairs of the Company. The remuneration of the CEO shall be such as may be determined by the Board from time to time and may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act.
- (c) Any CEO so appointed shall not be required to hold any qualification shares and shall not be liable to retire at any General meeting of the Company.

- (d) Subject to the provisions of Section 196,197,198 & 203 of the Act and also subject to the limitations, conditions and provisions of Schedule V to the Act, the appointment and payment of remuneration to the above Director (if appointed as Managing Director and/or Whole-time Director) shall be subject to approval of the members in general meeting and of the Central Government if required. The Managing Director or CEO, if he is a director may also be appointed by the Board as the Chairman of the Company.
- (e) Subject to the superintendence, control and direction of the Board the day to day management of the Company shall be in the hands of the CEO (if appointed as Managing Director and/or Whole-time Director), if any, with Power to the Board to distribute such day to day management functions in any manner as deemed fit by the Board subject to the provisions of the Act and these Articles.

#### **RESTRICTIONS ON POWERS OF CHIEF EXECUTIVE OFFICER**

- 175.** The CEO shall not exercise the powers to:
- (a) make calls on shareholders in respect of money unpaid on the shares in the Company;
  - (b) issue debentures; and except to the extent mentioned in the resolution passed at the Board Meeting under Section 179 of the Act, shall also not exercise the powers to;
  - (c) borrow moneys, otherwise than on debenture;
  - (d) invest the funds of the Company; and
  - (e) make loans, give credits, or sign credit notes exceeding an amount fixed by the Board from time to time.

#### **MEETING OF COMMITTEE, HOW TO BE GOVERNED**

- 176.** The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

#### **RESOLUTION BY CIRCULAR**

- 177.** No Resolution by circular shall be deemed to have been duly passed by the Board or by a committee thereof by circulation unless such Resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the committee at the respective addresses registered with the Company and has been approved by the majority of the Directors or members of the committee or by a majority of such of them as are entitled to vote on the Resolution.

#### **DIRECTORS MAY APPOINT COMMITTEES**

- 178.** Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of their powers to committees of the Board consisting of two or more members of its body as it thinks fit and the Board may from time to time, revoke and discharge such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment but not otherwise, shall have the like force and effect as if done by the Board.

#### **LIMIT OF DIRECTORS NUMBERS**

- 179.** Subject to the provisions of Sections 151, 152 and 149 of the Act the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.

#### **ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING DEFECT OF APPOINTMENT**

- 180.** All acts done by any meeting of the Directors or by a committee of Directors, or by any person

acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in the Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.

## **POWERS OF DIRECTORS**

### **CERTAIN POWERS TO BE EXERCISED BY THE BOARD**

**181.** Subject to the provisions of Section 179 of the Act,

Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meeting of the Board

- (1) The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely:—
- (a) to make calls on shareholders in respect of money unpaid on their shares;
  - (b) to authorise buy-back of securities under section 68;
  - (c) to issue securities, including debentures, whether in or outside India;
  - (d) to borrow monies;
  - (e) to invest the funds of the company;
  - (f) to grant loans or give guarantee or provide security in respect of loans;
  - (g) to approve financial statement and the Board's report;
  - (h) to diversify the business of the company;
  - (i) to approve amalgamation, merger or reconstruction;
  - (j) to take over a company or acquire a controlling or substantial stake in another company;
  - (k) any other matter which may be prescribed:

**Provided** that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

*Explanation II.*—In respect of dealings between a company and its bankers, the exercise by the company of the power specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day-to-day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

### **RESTRICTION ON POWERS OF BOARD**

**182.** Subject to the provisions of Section 180 of the Act,

- (1) The Board of Directors of the Company shall exercise the following powers only with the consent of the company by a special resolution, namely:—
- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

*Explanation.*—For the purposes of this clause,—

- (i) "undertaking" shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year;

- (ii) the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year;
- (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business:

**Provided** that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.

*Explanation.*—For the purposes of this clause, the expression "temporary loans" means loans repayable on demand or within six months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature;

- (d) to remit, or give time for the repayment of, any debt due from a director.
- (2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.
  - (3) Nothing contained in clause (a) of sub-article (1) shall affect—
    - (a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or
    - (b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.
  - (4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-article (1) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

**Provided** that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

- (5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-article (1) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

#### **GENERAL POWERS OF THE COMPANY VESTED IN DIRECTORS**

- 183.** Subject to the provisions of the Act and the other provisions of these Articles, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such power and do all such acts and things as the Company by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other act and of Memorandum of Association and these articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

#### **SPECIFIC POWERS GIVEN TO DIRECTORS**

- 184.** Without prejudice to the general powers conferred by Article 183 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers:-

#### **TO PAY REGISTRATION EXPENSES**

- (i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;
- (ii) To pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of the Act;

#### **TO ACQUIRE PROPERTY**

- (iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;

#### **TO PURCHASE LANDS, BUILDINGS, ETC.**

- (iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;

#### **TO CONSTRUCT BUILDINGS**

- (v) To erect, construct, enlarge, improve, alter, maintain, pull down rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;

#### **TO MORTGAGE / CHARGE PROPERTY**

- (vi) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;

#### **TO PAY FOR PROPERTY ETC.**

- (vii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially, in cash or in shares, bonds, debentures, debenture-stock or other securities of the Company and any such shares stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

#### **TO INSURE**

- (viii) To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building machinery, goods, stores, produce and other movable property of the Company either separately or co-jointly: also to insure all or any portion of the goods produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;

#### **TO OPEN ACCOUNTS**

- (ix) Subject to Section 179 of the Act, to open accounts with any bank or bankers or with any

Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;

**TO SECURE CONTRACTS**

- (x) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;

**TO ATTACH TO SHARES SUCH CONDITIONS**

- (xi) To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;

**TO ACCEPT SURRENDER OF SHARES**

- (xii) To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;

**TO APPOINT ATTORNEY**

- (xiii) To appoint any person or persons (whether incorporated or not), to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

**TO BRING AND DEFEND ACTIONS**

- (xiv) 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 subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;

**TO REFER TO ARBITRATION**

- (xv) To refer, subject to the provisions of Section 180 & 181 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;

**TO ACT ON INSOLVENCY MATTERS**

- (xvi) To act on behalf of the Company in all matters relating to bankrupts and insolvents;

**TO GIVE RECEIPTS**

- (xvii) To make and give receipts releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 180 of the Act;

**TO AUTHORISE ACCEPTANCES**

- (xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend/interest warrants, release, contracts and documents on the . Company's behalf;

**TO INVEST MONEYS**

- (xix) Subject to the provisions of Section 179, 180, 181, and 186 of the Act, to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;

#### **TO PROVIDE FOR PERSONAL LIABILITIES**

- (xx) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

#### **TO GIVE TO DIRECTORS ETC. AN INTEREST IN BUSINESS**

- (xxi) Subject to such sanction as may be necessary under the Act or the articles, to give to any Director, officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.

#### **TO PROVIDE FOR WELFARE OF EMPLOYEES**

- (xxii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;

#### **TO SUBSCRIBE TO CHARITABLE AND OTHER FUNDS**

- (xxiii) To subscribe, or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious scientific, national public or any other useful institutions, object or purposes for any exhibition;

#### **TO MAINTAIN PENSION FUNDS**

- (xxiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows families and dependants of any such persons and, also to establish and subsidise and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the Interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid either alone or in conjunction with any such other Company as aforesaid;
- (xxv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.

#### **TO CREATE RESERVE FUND**

- (xxvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such



investments (subject to the restrictions imposed by Section 179 and 181 and other provisions of the Act) as the directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation fund, in the business of the Company or in repayment or redemption of redeemable preference shares, debentures or debenture-stock and that without being bound to keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.

#### **TO APPOINT OFFICERS ETC.**

(xxvii) The Board shall have specific power to appoint officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amount as the Board may think fit and to remove or suspend any such officers, clerks and servants.

#### **TO AUTHORISE BY POWER OF ATTORNEY**

(xxviii) At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.

#### **TO AUTHORISE, DELEGATE**

(xxix) Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of sub-delegation) any Director, officer or officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the powers authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any as the Directors may think proper.

#### **TO NEGOTIATE**

(xxx) To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to 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 of the matters aforesaid or otherwise for the purposes of the Company.

From time to time to make, vary any legal bye-laws for the regulation of the business of the Company, its officers and servants.

#### **THE SECRETARY**

#### **SECRETARY**

**185.** Subject to the provisions of Section 203 of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called the Secretary) who shall have

such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Directors. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

### **SEAL**

#### **THE SEAL, ITS CUSTODY AND USE**

**186.**

- (a) The Directors shall provide a Common Seal, if any, for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the seal, if required, be used by or under the authority of the Directors or a committee of the Directors previously given, and in the presence of one Director at the least, who shall sign every instrument to which the Seal is so affixed in his presence.

Provided that in case the company does not have a common seal, the authorization under this sub-article shall be made by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary.

- (b) The Company shall also be at liberty to have an official seal for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.

### **INTEREST OUT OF CAPITAL**

#### **INTEREST MAY BE PAID OUT OF CAPITAL**

- 187.** Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work for or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided under the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.

### **DIVIDENDS**

#### **DIVIDENDS OUT OF PROFITS ONLY**

- 188.** Subject to the provisions of Section 123, 124 and 125 of the Act,

- (i) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of the act or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a guarantee given by the Government; provided that the Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the Reserves of the Company. PROVIDED HOWEVER whether owing to inadequacy or absence of profits in any year, the company proposes to declare out of the accumulated profits earned by the company in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be made by the Central Government in this behalf, and whether any such declaration is not in accordance with such rules, such declaration shall not be made except with the previous approval of the Central Government. Provided also that no dividend shall be declared or paid by the Company from its reserves other than free reserves. Provided also that the company shall not declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the Company for the current year.

- (ii) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.

#### **INTERIM DIVIDEND**

189. The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared in accordance with the provisions of the Act:

#### **DEBTS MAY BE DEDUCTED**

190. The Directors may retain any dividends on which the company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

#### **CAPITAL PAID UP IN ADVANCE AND INTEREST NOT TO EARN DIVIDEND**

191. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to dividend or to participate in profits.

#### **DIVIDENDS IN PROPORTION TO AMOUNT PAID-UP**

192. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued in terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

#### **RIGHT TO DIVIDEND, RIGHT SHARES AND BONUS SHARES TO BE HELD IN ABEYANCE PENDING REGISTRATION OF TRANSFER OF SHARES**

193. Where any instrument of transfer of shares has been delivered to any company for registration and the transfer of such shares has not been registered by the company, it shall, notwithstanding anything contained in any other provision of this Act, shall
- (a) transfer the dividend in relation to such shares to the special account referred to in section 124 unless the company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and.
  - (b) Keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 62 and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 63.

#### **NO MEMBER TO RECEIVE DIVIDEND WHILST INDEBTED TO THE COMPANY AND THE COMPANY'S RIGHT TO REIMBURSEMENT THEREOF**

194. No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the company.

#### **EFFECT OF TRANSFER OF SHARES**

195. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

#### **DIVIDEND HOW REMITTED**

196. The dividend payable in cash may be paid by cheque or warrant sent through post direct to the registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders which is first named on the register of members or to such person and to such address as the holder or the joint holder may in writing direct. The company shall not be liable or responsible for any cheque or warrant or pay-slip or receipt lost in transmission or for any dividend lost, to the member or person entitled thereto by forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

#### **MODE OF PAYMENT OF DIVIDEND, INTEREST ETC.**

197. The Company may pay dividend, interest or other moneys payable to the members/investors by a Cheque or Warrant sent to the Registered address or by electronic transfer of funds to the Bank Account of the members/investors entitled to the dividend, interest or other moneys or according to the order of such member/investor.

#### **NOTICE OF DIVIDEND**

198. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holder of share in the manner herein provided.

#### **UNPAID DIVIDEND OR DIVIDEND WARRANT POSTED**

- 199.
- (a) Where the company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called 'Unpaid Dividend Account of Apar Industries Limited" and transfer to the said Account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.
  - (b) Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education & Protection Fund established under Section 125 of the Act.

#### **NO INTEREST ON DIVIDENDS**

- (c) No unclaimed dividend shall be forfeited by the Board.

#### **DIVIDEND AND CALL TOGETHER**

200. Any General Meeting declaring as a dividend may on the recommendations of the Directors make a call on the Members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and members be set off against the calls.

#### **CAPITALISATION**

201. Subject to the provisions of Section 63 of the Act, any general meeting may resolve that any amount standing to the credit of Free Reserves, General Reserve, Profit & Loss, Capital Reserve, Share Premium Account or the Capital Redemption Reserve Account of the Company may be capitalised. Any such amount may be capitalised by the issue and distribution as fully paid bonus shares-to the members of the Company.

#### **ACCOUNTS**

##### **ACCOUNTS**

202. The provisions of Section 128 to 137 of the Act shall be complied with in so far as the same be applicable to the Company.

##### **BOOKS OF ACCOUNTS TO BE KEPT**

- 203.
- (a) The Company shall keep at its Registered office proper books of accounts as required by Section 128 of the Act with respect to:
    - (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place;
    - (ii) all sales and purchases of goods by the Company; and
    - (iii) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors so decide, the company shall, within seven days

of the decision file with the Registrar a notice in writing giving the full address of that other place.

- (b) If the company shall have a branch office, whether in or outside India, proper books of account relating to the transaction effected at that offices shall be kept at that office and proper summarised returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the company are kept.

**204.**

- (a) All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.
- (b) The books of account shall be open to inspection by any Director during business hours as provided by Section 128 of the Act. Provided that the inspection in respect of any subsidiary of the Company shall be done only by the person authorized in this behalf by the Resolution of the Board of Directors.
- (c) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

#### **INSPECTION BY MEMBERS**

- 205.** The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.

#### **STATEMENT OF ACCOUNTS TO BE FURNISHED TO GENERAL MEETING**

- 206.** The Board of Directors shall lay before each annual general meeting a profit and loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

#### **FINANCIAL STATEMENT**

**207.**

- (a) Subject to the provisions of Section 129 & 133 of the Act, every Financial statement of the company shall be in the forms set out in parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a Statement showing the bodies corporate (including separately the bodies corporate in the same group in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.
- (b) So long as the Company is a holding company having a subsidiary, the Company shall conform to section 129 and other applicable provisions of the Act.
- (c) If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

#### **AUTHENTICATION OF FINANCIAL STATEMENTS**

- 208.** Subject to the provisions of Section 134(1) of the Act,

- (a)
  - (i) Save as provided by item (ii) of this sub-clause the Financial Statement, including Consolidated Financial Statement (including Balance Sheet and Statement of Profit and Loss) of the Company shall be signed on behalf of the Board of Directors by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.

- (ii) When only one of the Directors of the Company is for the time being in India, the Financial Statement, including Consolidated Financial Statement (including Balance Sheet and Statement of Profit and Loss) shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Statement of Profit and Loss signed by him explaining the reason for non compliance with the provisions of the above item (i).
- (b) The Financial Statement, including Consolidated Financial Statement (including Balance Sheet and Statement of Profit and Loss) shall be approved by the Board of Directors before they are submitted to the auditors for report thereon.

**STATEMENT OF PROFIT & LOSS TO BE ANNEXED AND AUDITORS' REPORT TO BE ATTACHED TO THE BALANCE SHEET**

- 209.** The Statement of Profit and Loss shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.

**BOARD'S REPORT TO BE ATTACHED TO BALANCE SHEET**

- 210.** Subject to the provisions of Section 134 of the Act,
- (a) Every Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors which shall, inter alia, include information, particulars, details, explanation, statements etc. as required under the provisions of Section 134 of the Act. The Report will include the state of the Company's affairs; the amounts, if any, which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report and the conservation of energy, technology absorption, foreign exchange earnings and out-go in such manner as may be prescribed.
  - (b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the company has an interest.
  - (c) The Board shall also give the fullest information and explanations in its Report on every reservation, qualification or adverse remark contained in the Auditor's Report.
  - (d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not so authorised shall be signed by such member of Directors as are required to sign the Balance Sheet and the Statement of Profit and loss of the Company by virtue of sub-clause (a) and (b) of Article 208.
  - (e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (b) of this Article are complied with.
  - (f) Every Balance Sheet and Statement of Profit and loss of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and/or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

**RIGHT OF MEMBERS TO COPIES OF BALANCE SHEET AND AUDITOR'S REPORT**

- 211.** A copy of every balance sheet including the Statement of profit and loss and the auditors' report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet which is to be laid before the company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a

period of 21 days before the date of the meeting and will be sent to every member of the company and to every Trustees for the holders of any debentures issued by the company and to all persons being persons so entitled to receive copies of the documents aforesaid, not less than 21 days before the date of the meeting as laid down in' Section 136 of the Act. Provided that it shall not be necessary to send copies of the Documents aforesaid to :-

- (a) to a member or holder of the debentures of the Company who is not entitled to have the notice of general meeting of the company sent to him and of whose address the Company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

#### **COPY OF BALANCE SHEET ETC. TO BE FILED WITH REGISTRAR**

212. After the Balance Sheet and Statement of Profit and Loss have been laid before the Company at the annual general meeting, copy of the Balance Sheet and Statement of Profit and Loss duly signed as provided under Section 137 of the Act together with copy of all documents which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.

### **AUDIT**

#### **ACCOUNTS TO BE AUDITED**

213. a) The Company shall appoint Auditors and their appointment, removal rights and duties shall be made /regulated in accordance with Sections 139 to 148 of the Act.

#### **COST AUDIT**

- b) A Cost Auditor shall be appointed and his/their rights and duties regulated in accordance with the provision of Section 148 of the Act and the Rules made thereunder.

#### **SECRETARIAL AUDIT**

- c) Secretarial Auditor to be appointed and their rights and duties regulated in accordance with Section 204 of the Act and the Rules made there under.

#### **INTERNAL AUDIT**

- d) An Internal Auditor shall be appointed as required under the provisions of Section 138 of the Act.

### **DOCUMENTS AND NOTICES**

#### **SERVICE OF DOCUMENTS ON MEMBERS BY THE COMPANY**

214. (i) A document or notice may be served by the company on any member thereof either personally or by sending it by post or courier or electronic mode or registered post or speed post to him at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice to him.
- (ii) Where a document or notice is sent by post or courier:
- (a) Service thereof shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or the notice provided that where a member has intimated to the company in advance that documents should be sent to him by post or Registered Post with or without acknowledgement due or courier or speed post and has deposited with the company a sum of sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the members; and

- (b) Such service shall be deemed to have been effected;
  - (i) In the case of a notice of meeting at the expiration of forty eight hours after the letter containing the same is posted; and
  - (ii) In any other case, at the time at which the letter would be delivered in the ordinary course by post or courier or registered post or speed post.
  - (iii) A document or notice advertised in a newspaper circulating in the neighborhood of the Registered office of the company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the company who has no registered address in India and has not supplied to the company an address within India for giving of notices to him.
  - (iv) A document or notice may be served by the Company on the joint holders of a share by serving it to the joint holder named first in the Register in respect of the share.
  - (v) A document or notice may be served by the company on the persons entitled the share in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name, or by title of representatives of the deceased, or assignees of the insolvent.
  - (vi) The signature to any document or notice to be given by the company, may be written or printed or lithographed.

#### **TO WHOM DOCUMENTS MUST BE SERVED OR GIVEN**

- 215.** Document of notice of every general meeting shall be served or given in the same manner herein before authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the auditor or auditors for the time being of the company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighborhood of the registered office of the company under Article 96, a statement of material acts, referred to in Article 97 need not be annexed to the notice as is required by that articles, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

#### **MEMBERS BOUND BY DOCUMENTS OR NOTICE SERVED ON OR GIVEN TO PREVIOUS HOLDERS**

- 216.** Every person, who by operation of law, transfer or other means whatsoever, has become entitled to share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derived his title to such share.

#### **SERVICE OF DOCUMENTS ON COMPANY**

- 217.** A document may be served on the company or an officer thereof by sending it to the Company or office at the Registered Office of the Company by post or by Registered Post or courier or by leaving it at its Registered Office.

#### **SERVICE OF DOCUMENTS BY COMPANY ON THE REGISTRAR OF COMPANIES**

- 218.** A document may be served on the Registrar of Companies by sending it to his office by post or Registered Post with or without acknowledgement due or courier or speed post or by delivering it to or leaving it at his office.

### **REGISTERS AND DOCUMENTS**

#### **REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY**

- 219.** The company shall keep and maintain Registers, Books and documents as required by the Act or these Articles, including the following:



- (i) Register of Investment made by the company but not held in its own name, as required by Section 187 of the Act and shall keep it open for inspection by any members or debenture holder of the Company without charge.
- (ii) Register of Mortgages and Charges as required by Section 85 of the Act and copies of instruments creating any charge requiring registration according to Section 78 of the Act and shall keep open for inspection of any creditor or member of the company without fee and for inspection by any person on payment of such fees as may be prescribed under the Act for each inspection.
- (iii) Register and Index of Members as required by Section 88 of the Act and shall keep the same open for inspection of members and debentureholder without fee and of any other person on payment of such fees as may be prescribed under the Act for each inspection.
- (iv) Register and Index of Debenture Holders under Section 88 of the Act and keep it open for inspection by any member or debentureholder without fee and by any other person on payment of such fees as may be prescribed under the Act for each inspection.
- (v) Foreign Register if thought fit as required by Section 88 of the Act and it shall be open for inspection and may be closed and extracts may be taken therefrom and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal Register.
- (vi) Register of Contracts, and Companies and firms in which Directors are interested, as required, by section 189 of the Act and shall keep it open for inspection of any member free of charge in accordance with the provisions of the said section of the Act.
- (vii) Register of Directors, and secretary etc., as required by section 170 of the Act and shall keep it open for Inspection by any member of the Company without charge and of any other person on payment of such fees as may be prescribed under the Act for each inspection.
- (viii) Register as to holdings by Directors of shares and/or debentures in the Company as required by Section 170 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the company's Annual General Meeting and ending three days after the date of its conclusion.
- (ix) Register of Investments made by the Company in shares and debentures of the bodies corporate as required by section 186 of the Act.
- (x) Books recording minutes of all proceedings of General Meeting, and of all proceedings at meetings of its Board of Directors or of committees of the Board in accordance with the provisions of section 118 of the Act.
- (xi) Copies of Annual Returns prepared under section 92 of the Act together with the copies of certificate and documents required to be annexed thereto under Section 92 of the Act.
- (xii) Register of Loans as required by Section 186 of the Act.

#### **INSPECTION OF REGISTERS**

- 220.** The Registers mentioned in clause (ix) and (xii) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom and copies thereof may be required by any member of the company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company, as provided for in clause (iii) of the said Article. Copies of entries in the Registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on payment of such fees as may be prescribed under the Act required to be copied. The company shall give inspection of the above Registers to the persons entitled to the same on such days and during such business hours as may consistent with the provisions of the Act in that behalf be determined by the Company in General Meeting.

## **WINDING UP**

### **DISTRIBUTION OF ASSETS**

**221.**

- (a) Subject to the provisions of the Act, if the company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.
- (b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

### **DISTRIBUTION IN SPECIE OR KIND**

**222.** Subject to the provisions of the Act,

- (a) if the company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of the a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the company, and may, with the like sanction vest any part of the assets of the company in trustees upon such trusts for the liquidators with the like sanction shall think fit.
- (b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent any ancillary rights as if such determination were special resolution passed pursuant to section 494 of the Act.
- (c) In case any shares to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the Liquidators shall, if practicable act accordingly.

### **RIGHTS OF SHAREHOLDERS IN CASE OF SALE**

**223.** Subject to the provisions of the Act, a special resolution sanctioning a sale to any other company duly passed may, in like manner as aforesaid, determined that any shares or other consideration receivable by the Liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.

## **SECURITY CLAUSE**

**224.**

- (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member or a Committee, officer, Servant, agent, accountant or other person employed in the business of the company shall, if so required by the Director, before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the company with the customers and the state of the accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by 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.

- (b) No Member or other person (not being a Director) shall be entitled to visit or inspect any works of the company without the permission of the Directors or to require discovery of or any information respecting any details of the company's trading, or any matter which may relate to the conduct of the business of the company and which in the opinion of the Directors, it would be inexpedient in the interest of the company to disclose.

### **INDEMNITY AND RESPONSIBILITY**

#### **INDEMNITIES TO DIRECTORS**

- 225.** Subject to the provisions of the Act, the Company shall indemnify the Directors against any direct losses, costs, and charges including reasonable out-of-pocket expenses suffered by any Director arising directly out of:
- (i) any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company and the Promoters or, its officials, employees, managers, representatives or agents as a result of which, in whole or in part, such Investor Director is made a party to, or otherwise incurs any loss including loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or
  - (ii) any loss arising from any action or failure to act by any Director at the request of or with the consent of the Company or the Promoters or their officials, employees or agents; or
  - (iii) contravention of any Law by the Company including, without limiting the generality of the foregoing, the Foreign Exchange (Management) Act, 1999, or any Laws relating to provident fund, gratuity, labour, environment and pollution; and any action or proceedings taken against such Director in connection with any such contravention or alleged contravention.

#### **DIRECTORS AND OTHER OFFICERS NOT RESPONSIBLE FOR THE ACTS OF OTHERS**

- 226.** Subject to the provisions of the Act, no Director, Managing Director, Whole-time Director or other officer of the company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, within whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

#### **CONSENT**

- 227.** The Investor and/or any member of the Investor Group shall be entitled, at any time and from time to time, to make investments in or to enter into collaboration or other agreements or arrangements with Persons or companies in India engaged in the same or a similar business as that of the Company provided that the Investor and/or any member of the Investor Group at any time shall not appoint Investor Director, his/her alternate director as a director, alternate director, observer or other managerial personnel or representative of the Investor and/or any member of the Investor Group, on the board of directors or managing body of a competing company in India. Further, the Investor and/or any member of the Investor Group shall ensure that appropriate measures are adopted to ensure that the Confidential Information of the Company and its Subsidiaries is not shared with any competing investee company of the Investor.

#### **INFORMATION RIGHTS**

- 228.** (a) The Company shall provide the following information/documents and such additional information/documents as may be required by the Investor during the tenor of its shareholding in the Company:
- (i) Audited annual financial statements within 90 (ninety) Days from the end of the Financial Year;

- (ii) Unaudited annual financial statements within 45 (forty-five) Days from the end of the Financial Year;
  - (iii) Unaudited quarterly financial statements, within 45 (forty five) Days from the end of the relevant quarter;
  - (iv) A proposed Annual Business Plan for the next Financial Year by March 15 of the preceding Financial Year;
  - (v) Details of any litigation (including any winding up proceedings or notices under any Law) proceedings or material disputes or adverse changes that impedes or which is likely to adversely affect the Business or assets or otherwise;
  - (vi) Details of any event of force majeure or any other events which would have an impact exceeding 10% on the profit and/or Business of the Company and/or its Subsidiaries as approved in the Annual Business Plan.
- (b) The Company shall publish any unpublished price sensitive information before providing it to the Investor such that there is no violation of any Law, more particularly, the SEBI Insider Trading Regulations. The Company is entitled to suspend the information rights under this Article 228, for the duration of the time the Board withholds publication of price sensitive information in the best interests of the Company.
  - (c) The Company shall ensure that this Article 228 shall, mutatis mutandis apply to each of the Subsidiaries.
  - (d) Any Confidential Information received by the Investor pursuant to this Article may be shared by the Investor with any Affiliates or any partners or investors in any Affiliate provided that such Affiliates, partners and investors are made aware of, and agree not to disclose any Confidential Information to any person except in the following manner:
    - (i) to the extent to which it is required to be disclosed pursuant to applicable Law, provided that if any disclosure is required to be made to appropriate regulatory authorities or by valid legal process, the disclosing party must notify the other parties and a copy of every public announcement must be given to the other parties before any public disclosure is made;
    - (ii) to the extent to which it is specifically permitted by the other parties in writing;
    - (iii) to the extent that the Confidential Information is publicly available and not by way of a breach of an obligation to keep such information confidential;
    - (iv) to its Affiliates, employees and professional advisors, but only to the extent necessary and subject to such Affiliates, employees and professional advisors accepting an equivalent confidentiality obligation to that set out in this Article; and
    - (v) the Investor may disclose Confidential Information to any of its investors and/or unit holders in compliance with the reporting obligations to the investors and/or unit holders of the Investor.
  - (e) The Company shall not provide any unpublished price sensitive information to the Investor.

#### **UNDERTAKINGS BY THE COMPANY TO INVESTOR**

**229.**

- (1) The Company shall ensure that the Promoters shall, at all times, retain management control of the Company. It is further agreed and understood that the shareholding of the Promoters shall, under no circumstances (including the proposed merger of the Company with Uniflex and Marine Cables) fall below 51% of the Paid up Share Capital (as adjusted for any Re-organisation or other corporate action);
- (2) The Company shall and the Promoters shall ensure that the Company shall remain in compliance with all agreements with the lenders to the Company. The Company shall notify the Investor of any event of default declared and notified to the Company, as a

consequence of which any banking facilities being availed of by the Company have been withdrawn and in such event, shall use its best efforts to restore such facilities, including by providing any guarantees required for this purpose. Further, the Company shall notify the Investor of any material Losses arising from or in connection with any contracts to which the Company is a party and of any other events which may materially and prejudicially affect the Company;

- (3) The Company shall ensure that all its assets are adequately insured.

#### **ANNOUNCEMENTS**

230. (1) The Company shall not make any formal or informal public announcement or press release which makes reference to the Investor without the Investor's Consent.
- (2) If the Company is obliged to make or issue any announcement or press release required by Law or by any stock exchange or Governmental or regulatory authority, it shall give the Investor every reasonable opportunity to comment on any announcement or release before it is made or issued (provided that this shall not have the effect of preventing the Company from making the announcement or release or from complying with its legal, stock exchange, Governmental and/or regulatory obligations in the prescribed time).

#### **INVESTOR NOT TO BE CONSIDERED PROMOTERS**

231. Subject to the provisions of the applicable laws, the Company shall make best endeavours and take all reasonable actions to ensure that the Investor is not considered/ classified to be a 'promoter' of the Company or any person acting in concert of the 'promoter' of the Company for any reason whatsoever and the Equity Shares acquired by the Investor are not subject to any restriction (including that of lock-in or other restriction) which are applicable to promoters under any applicable law. Subject to applicable law, the Company shall not name the Investor as a promoter in any prospectus or other document relating to the issuance of Equity Shares.

#### **ANTI-DILUTION & PRE-EMPTIVE RIGHTS**

232. (1) The Company shall not, issue any equity shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options) which would have an actual or potential dilutive effect on the Investor's holding in the Company ("**Dilution Instrument**"), without the prior written consent of the Investor. The restriction in this Article shall not apply to any issuance of Equity Shares or other Securities pursuant to the proposed merger of the Company with Uniflex and Marine Cables.
- (2) Subject to grant of prior written consent of the Investor as required under Article 232(1), in the event the Investor does not exercise its Right of First Subscription under Article 233 below, the Investor shall, either by itself or through an Affiliate, have a right to participate in any Further Issue by the Company to any Person, by subscribing to such number of Dilution Instruments as are necessary for the Investor to maintain its shareholding percentage in the Company at the relevant time provided that on the same terms and conditions (including price) as are proposed to be granted to any other new or existing shareholder. If the Investor is unable to, or does not, for any reason whatsoever, subscribe to its entitlement of such further issue of Dilution Instrument, then the Company shall be free to offer such Dilution Instruments to any other Shareholder and/or third Person provided that in the event the issuance and allotment of new Dilution Instrument to the offeree is not consummated within a period of 60 (sixty) Days from the date of refusal by the Investor to exercise its rights under this Article 232(2), the Company may not issue any Dilution Instruments without complying anew with the provisions of this Article 232(2).

#### **RIGHT OF FIRST SUBSCRIPTION**

233. If the Company and/or its Subsidiaries decide to issue additional Dilution Instrument (after obtaining the prior written consent of the Investor as required under Article 232(1) above) ("**Further Issue**"), then subject to compliance with Law, the Investor (either through itself or through its Affiliates) shall have the first right, but not an obligation, to participate in such Future Issue and subscribe to such number of Dilution Instrument and on the same terms and conditions (including price) as are proposed to be granted to any other new or existing shareholder ("**Right of First Subscription**").

## **EQUAL RIGHTS**

234. Notwithstanding anything contained in the Agreement or these presents, the Company shall not offer any rights to such Person, which will in any way conflict with the rights of the Investor. In the event any Person who invests in the Company is offered rights, including those relating to voting, dividends, transfer of the Equity Shares, and further issues of Dilution Instrument, that are more favourable to such Person than those offered to the Investor, the Investor shall automatically be entitled to such favourable rights.

## **ESOP**

235. The Company shall establish and implement an employee stock option plan ("ESOP"), such ESOP having been approved by the Board in accordance with the terms hereof. Provided that:
- (a) the aggregate Equity Shares to be issued pursuant to the ESOP shall not exceed 16,16,802 Equity Shares;
  - (b) no options will be issued under the ESOP to any Promoters without the prior written consent of Investor; and

The Board shall decide on the employees, officers and directors eligible for the ESOP and the approval of the Investor shall be required for the issuance of any options under the ESOP.

## **ANNUAL BUSINESS PLAN**

236. The business plan of the Company and the Subsidiaries shall be approved unanimously by the Board annually and updated / revised at the time of approving any expansion (hereinafter referred to as the "**Annual Business Plan**"). The Annual Business Plan shall include the business strategy and other details, including but not limited to project cost, means of finance, projected financial statements (including profit & loss account, balance sheet and cash flow statements) for the on-going Financial Year as well as to the extent possible, the subsequent 2 (two) Financial Years, and would form the basis of management of the Business of the Company and the Subsidiaries until such time that the same is duly updated / revised with the unanimous consent of the Board in terms of the Agreement.

## **SOCIAL OBJECTIVE**

237. The Company shall have among its objectives the promotion and growth of the national economy through increased productivity effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.

## **GENERAL POWER**

238. Wherever in the Companies Act, it has been provided that the company shall have any right, privilege or authority or that the company could carry out any transaction only if the company is so authorised by its articles, then and in that case this regulation hereto authorises and empowers the company to have such rights, privilege or authority and to carry such transaction as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.

## **OVERRIDING ARTICLES**

239. In the event of any conflict between the provisions of Articles 20, 65, 132, 133, 165, 167 to 173 (both inclusive), 225, 227 to 229 (both inclusive), 232, 233, 234, 235 (the "**Specified Articles**") and the other Articles hereof, the Specified Articles shall prevail.

We, the several person, whose names, address and descriptions are hereunder subscribed are desirous of being formed into a Company in pursuance of this Articles of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names :-

|    | Name, address, description and occupation of subscriber  | No. of equity shares of Rs. 10 each taken by each subscriber | Signature of subscriber   | Signature, name, address, description & occupation of witness   |
|----|--|--|---|---|
| 1. | Dr. Narendra Dharmsinh Desai,<br>S/o. Dharmsinh D. Desai<br>E-9, Sea Face Park,<br>50, Bhulabhai Desai Road,<br>Bombay 400 026<br>(Industrialist/Engineer) | 475 (Four hundred seventy five)                              | Sd/-<br>(Dr. Narendra Desai)<br>S/o. Dharmsinh D. Desai   | Sd/-<br>(Mrs. Bharati S. Shroff) Wife of Suresh A. Shroff Advocate High Court, Bombay Lentin-Chambers, Dalal Street, Fort, Bombay |
| 2. | Hindustan Conductors Ltd.<br>Maker Chambers III<br>Jamnalal Bajaj Marg<br>Nariman Point<br>Bombay 400 021<br>(Manufacturing Company)                       | 1 (One)  | For Hindustan Conductors Limited<br>Sd/-<br>(Dr. N. D. Desai)<br>Chairman s/o.<br>Dharmsinh D. Desai<br>Nominee of Hindustan Conductors Limited<br>(Industrialist/Engineer) |   |
| 3. | Ceom Limited<br>24, Sayed Abdulla Brelvi Road,<br>Bombay 400 023<br>(Trading Company)  | 1 (One)  | For Ceom Limited<br>Sd/-<br>(Dr. N. D. Desai)<br>Director S/o Dharmsinh D. Desai Nominee of Ceom Limited<br>(Industrialist/Engineer)  |   |
| 4. | Kushal Narendra Desai,<br>S/o. Narendra D. Desai,<br>E-9, Sea Face Park,<br>50, Bhulabhai Desai Road<br>Bombay 400 026<br>(Industrialist/Engineer)         | 225 (Two hundred & twenty five)                              | Sd/-<br>Kushal Narendra Desai<br>S/o. Narendra D. Desai   |   |
| 5. | Mrs. Shantaben Dharmsinh Desai,<br>Wife of Dharmsinh D. Desai<br>Gitanjali, 68E, Nepean Sea Road,<br>Bombay 400 006<br>(Industrialist/Investor)            | 275 (Two hundred seventy five)                               | Sd/-<br>(Shantaben D. Desai)<br>Wife of Dharmsinh D. Desai  |   |

|    |  |                                       |  |  |
|----|--|---------------------------------------|--|--|
| 6. | Apar Limited,<br>Opp."D" Cabin, Chhani Road,<br>Baroda – 390 002<br>(Manufacturing Company)                                  | 22 (Twenty<br>Two)                    | For Apar Ltd.,<br>Sd/-<br>(Shantaben D. Desai<br>Wholetime Director, wife<br>of Dharmsinh D. Desai<br>Nominee of Apar<br>Limited<br>Industrialist/Investor)                            | Sd/-<br>(Mrs. Bharati S.<br>Shroff) Wife of<br>Suresh A. Shroff<br>Advocate High<br>Court Bombay<br>Lentin<br>Chambers, Dalal<br>Street, Fort,<br>Bombay |
| 7. | Consumer Services<br>Private Limited<br>24, Sayed Abdulla Brelvi Road<br>Bombay 400 023<br>(Investment/Trading Company)      | 1 (One)                               | For Consumer Services<br>Pvt. Ltd.<br>Sd/-<br>(Shantaben D. Desai<br>Director, wife of<br>Dharmsinh D. Desai<br>Nominee of Consumer<br>Services Pvt. Limited<br>Industrialist/Investor |  |
| 8. | Suresh Amarchand Shroff<br>Son of Amarchand Shroff<br>67, Roopam, Worli Sea Face<br>Bombay 400 025 (Solicitor &<br>Advocate) | 1 (One)                               | Sd/-<br>(Suresh Amarchand<br>Shroff) Son of<br>Amarchand Shroff  |  |
|    | TOTAL  | 1001<br>(One<br>Thousand one<br>only) |  |  |