

UNDER THE COMPANIES ACT, 1956

(1 of 1956)

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

**GMR AIRPORTS INFRASTRUCTURE LIMITED\***

*(Entire earlier articles replaced by these new set of Articles vide special resolution passed by the members of the company at their Extraordinary General Meeting held on 25<sup>th</sup> April 2006)*

**PRELIMINARY**

1 Table "A" not to apply Save as reproduced or adopted herein, the regulations contained in Table "A" (in the first Schedule to the Act) shall not apply to the Company.

2 **DEFINITIONS**

"Act" means the Companies Act, 1956, including any statutory modifications thereof.

"Affirmative Vote Items" Shall have the meaning ascribed to it in Article [140] of the Articles].

"Articles" or "these presents" means these Articles of Association as originally framed or as altered from time to time by special resolution.

"Beneficial owner" means a person whose name is recorded as such with a depository.

"Board" or "Board of Directors" means the Board of Directors of the Company as reconstituted from time to time.

"Cause" shall mean the causes as set out in Section 274 of the Companies Act, as of the date of the SHA and shall also include a gross negligence or willful misconduct.

"Charter Documents" means collectively the Memorandum and Articles.

"Control" or "Controls", "is Controlled by" or "is under the direct or indirect Common Control" means, with respect to any Party, the possession, directly or indirectly through Relatives and directors or any person, of the power to direct or cause the direction of the management or policies or actions, whether through the ownership of or any beneficial interest in the shares or by contract or otherwise and includes an ability to control the composition of the board of directors or senior management.

"Company or GIL" means 'GMR Airports Infrastructure Limited'.\*

"Depositories Act" means the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof from time to time.

"Depository" means a company formed and registered under the Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

\* Change in name pursuant to a special resolution passed through Postal Ballot on August 27, 2022, and the approval of the Central Government dated September 15, 2022.

“Directors”	means the Directors on the Board of the Company for the time being and includes Alternate Directors.
“Dividend”	includes interim dividend.
“Financial Year”	means the financial year being the twelve (12) month period commencing from April 1 in a year to March 31 of the immediately succeeding year.
“Force Majeure Event”	means any of the following events or circumstances or a combination of acts, events and circumstances, referred to below, which are beyond the reasonable control of any party and which the affected party could not have prevented by the exercise of reasonable skill and care: <ol style="list-style-type: none"> <li>1. Act of God, lightning, earthquake, tempest, cyclone, hurricane, whirlwind, storm, flood, washout, land slide, soil erosion, subsidence, drought or lack of water, and other unusual or extreme adverse weather or environmental conditions;</li> <li>2. act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, bombs or civil commotion;</li> <li>3. sabotage, terrorism or the threat of such acts;</li> <li>4. Act of Government, other than due to the acts, omissions and/or defaults of the parties;</li> <li>5. strikes and lockouts; and</li> <li>6. changes in law.</li> </ol>
“GBSR”	means Mr. G.B.S. Raju, S/o GMR currently residing at Varalakshmi Nilayam, 486/76, 38th Cross, 1st Main Road, 8th Block, Jayanagar, Bangalore – 560 082, State of Karnataka, including his successors and legal heirs.
“GEL”	means GMR Energy Limited, a company incorporated under the Companies Act, 1956 having its registered office at 25/1, Skip House, Museum Road, Bangalore – 560 025, State of Karnataka, including its successor and assigns.
“General Meeting”	shall mean a meeting of the Members including an Annual General Meeting or an Extraordinary General Meeting as the context may require.
“GHPL”	means GMR Holdings Private Limited, a company incorporated under the Companies Act, 1956 having its registered office at 25/1 Skip House, Museum Road, Bangalore 560025, State of Karnataka, including its successor and assigns.
“GKK”	means Mr. G. Kiran Kumar, S/o. GMR, Indian resident, currently residing at Varalakshmi Nilayam, 486/76, 38th Cross, 1st Main Road, 8th Block, Jayanagar, Bangalore – 560 082, including his successors and legal heirs.
“GMR”	means Mr. Grandhi Mallikarjuna Rao, S/o Late Shri Grandhi China Sanyasi Raju, Indian resident, currently residing at Varalakshmi Nilayam, 486/76, 38th Cross, 1st Main Road, 8th Block, Jayanagar, Bangalore – 560 082, State of Karnataka, including his successors and legal heirs.
“IDF”	means India Development Fund, a unit scheme of IDFC Infrastructure Fund, a trust created under the Indian Trusts Act, 1882, which is a venture capital fund registered under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, having its office at 17, Vaswani mansion, 3 <sup>rd</sup> Floor, Dinshaw Vachha Road, Churchgate, Mumbai – 400 020, State of Maharashtra,

of which IDBI Trustee Company is the trustee, acting through its investment manager IDFC Private Equity Company Limited ("IDFC PE") a company registered in India under the Companies Act, 1956 having its registered office at 17, Vaswani mansion, 3<sup>rd</sup> Floor, Dinshaw Vachha Road, Churchgate, Mumbai – 400 020.

"Investor Director"	means a Director nominated by IDF and appointed by the Company in accordance with Article 119A.
"IPO"	means an initial offering of the Company's Shares to the public or other category of investors (whether in India or otherwise) by the Company and/or its Shareholders, as provided in the SHA, in compliance with applicable law pursuant to which the Company's Shares are listed and traded on a stock exchange or securities market.
"IPO Cut-Off Date"	means the date by which the Company and its Promoters shall make an IPO, viz., [September 30, 2006].
"Losses"	includes all losses, claims, costs, liabilities, penalties, demands, awards, expenses and damages (whether general or special) and shall include reasonable attorneys fees but shall exclude indirect and consequential losses.
"Lien"	includes any right, title or interest existing or created or purporting to exist or to be created by way of or in the nature of pledge, hypothecation, license, hire-purchase, lease, mortgage, charge, co-ownership, attachment, claim, security interest, mortgage, security agreement, option, encumbrance, or restriction on voting, or the process of any court, tribunal or other authority, or any statutory liabilities which are recoverable by sale of property, or any other third party rights or encumbrances generally.
"Managing Director"	shall have the meaning assigned thereto by the Act.
"Member"	means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of the Company or a beneficial owner.
"Memorandum"	means the memorandum of association of GIL, as amended, modified or supplemented from time to time.
"Month"	means the English calendar month.
"Officer"	shall have the meaning assigned thereto by the Act.
"Ordinary Resolution"	shall have the meaning assigned thereto by the Act.
"Permitted Transferee"	means the following: <ul style="list-style-type: none"><li>(i) a Relative;</li><li>(ii) a family trust where the beneficiaries are only GMR, GBSR, GKK, SB and/or the Relatives of GMR, GBSR, GKK and SB; or</li><li>(iii) a company where the Promoters and the persons referred to in (i) and (ii) herein above directly hold 100% of the issued and paid up share capital; or</li></ul>

- (iv) a company where the Promoters and the persons referred to in (i) and (ii) herein above indirectly hold 100% of the issued and paid up share capital through entities which are wholly owned by them.

<i>"Promoter"</i>	means each of the GHPL, GMR, GBSR, GKK and SB and collectively referred to as "Promoters".
<i>"Register"</i>	means the register of members to be kept pursuant to the Act.
<i>"Registered Office" or "Office"</i>	means the registered office of the Company for the time being.
<i>"Registrar"</i>	means the Registrar of Companies, Karnataka.
<i>"Relative"</i>	shall mean GMR, GBSR, GKK and SB and their respective spouses, children and spouses of children, grand children and the spouses of grand children.
<i>"SB"</i>	means Mr. Srinivas Bommidala, S/o. Shri. Bommidala Kasi Viswanatham, Indian resident, currently residing at #309, 3 <sup>rd</sup> Cross, 2 <sup>nd</sup> Block, 2 <sup>nd</sup> Stage, Devasandra, RMV Extension, Bangalore 560 094, including his successors and legal heirs.
<i>"Seal"</i>	means the common seal of the Company for the time being.
<i>"Secretary"</i>	shall have the meaning assigned thereto by the Act.
<i>"Shareholders"</i>	Means the Members of the Company for the time being.
<i>"Shares"</i>	Means the equity shares of the Company unless otherwise mentioned.
<i>Shareholders Agreement "SHA"</i>	means the Shareholders Agreement dated 19 <sup>th</sup> April 2006 by and among the Company and GHPL and IDF and GMR and GBSR and GKK and SB and GEL together with all the Schedules and Annexure annexed thereto as well as all the amendments and/or modifications thereof made pursuant to the provisions of the said Shareholders Agreement.
<i>"Special Resolution"</i>	shall have the meaning assigned thereto by the Act.
<i>"Transfer"</i>	means and includes any direct or indirect sale, assignment, lease, transfer, pledge, encumbrance or other disposition of or the subjecting to a security interest of, any property, asset, rights or privilege or any interest therein or thereto.
<i>"Writing"</i>	shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.

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### **INTERPRETATION**

The marginal notes hereto are inserted for convenience and shall not affect the constitution hereof and, in these presents, unless there be something in the subject or context inconsistent therewith:

- (a) Words importing the "singular number" only shall include the plural number and vice versa.

- (b) Words importing the masculine gender only shall include the feminine gender.
- (c) Words importing persons shall include individuals, firms, associations and corporations.
- (d) Subject 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.

#### **CAPITAL**

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| 4  | Authorized Share Capital                         | The Authorized Share Capital of the Company be read as is given in Clause V of the Memorandum of Association of the Company.   |
| 5  | Kinds of Share Capital                           | Neither the original capital nor any increased capital shall be of more than two kinds, namely <ul style="list-style-type: none"> <li>(a) Equity share capital – <ul style="list-style-type: none"> <li>(i) with voting rights; or</li> <li>(ii) with differential rights as to dividend, voting or otherwise in accordance with the rules and regulations and subject to such conditions as may be prescribed from time to time.</li> </ul> </li> <li>(b) Preference share capital as defined in Section 85 of the Act.</li> </ul>  |
| 6  | Shares to be under the control of the Board      | Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board 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 or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid shares. Provided that the option or right to call on shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. |
| 6A | <i>Initial Public Offer (IPO):</i>               | <i>The Company</i> agrees and undertakes and the Promoters hereby agree and undertake to cause the IPO of the Shares of <i>the Company</i> by <i>[September 30, 2006]</i> .  |
| 6B | <i>Further issue of shares prior to the IPO:</i> | a) Notwithstanding anything contained in the preceding or following sub-clauses and at any point of time before the IPO of the Company, the Company shall be entitled to allot such number of equity shares as may be decided by the Company in its absolute discretion to preferred investors of the Company's choice to raise funding prior to the IPO, for an amount not exceeding Rs. 150 Crores (the " <b>Pre-IPO Placement</b> ") without providing a right of first refusal to IDF in terms of [Article 6C] of the Articles, provided however that such investors are investors of repute and market standing. Any issue of shares to preferred investors in excess of said Rs. 150 Crores shall be subject to the right of first refusal granted in favour of IDF in terms of [Article 6C] of the Articles. Provided, further that all such shares shall be allotted upon such terms and   |

conditions as may be agreed between the Company and such investors.

- b) In the event the Company provides such investors with any special rights which are not available to IDF, the Company shall also provide such rights to IDF.
- 6C *IDF's right to subscribe to further shares:*
- a) Subject to the applicable law, rules and regulations, IDF shall have a right to invest an additional amount of up to Rs. 30 Crores (inclusive of share premium) in the Company's IPO. Such allotment shall be by way of a firm allotment if the regulations so permit. In the event the regulations do not so permit or in the event IDF's advisory board fails to grant permission to IDF to invest in an IPO of the Shares even after reasonable efforts are made in this regard by the IDF, the Company shall issue and allot to IDF the Shares up to an aggregate value of Rs.30 Crores to be invested by IDF in terms of [Article 6C ], prior to the IPO at the higher end of the indicative price band as suggested by the book running lead managers at that time.
- b) Subject to the regulations contained in [Article 6C], in the event at any time before the IPO the Company proposes to issue Shares to any preferred investors in excess of the permitted Pre-IPO Placement (the "**Trigger Event**"), then, IDF shall have a right of first refusal to subscribe to further Shares of the Company up to an aggregate value of up to Rs. 30 Crores. For that purpose the Company shall, before allotting any Shares to such person, give a prior written notice of twenty one (21) days ("**GIL Notice**") to IDF providing the number and class of Shares proposed to be issued to such third person, amount and form of consideration, the manner and time of payment and the proposed details of such proposed issue. Upon receipt of such notice, IDF shall have a right to purchase Shares up to the extent of Rs.30 Crores by providing a written notice ("**IDF Acceptance Notice**") to the Company within seven (7) days of receipt of the notice. Thereafter the transaction should be completed within the said twenty one (21) day period. The present right to first refusal in favour of IDF shall lapse in the event this right is not exercised by IDF and an equity placement transaction is concluded with any other person.
- 7 Return of allotments As regards all allotments made, from time to time, the Board shall comply with the provisions of Section 75 of the Act.
- 8 Money due on shares to be a debt to the Company The Money (if any) which the Board shall, on the allotment of any shares being made by them required or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as 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.
- 9 Members or heir to pay unpaid amounts Every Member or his heir's executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time in accordance with the Company's regulations require or fix for the payment thereof.
- 10 Installments on shares to be duly paid If by the conditions of allotment of any shares the whole or part of the amount or issue price thereof shall be payable in installments, every such installment shall, when due to be paid to the Company by the person who for the time being shall be the registered holder of the shares including his legal representatives, be

deemed to be payable on the date fixed for payment and in the case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of the Articles shall apply as if such installments were a call duly made and notified as hereby provided.

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| 11 | Commission for placing shares         | The Company may, subject to the compliance with the provisions of Section 76 of the Act exercise the power of paying commission.   |
| 12 | Brokerage                             | The Company may pay on any issue of shares a reasonable sum of brokerage, as may be permitted under the law.   |
| 13 | Shares at a discount                  | With the previous authority of the Company in General Meeting and the sanction of the Company Law Board or any other authority and upon otherwise complying with the provisions of Section 79 of the Act, the Board may issue at a discount shares of a class already issued.  |
| 14 | Liability of joint holders of shares. | The joint holders of Shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share but the person first named in the Register shall as regards notice at General Meetings, proxy, receipt of dividends or bonus, service of voting and all or any other matters connected with the Company, except the transfer of shares, be deemed the sole holder thereof. |
| 15 | Number of joint holders               | Not more than three persons shall be registered as joint-holders of any share.   |

#### **CERTIFICATES OF SHARES**

Subject to the provisions of the Companies (Issue of Shares Certificate) Rules, 1960 or any statutory modification or re-enactment thereof share certificates shall be issued in the following manner:

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| 16 | Certificates | The certificates of title to shares and duplicates thereof, when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two Directors or a person acting on behalf of a Director under a duly registered power-of-attorney, and (ii) the Secretary or some other person appointed by the Board for the purpose. The two Directors or their attorneys and the Secretary or the other person shall sign the share certificates. Provided that, if the composition of the Board permits at least one of the aforesaid two Directors shall be a person other than a Managing Director or a Whole time Director. Every Member or allottee of shares shall be entitled, without payment, to receive certificates for the shares of the same class registered in his name. Every share certificate shall specify the name of the person in whose favor it is issued, the share certificate number and the distinctive number(s) of the shares to which it relates and the amount paid up thereon. Such share certificate shall be issued only in pursuance of a resolution passed by the Board or any committee thereof and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed, the Board or any committee thereof may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence. |
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Printing of blank forms for issue of share certificates and maintenance of books

and documents relating to issue of Share Certificate shall be in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re- enactment thereof for the time being in force.

- 17 Right of joint holders If any share stands in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at General Meeting and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all installment and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
- 18 Fully paid shares for consideration other than cash. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as payment for any property sold or transferred or for service rendered to the Company in the conduct of its business or in satisfaction of any outstanding debt or obligation of the Company and any shares which may be so issued shall be deemed to be fully paid-up shares.
- 19 Acceptance of shares Any application signed by or on behalf of any 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 therefore placed on the register shall, for the purposes of these Articles, be a Member.
- 20 Issue of new certificate in place of one defaced, lost or destroyed If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 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 the Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Board shall prescribe.
- Provided that notwithstanding what is stated above the Board shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.
- The provisions of this Article shall apply mutatis mutandis to debentures of the Company.
- 21 Company not bound to recognize any interest in shares other than that of the registered holder Except as ordered by a court of competent jurisdiction or as required by the Act or any other law for the time being in force, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holders thereof, but the Board may at its sole discretion register any share in the joint names of any two or more persons (but not exceeding 3 persons) of the survivor or survivors of them.
- 22 Trust not recognized Save as herein provided, 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 recognize any benami, trust (express, implied or constructive) or equitable, contingent, future or partial 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 limited notice thereof. The provisions of Section 153 of the Act shall apply.

23 Right of nomination Subject to the provisions of Section 109A of the Act, every holder of shares in, or holder of debentures of, the Company may, at any time, nominate a person to whom his shares in, or debentures of the Company shall vest in the event of his death.

24 Limitation of time for issue of certificates Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may 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 such certificate shall be delivered to the person first named in the Register and such delivery shall be sufficient delivery to all such holders.

#### **CALLS ON SHARES**

25 Calls The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (not by circular resolution); make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

26 When call deemed to have been made. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and due notice thereof has been posted or delivered to the Shareholders.

27 Liability of joint holders in a call The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

28 Board to extend time to pay call: The Board may from time to time at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. No member shall be entitled to such extension save as a matter of grace and favour.

29 Restriction on power to make calls No call shall exceed one fourth of the nominal amount of share or be made payable within one month after the last preceding call was payable.

30 Notice of call Not less than 14 days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

- 31 When interest on call or installment payable (i) If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest as fixed by the Board, from the day appointed for the payment thereof to the time of the actual payment as the Directors may determine.
- (ii) The Directors shall be at liberty to waive payment of any such interest wholly or in part.
- 32 Amount payable at fixed time or by installments payable as call. Any sum, which by the terms of issue of a share become payable on allotment or on a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be call a duly made and payable on the date on which 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.
- 33 Partial payment not to preclude forfeiture to Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, not any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.
- 34 Evidence in action by Company against shareholders On the trial or hearing of any action or suit for the recovery of money due for any call it shall be sufficient to prove that the name of the persons sued is or was when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made, that the amount claimed is not entered as paid in the books of accounts of the Company that the resolution making the call is duly recorded in the minute book of the Company and that the notice of such call was duly given to the person sued, in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call or any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debts.
- 35 Payment of calls in advance The Board may, if they think fit, subject to the provisions of Section 92 of the Act, receive from any Member willing to advance the same, all or any part of the monies 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 as the Member paying such sum in advance and the Board agree upon, provided, that the money made in advance of calls shall not confer a right to participate in profits or dividends. The Board may at any time repay the amounts so advanced.
- The Members shall not be entitled to any voting rights in respect of the monies so paid by them until the same would, but for such payment become presently payable.

The provisions of these Articles shall apply mutatis mutandis to the calls on debentures of the Company.

36 Payment of dividend in proportion to amount paid-up. Every Member shall be entitled to receive dividends in proportion to the amount paid-up on each share where a larger amount is paid up on some shares than on others.

#### **FORFEITURE AND LIEN**

37 If call or installment not paid notice may be given If any Member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remain unpaid serve a notice on such Member requiring him to pay the same forthwith within a further stipulated period together with any interest that may have accrued thereon from the date on which the same fell due and all expense that may have been incurred by the Company by reason of such non payment.

38 Form of notice The notice shall name a day (not being less than 14 days from the date of notice) and a place or places on and at which such call or installment, and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment on or before the time and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

39 If notice not complied with, shares may be forfeited. If the requisitions of any such notice as aforesaid are not complied with any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or installment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

40 Notice after forfeiture When any shares shall have been so forfeited notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

41 Forfeited shares become property of Company Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such a manner as they think fit.

42 Power to annul forfeiture The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

43 Arrears to be paid not withstanding forfeiture Any Member whose shares have been forfeited shall, notwithstanding anything contained above, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment, and the Board may enforce the payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture which they shall not be under any obligation to do so.

44 Effect of forfeiture The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incident to the share except such of those rights as by these Articles are expressly saved.

- 45 Evidence of forfeiture A declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
- 46 Effecting sale of shares Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinafter given, the Board may appoint some person to execute an instrument of transfer of the shares sold, cause the purchaser's name to be entered in the register in respect of the share 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 in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damage only and against the Company exclusively.
- 47 Company's lien on shares/debentures The Company shall have a first and paramount lien upon all the shares/debentures (other than fully-paid shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The Board may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.
- 48 Notice to be given For the purpose of enforcing such lien the Board may sell the shares subject thereto in such a manner as it thinks fit but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his executors or, administrators or his committee, curator bonis, or other legal curator, and default shall have been made by him or them in the payment fulfillment, or discharge of such debts, liabilities or engagements until the expiry of seven days after such notice.
- 49 Application of proceeds of sale The net proceeds on any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of the debts and liabilities of such Members or engagements and the residue (if any) shall be paid to such Member, his heirs, executors, administrators, committee or curator.
- 50 Certificates of forfeited shares to be void Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

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

- 51 Endorsement of Transfer In respect of any transfer of shares registered in accordance with the provision of these Articles, the Board may, at their discretion direct an endorsement of the transfer and the name of the transferee and other particulars, on the existing share certificate and authorize any Director or officer of the company to authenticate such endorsement on behalf of the company or direct the issue of a

fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

51A *Transfer of Shares:*

- a). Subject to the provisions of this Article 51A, a Shareholder of the Company shall not, directly or indirectly, Transfer any Shares or any legal or beneficial interest therein, except in compliance with this Article 51A.
- b). The Promoters of the Company along with the Permitted Transferee shall, at all times till the successful completion of IPO, hold a minimum of 51% of the issued and paid-up equity share capital of the Company. Provided that if prior to the successful completion of IPO, IDF has divested Shares in excess of 50% of the Shares (which holding shall be determined after taking into consideration any bonus, splitting of capital, reduction of capital, other than by way of buy-back and any other such corporate action which results in an increase/ reduction of the number of shares held without any act or omission of IDF) then the Promoters of the Company and the Permitted Transferee shall not be required to maintain 51% of the issued and paid equity capital of the Company. Provided, however that notwithstanding anything contained herein above, the Promoters shall continue to hold such percentage of the Shares in their capacity as “promoters” as required under the SEBI (Disclosures & Investor Protection) Guidelines, 2000, as amended from time to time.
- c) Each of the Promoters shall be entitled to Transfer inter se and to a Permitted Transferee, their shareholding in GIL without any restrictions at any point of time so long as prior intimation is provided to IDF.
- d) After the successful completion of IPO, the provision of the [Articles 51A (a) and (b)] above shall cease to be operative. Provided however, that the Promoters shall continue to hold such percentage of Shares and for such period of time as are required to be held by the Promoters in their capacity as “promoter” under the SEBI (Disclosures & Investor Protection) Guidelines, 2000, as amended from time to time.
- e) Promoters’ Right to First Refusal
  1. IDF shall be free to Transfer *its* Shares *held in the Company* in any manner whatsoever, subject to the Promoters’ “rights of first refusal” under *Article 51A(e)(2)* below. Provided that notwithstanding anything to the contrary contained in these Articles , IDF shall not on its own account knowingly under any circumstances Transfer its equity Shares held *in the Company* to a competitor of the Company or its subsidiaries. It is clarified for the sake of abundant caution that the transferee shall not be entitled to any of the *special* rights granted to IDF under the *Articles* in any circumstances.
  2. If IDF proposes to sell any of the Shares held by IDF in the Company to any person, then, it shall first give a written notice (the “IDF Offer Notice”) to all the Promoters (the “Promoter Offerees”). The IDF Offer Notice shall state the number of Shares of the Company proposed to be sold (the “IDF Sale Shares”) and the number and class of Shares of the Company IDF then owns; the proposed price, amount and form of consideration, the manner and time of payment (the “Proposed Payment Date”); the proposed date of consummation of the proposed sale and the proposed transferee; a representation that the proposed transferee stated in the IDF Offer Notice has been informed of the “right of first refusal”; and a representation that no consideration, tangible or intangible, is being offered which is not reflected in the proposed price (including a refund or a discount). Upon receipt of the

IDF Offer Notice, the Promoter Offerees shall have the right collectively i.e. jointly and/or severally, to purchase all or some of the IDF Sale Shares offered to them, at the price stated in the IDF Offer Notice, by providing separate written notice to all the Promoter's Offerees (the "Promoters Acceptance Notice") within 30 business days after the date of receipt of the Offer Notice (the "Offer Period"), to IDF and the Company. In such an event, the Promoter Offerees shall pay for the IDF Sale Shares within 30 business days from the expiry of the Offer Period commencing from the date of acceptance of Offer or the Proposed Payment Date, whichever is later; and IDF shall simultaneously sell and deliver the IDF Sale Shares to such of the Promoter Offerees and in such proportion as is specified in the Promoters Acceptance Notice simultaneous with such payment. In the event the Promoter Offerees fail to pay for the IDF Sale Shares within 30 business days from the expiry of the Offer Period, or the Proposed Payment Date, whichever is later; then the matter shall be referred to arbitration in accordance with the terms of [Article 214D]. If the Promoters Acceptance Notice is not delivered to IDF prior to the expiry of the Offer Period, then subject to restriction contained in [Article 51A(e)(1)] above IDF shall be entitled to sell and transfer the IDF Sale Shares to the proposed transferee mentioned in the IDF Offer Notice on the same terms and conditions and for the same consideration as is specified in the IDF Offer Notice upon the expiry of the Offer Period. If completion of the sale and transfer to the proposed transferee does not take place within a period of 30 business days following the expiry of the Offer Period, IDF's right to sell the IDF Sale Shares to such transferee shall lapse and the provisions of this [Article 51A(e)(2)] shall once again apply to the IDF Sale Shares. Notwithstanding anything to the contrary contained above, it is hereby clarified that the Promoter Offerees may, in their sole discretion, designate any other person to acquire the IDF Sale Shares under the provisions of this [Article 51A(e)(2)].

3. Notwithstanding anything contained herein above but subject to the proviso contained in [Article 51A(e)] above, post IPO IDF shall be free and entitled to transfer to any person up to 50% of the Shares held by IDF in the Company per quarter without providing "rights of first refusal" under [Article 51A(e)(2)], to the Promoters.

52	No fee on transfer or transmission	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certification of death or marriage, power of attorney or similar other document.
53	Transmission of shares	The legal representative of a deceased Member shall be entitled to be recognized by the Company as having title to the shares of the deceased Member on production of probate or letters of administration or a succession certificate from a competent court of law, provided that the Board may dispense with the production of such probate letters of administration or succession certificates on the legal representative furnishing such indemnity as the Board may require.
54	Rights on Transmission	A person entitled to a share by transmission shall retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.
55	Instrument of transfer	The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

- 56 Registration of transfer Every instrument of transfer duly stamped and executed shall be left at the Office of the Company for registration, accompanied by the certificates of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. The Company shall retain all instruments of transfer, which shall be registered, but any instrument of transfer, which the Board may decline to register, shall, on demand be returned to the person depositing the name.
- 57 Board may refuse to register transfer Subject to the provisions of the Act the Board may, at its own absolute discretion and by giving reasons thereof, decline to register or acknowledge any transfer of shares whether fully paid or not provided that registration of 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. Transfer of shares/debentures in whatever lot shall not be refused.
- 58 Title to the shares of a deceased Member The executors or administrators of a deceased Member (not being one of several joint-holders) shall be the only persons recognized by the Company, as having any title to the shares registered in the name of such deceased Member and in the case of death of any one or more of the joint-holder of any registered share the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares. Provided however, that if the deceased Member was a Member of a joint Hindu family and the Board on being satisfied that the shares standing in such name in fact belonged to the joint family may recognize the survivor or the Karta thereof as having title to the shares registered in the name of such Members. In any case it shall be lawful for the Board in their absolute discretion to dispense with production of probate or letter of administration or other legal representation upon such terms as to indemnity or otherwise as the Board may deem expedient and justified.
- In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognized by the Company, subject to the provisions of the clause on right to nomination, as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him with any other person.
- 59 Registration of transmission Any person, becoming entitled to shares in consequence of the death or bankruptcy of any Member upon producing such evidence that he sustains the character in respect of which he proposed to act under this Article or his title as the Board may think sufficient, may with the consent of the Board (which they shall not be under any obligation to give) be registered as a Member in respect of such shares subject to Article 58 (Transmission of Shares).
- 60 Board right to refuse registration of transmission The Board shall have the same right to refuse a person entitled by transmission to any share or his nominee, as if he was the transferee named in an ordinary transfer for registration.
- 61 No transfer to minor etc No share shall in any circumstances be transferred to any infant, minor, insolvent or person of unsound mind, except fully paid shares through a legal guardian.
- 62 Application for transfer a) An application for registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

- b) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- c) For the purpose of clause (b) above, notice to the transferee shall be deemed to have been duly given if it is dispatched 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 in the ordinary course of post.

- 63 Execution of transfer The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be attested, if required. The transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. The instrument of transfer shall be in respect of a specific class of shares and should be in the form prescribed under the Act.
- 64 Register of Members when closed. The Board shall have the power on giving not less than seven days previous notice by advertisement in some newspaper circulating where the Registered Office of the Company is situated to close the Register of Members and/or Register of Debenture Holder 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 as it may seem expedient to the Board.
- 65 Company not liable for discharge of a notice prohibiting registration of a transfer 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 of 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 , or 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 to do so, 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 Board shall so think fit.
- 66 Compliance with rules, regulations and requirements of stock exchanges, etc. The Company shall comply with the rules, regulations and requirements of the Stock Exchange or the rules made under the Act, or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other law or rules applicable, relating to the transfer or transmission of shares or debentures.

#### **INCREASE, REDUCTION AND ALTERATION OF SHARE CAPITAL**

- 67 Increase of capital The Company may, by a resolution passed in a General Meeting, from time to time increase the share capital by the creation of new shares of such amount as may be deemed expedient and specified in the resolution, subject to compliance with the provision of the Act and of any other laws that may be in force.
- 68 On what conditions new shares may be issued (whether preferential or not) New shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Act and which the General Meeting, resolving upon the creation thereof shall direct and if no direction be given, as the Board 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 special or without any right of voting.

- 69 Provision relating to issue Before the issue of any new shares, the Company in General Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine that the same shall be offered in the first instance either at par or at a premium and, in default of any such provisions, or so far as the same shall not extend, the Company shall comply with the provisions of Section 81 of the Act.
- 70 How far new shares to rank with shares in original capital Except so far as otherwise provided by the condition 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 and installments, transfer and transmission, forfeiture, lien and otherwise.
- 71 Power to issue preference shares Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.
- 72 Rights Issue of shares and renunciation or Further issue of Capital Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares made for the first time or after incorporation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares whether out of unissued share capital or out of increased share capital, then such further shares, shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company in proportion as nearly as circumstances admit, to the capital paid up on those share at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of offer within which the offer, if not accepted will be deemed to have declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declined to accept the shares offered, the Board may dispose them off in a manner permitted by law.
- 73 Issue of shares to others Notwithstanding anything contained in the preceding Articles , the Company may:
- a) By a Special Resolution; or
  - b) By an Ordinary Resolution and with the consent of the Central Government issue further shares to any person or persons, and such person, or person may not include the persons who at the date of the offer are the holders of the equity shares of the Company, in addition that “option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting”.
- 74 Rights to convert loans into capital Notwithstanding anything contained in the Articles above, but subject, to section 81(3) of the Act , the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares in the Company.
- 75 Inequality in number of new shares If, owing to any inequality in the number of new shares to be issued and the number of shares held by Members entitled to have the offer of such new

shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the Members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in General Meeting, be determined by the Board, keeping in view the provisions of Section 81 of the Act.

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| 76 | Consolidation, subdivision and cancellation of shares  | <p>(1) The Company may by Ordinary Resolution:</p> <p>(a) Consolidate and divide its shares or any of them into shares of larger amount than its existing shares</p> <p>(b) Subdivide its existing shares or any of them into shares of smaller amount than is fixed originally by the Memorandum of Association, so however that in the subdivision the proportion between the amount paid and the amount, if any unpaid on each reduced share be the same as it was in the case of the share from which the reduced share is derived and other conditions, if any laid down by these Articles.</p> <p>(c) Cancel any shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and also may diminish the amount of its share capital by the amount of the shares so cancelled.</p> <p>(2) The Company shall file with the Registrar notice of exercise of any power referred to in sub clauses (a), (b) or (c) of Clause (1) of this Article within 30 days from the exercise thereof.</p> |
| 77 | Sub-division into preferred and ordinary share capital | <p>The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with others, subject, nevertheless, to the provisions of Section 94 of the Act.</p> <p>The Board may, from time to time subject to the consent of the Members in General Meeting, reclassify or convert the preference share capital into equity share capital or vice versa, as may be permitted by law.</p>  |
| 78 | Reduction of capital                                   | <p>The Company may, from time to time, by special resolution reduce its share capital or any share premium account in any manner and with, and subject to any incident authorized and consent required by law.</p>   |
| 79 | Surrender of shares                                    | <p>Subject to the provisions of the Act the Board may accept from any Member the surrender of all or any of his shares.</p>  |
| 80 | Issue at discount etc. or with special privileges      | <p>Subject to the provisions of Section 79 of the Act any debenture, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right of conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting.</p>   |

**MODIFICATION OF RIGHTS OF SHARE HOLDERS**

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| 81 | Power to modify rights to shareholders | <p>If at any time the capital by reason of the issue of preference shares of otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be revised subject to the provisions of</p> |
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Sections 106 and 107 of the Act and all the provisions hereinafter contained as to General Meetings, shall apply mutatis mutandis, as regards meeting, if any, to be held for the purpose.

### **BORROWING POWERS**

- 82 Powers of the Board with regard to borrowing
- The Board may from time to time but with such consent of the Company in General Meeting, as may be required under Section 293 of the Act raise any money or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not without the sanction of the Company exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 292 of the Act and /or other applicable provisions of the Act and /or Securities and Exchange Board of India guidelines and of all other applicable laws, rules / regulations, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities, Foreign Currency Convertible Bonds, American Depository Receipts, Global Depository Receipts, Warrants, and other instruments with or without option to convert into equity shares having or not having voting / special rights, whether attached to any securities or otherwise, and such other securities and instruments as may be permissible in law and/ or by way External Commercial Borrowings or otherwise and in security of any such money so borrowed, raised or received mortgage pledge or charge, the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely in trust and give the lenders powers of sale and other powers as may be expedient and to purchase redeem or pay off any such securities. Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which the Board may borrow moneys. The Board may by a resolution at its meeting delegate the above power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director, if any, within the limits prescribed.
- Subject to the provisions of this Article, the Board may, from time to time, at their discretion, raise or borrow, secure the repayment of any sum or sums of money for the purpose of the Company, from time to time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by opening current accounts or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture stock (both present and future of the Company) including the uncalled capital for the time being of the Company.
- 83 Securities may be assignable free from equities
- Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 84 Charge of uncalled capital
- If any uncalled share capital of the Company is included in or charged by any other security the Board may, by instrument under the Company's seal, to make calls on the Members in respect of such uncalled capital and the provision herein before contained in regard to calls, shall, apply mutatis mutandis to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Boards power or otherwise and shall be assignable if

expressed so to be.

### GENERAL MEETINGS

- 85 When Annual General Meeting to be held In addition to any other meeting, General Meetings of the Company shall be held within such intervals as are specified in Section 166 (1) of the Act and subject to the provisions of Section 166 (2) of the Act, at such times and places as may be determined by the Board. Each such General Meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an "Extraordinary General Meeting".
- 86 When other General Meeting to be called The Board may, whenever it thinks fit, call an Extraordinary General Meeting, and it shall, on the requisition of such number of Members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the General Meeting, forthwith proceed to call an Extraordinary General Meeting and in the case of such requisition the following provisions shall apply:
- 1) The requisition shall state the matter for the consideration of which the General Meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
  - 2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the Member or Members herein before specified.
  - 3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a General Meeting for the consideration of these matters on a day not later than forty five days from the date of deposit, the requisitionists or such of them as are entitled so to do by virtue of Section 169 (6) (b) of the Act may themselves call the General Meeting but any General Meeting so called shall not be convened after three months from the date of deposit.
  - 4) Any General Meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which General Meetings are to be called by the Board.
  - 5) Where two or more persons hold any shares jointly a requisition or notice calling a General Meeting signed by one or some only 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.
  - 6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a General 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.
- 87 Circulation of Members' Resolutions The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of Members.

- 88 Notice of Meeting Save as provided in sub-section (2) of Section 171 of the Act, not less than 21 day's notice shall be given for every General Meeting of the Company. Every notice of a General Meeting shall specify the place and the day and hour of the General Meeting and shall contain a statement of the business to be transacted there at.
- Notice of every General Meeting of the Company shall be given to every Member of the Company, the Auditors of the Company and to any persons entitled to a share in consequence of the death or insolvency of a Member in any manner hereinafter authorized for the giving of notices of such persons. The accidental omission to give any such notice to or the non-receipt by any Member or other person to whom it should be given shall not invalidate the proceeding of the General Meeting.
- 89 Meeting by shorter notices Notwithstanding anything contained in the preceding clauses, with the consent in writing a General Meeting may be called after giving shorter notice, in the case of an Annual General Meeting by all Members entitled to vote there at and, in the case of any other General Meeting, by Members of the Company holding not less than 95 percent of such part of the paid up share capital of Company as gives a right to vote at the General Meeting.
- 90 Explanatory statement Sub-sections (2) and (3) of Section 173 of the Act relating to explanatory statement to be annexed to notice of a General Meeting, shall apply to the Company.
- 91 Quorum Five members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite be present at the commencement of the General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act or its applicable internal procedures.
- Subject to the provisions hereunder, in case of Affirmative Vote Items IDF's presence would be required to constitute quorum. In the event, IDF is unable to attend the General meeting on a proposed date, the Investor Director shall at the Board Meeting called for approving the date of the General meeting, request to postpone the General meeting, in which case such General Meeting shall be postponed for a period of at least three (3) days. In the event, no such request of postponement is made by the Investor Director in the Board Meeting, the General Meeting shall be held in accordance with its agenda / notice including on the Affirmative Vote Items (if any) on the date fixed for the meeting. All resolutions at such General Meeting, at which IDF is not present shall be passed by majority and would not require any affirmative vote from the IDF provided that in the event IDF has already refused in writing to provide its affirmative vote on the Affirmative Vote Item to be discussed in the General Meeting, at any time prior to the General Meeting, such a resolution shall not be deemed to be passed in accordance with this Article.
- The right provided herein, to have IDF's presence for Affirmative Vote Items, in this Article shall cease to exist after the successful completion of IPO.
- 92 Quorum to be present when business commenced. No business other than the question of adjourning the General Meeting to some other day shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business.

- 93 Chairman of General Meeting The Chairman of the Board, if any, so appointed shall be entitled to take the Chair at every General Meeting or, if there be no such Chairman, or if at any General Meeting he is not present within fifteen minutes after the time appointed for holding such General Meeting or is unwilling to act as Chairman, the directors present shall elect one of them to be the Chairman of the Meeting. If no Director is present or if all the Directors present decline to take the chair, then the Members present shall choose one amongst themselves to be Chairman of the General Meeting.
- 94 When quorum is not present General Meeting to be dissolved and when to be adjourned If within half an hour from the time appointed for the General Meeting a quorum is not present the General Meeting if convened upon such requisition as aforesaid under Article 86 shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place and if at such adjourned General Meeting a quorum is not present within half an hour from the time for the said General Meeting, those Members present shall be a quorum and may transact the business for which the General Meeting was called.
- 95 Chairman's casting vote Every question submitted to a General Meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the vote to which he may be entitled as a Member.
- 96 What is to be evidence of the passing of resolution where poll not demanded At any General Meeting, unless a poll is demanded in conformity with Section 179 of the Act, a declaration by the Chairman that a resolution has, on a show of hands been carried, or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book, should be conclusive evidence of the fact without proof of number or proportion of votes recorded in favor of or against the resolution.
- 97 Poll, Postal Ballot and Scrutineers at poll If a poll is demanded as aforesaid, it shall be taken subject to Sections 180 and 185 of the Act as such in the same manner and at such time and place as the Chairman of the General Meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. The demand of the poll may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.

Notwithstanding anything contained in these Articles, in addition to the existing methods, the Company do adopt the mode of passing the resolution by its Members by means of a postal ballot including voting by electronic mode and/or any other means as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a General Meeting of the Company.

- (a) Any business that can be transacted by the Company in General Meeting; or
- (b) Resolutions relating to such business as the Central Government, by notification, in this behalf declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or other methods prescribed by the Central Government or any other statutory authority from time to time.

The provisions of Section 184 of the Act, relating to Scrutineers at poll, shall apply to the Company.

- 98 Power to adjourn General Meeting The Chairman of the General Meeting may, with the consent of the General Meeting, adjourn the same from time to time and from place to place but no business shall be transacted at an adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place. When the meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as nearly as may be in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.
- 99 In what case poll taken without adjournment. Any poll duly demanded on the election of Chairman of General Meeting or any question of adjournment shall forthwith be taken at the General Meeting without adjournment.
- 100 Business may proceed notwithstanding demand of poll The demand for poll except on the question of election of Chairman and of an adjournment shall not prevent the continuance of a General Meeting for the transaction of any business other than the question on which the poll has been demanded.
- 101 Special Notice Where by any provision contained in the Act or in these Articles, special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than 14 days before the General Meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the General Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its Members notice of the resolution in the same manner as it was given notice of the General Meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the General Meeting.
- 102 Votes of Members **VOTES OF MEMBERS**  
On a show of hands every Member present in General Meeting in person shall have one vote and upon a poll every Member present in person or by proxy shall have one vote for every share held by him Provided that the holders of preference shares shall not be entitled to vote unless a resolution is proposed affecting rights or privileges of the holders of preference shares. A Member is not prohibited from exercising his voting rights on the ground that he had not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken.
- 103 Votes in respect of shares of deceased or insolvent Members Any person entitled under the Article 58 (Transmission of Shares) to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that 48 hours at least before the time of holding the General Meeting or adjourned General Meeting as the case may be at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such General Meeting in respect thereof.
- 104 Vote in case of lunacy A Member who is 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 through his committee or other legal guardian, and any such committee or guardian may on a poll vote by proxy.
- 105 Joint holders of any share Where there are joint registered holders of any share the person first named in the register as the holder, may vote at any General Meeting either personally or

by proxy in respect of such share as if he were solely entitled thereto. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

- 106 Proxy permitted Votes may be given either personally or by power of proxy/representative to vote or by a duly authorized representative under Section 187 of the Act in case of a body corporate.
- 107 Instruments appointing Proxy The instrument appointing proxy shall be in writing, and be signed by the appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.  
Any person may be appointed as a proxy and need not be a Member of the Company or qualified to vote save that body corporate being a Member of the Company may appoint its proxy any officer of such body corporate whether Member of the Company or not.
- 108 Instrument appointing a proxy to be deposited at the Office The instrument appointing a proxy and the power of attorney (if any) under which it is signed or notarially certified copy of that power of authority shall be deposited at the Office not less than 48 hours before the time for holding the General Meeting or adjourned General Meeting as the case may be at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.
- 109 When vote shall be valid though authority revoked A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given provided no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office of the Company before the General Meeting. Provided never the less that the Chairman of any General Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
- 110 Form of instrument appointing proxy Every instrument appointing a proxy shall as nearly as circumstances admit be in either of the forms prescribed in Schedule IX to the Act.
- 111 Restriction on voting No Member shall be entitled to be present or to vote on any question either personally or by proxy or as proxy for another Member at any General Meeting or upon a poll or to be reckoned in a quorum whilst any call or other sum payable to the Company in respect of any of the shares of such Member shall remain unpaid, and no Member shall be entitled to be present or to vote at any General Meeting in respect of any share that he has acquired by transfer unless his name is entered as the registered holder of the share in respect of which he claims to vote, but this shall not affect shares acquired under a testamentary disposition or by succession to an intestate or under an insolvency or liquidation.
- 112 Representation of a body corporate A body corporate (whether a company within the meaning of the Act or not) may, if it is Member or creditor of the Company (including a holder of debentures), authorize such person as it thinks fit, by a resolution of its board of directors or other governing Body, of its applicable internal procedures to act as its representatives at any General Meeting of the Company or any class of Members of the Company or at any General Meeting of the creditors of the



Company or debenture holders of the Company. A person authorized by resolution or its applicable internal resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate, which he represents as that body corporate, could exercise if it were an individual Member, creditor or holder of debentures of the Company. The production of a copy of the resolution or other certification of its applicable internal procedures referred above, certified by a Director or the Secretary or other officer of such body corporate before the commencement of the General Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives appointment and his right to vote thereat.

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| 113              | Rights of Members to use votes differently.                                  | On a poll taken at the General Meeting of the Company a Member entitled to more than one vote or his proxy, 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.  |
| 114              | No proxy to vote on a show of hands.   | No proxy shall be entitled to vote on a show of hands.   |
| 115              | Time for objection to vote   | No objection shall be made to the qualification of any voter or to the validity of a vote except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the General Meeting. |
| 116              | Chairman of any General Meeting to be the judge of validity of any vote/poll | The Chairman of any General Meeting shall be the sole judge of the validity of every vote tendered at such General Meeting. The Chairman present at the taking of the poll shall be the sole judge of validity of every vote tendered at such poll. The decision of the Chairman shall be final, and conclusive.   |
| <b>DIRECTORS</b> |  |  |
| 117              | Board's maximum strength   | Unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than Sixteen*.   |
| 118              | First Directors  | The First Directors of the Company are: <ol style="list-style-type: none"> <li>1. Sri Grandhi Mallikarjuna Rao</li> <li>2. Sri Sure Suryanarayana Murthy</li> <li>3. Sri Boda Venkata Nageswara Rao</li> <li>4. Sri Koti Venkata Varaha Rao</li> <li>5. Sri Bommidala Srinivas</li> </ol>  |
| 119              | Power of Board to appoint Additional Directors                               | The Board shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.                            |
| 119A             | <i>Nominee Director of IDF:</i>  | (a) Upon IDF being issued shares in the Company and upto the successful completion of the IPO of the Company, IDF shall be entitled to nominate one Director on the Board of Directors of the Company.   |

\*Altered pursuant to a special resolution passed by the Shareholders at the 18<sup>th</sup> Annual General Meeting of the Company held on September 18, 2014 (from fifteen to sixteen)

- (b) IDF shall appoint the same person (who shall be a person occupying one of the top two positions of the senior management of IDF) as the IDF Director in the Company. Provided however, this restriction shall not apply in case of any restrictions or prohibitions (whether under the Companies Act or otherwise), which would prevent the same person from being appointed as the IDF Director in the Company in which event, the Promoters and IDF shall mutually agree upon the person to be appointed as an IDF Director. All expenses relating to an Investor Director's functions as a Director shall be borne by the Company.
- (c) The Promoters shall exercise their powers, to facilitate the appointment/nomination of the IDF Director as above no person other than IDF shall be permitted to remove or replace at any time and for any reason (or no reason) the IDF Director who has been elected to the Board of the Company. Provided however, any removal of the IDF Director on account of gross negligence or willful misconduct shall be only in accordance with the procedure as set out in Section 284 of the Companies Act. Upon such removal of the IDF Director by IDF and/or for Cause, IDF shall be entitled to nominate another director to replace such director and such nominated director shall replace the IDF Director so removed. Upon notice by IDF to the Board of the Company of a new IDF Director, the Board of the Company shall appoint such new IDF Director to fill the vacancy at its next meeting and prior to taking any other action including, without limitation, actions taken by written consent. In the event IDF or the IDF Director wishes to appoint an alternate director for the IDF Director, the Board of the Company, shall promptly upon receipt of a written notice to that effect, appoint an alternate Director for such IDF Director. Such written notice shall specify the name and details of the alternate Director. All alternate directors and directors appointed pursuant to this Article shall be full time employees of IDF.
- (d) The right to nominate one IDF Director on the Board shall cease after the successful completion of IPO.

120	Qualification required	Shares	not	A director shall not be required to hold any qualification shares.
121	Director's fees and expenses	remuneration		Unless otherwise determined by the Company in General Meeting each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or of a committee of the Board, such sum as may be fixed by the Board not exceeding the amount specified in this regard under the provisions of the Act, for each meeting of the Board or committee of the Board attended by him. All other remuneration, if any payable by the Company to each Director whether in respect of his services as a Managing Director or a Director in whole or part time employment of the Company or otherwise, shall be determined in accordance with and subject to the provisions of the Act. The Directors shall be entitled to be paid their reasonable traveling and hotel and actual expenses incurred in consequence of their attending at Board and committee meeting and actually incurred in the execution of their duties as Directors.
122	Remuneration for extra service			If any Director, being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his home for any of the purposes of the Company or in giving special attention to the business of the Company or as Member of a Committee of the Board then, subject to the provisions of the Act, the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

- 123 Board may act notwithstanding vacancy The continuing Directors may act notwithstanding any vacancy in their body. If the number falls below the minimum above fixed, the Board shall not, except for the purpose of filling vacancies act so long as the number is below the minimum.
- 124 Office of the Director The Office of a Director shall be deemed to have been vacated under the circumstances enumerated under Section 283 of the Act .
- 125 Directors not to hold office of profit under the Company or its subsidiary Except in accordance with provisions of Section 314 of the Act, no Director, partner or relative of a Director, firm in which a Director or his relative is a partner, private company of which a Director is a director or member and no director, secretaries manager of such a private company shall, without the previous consent of the Company accorded by a special resolution hold any office or place of profit under the Company or under any subsidiary of the Company (unless the remuneration received from such subsidiary in respect of such office or place is paid over to the Company or its holding company insofar as such remuneration is over and above remuneration to which he is entitled as a Director of such subsidiary) except that of a managing director, secretaries, manger, legal or technical adviser, banker or trustee for the holders of debentures.
- 126 Director may contract with the Company Subject to the provisions of the Act, Directors including the Managing Director, if any shall not be disqualified by reason of their office contracting with the Company either as vendor purchaser, lender, agent, broker, or otherwise and shall not apply to any contract or arrangement entered into by or on behalf of the Company with any Director or the Managing Director or with any company or partnership of or in which any Director or Managing Director shall be a member or otherwise interested nor shall any Director or the Managing Director, so contracting or being such member or so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director or the Managing Director holding that office or of the fiduciary relation thereby established, but the nature of the interest must be disclosed by him or them at the meeting of the Board at which the contract or arrangement is determined on, if the interest then exists or in any other case at the meeting of the Board after the acquisition of the interest.
- 127 Disclosure of a Director's interest Every Director who is in any way whether directly or indirectly, concerned or interested in any contract or arrangement, entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act.
- 128 Which Directors to retire 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 became Directors on the same day those to retire shall in default of being subject to any agreement among themselves, be determined by lot.
- 129 Retiring Director to remain in office till successors appointed Subject to the provisions of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating Director(s) is not filled up and the meeting has not expressly resolved not to fill up 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, and if at the adjourned meeting the place of the retiring Director(s) is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the retiring Director(s) or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned Meeting.

- 130 Increase or reduction in the number of Directors Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in General Meeting may by ordinary resolution increase or reduce the number of its Directors within the limits fixed by these Articles.
- 131 General Meeting to fill up vacancies The Company at the Annual General Meeting at which a Director retires by rotation in manner aforesaid may fill up the vacated office by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled up and the General Meeting has not expressly resolved not to fill the vacancy, the General 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. If at the adjourned General Meeting also, the place of the retiring Director is not filled up, the retiring Director shall be deemed to have been re-appointed at the adjourned General Meeting unless:
- (a) At the General Meeting or at the previous General Meeting a resolution for the re-appointment of such Director has been put to the vote and lost;
  - (b) The retiring Director has by notice in writing addressed to the Company or the Board expressed his unwillingness to be appointed;
  - (c) He is not qualified or is disqualified for appointment;
  - (d) A resolution, whether special or ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or
  - (e) The provisions of sub-section (2) of Section 263 are applicable to the case.
- 132 Power to remove Director by ordinary resolution on special notice The Company may, subject to the provisions of Section 284 of the Act, by ordinary resolution, of which special notice has been given, remove any Director before the expiration of his period of office and may, by ordinary resolution of which Special Notice has been given appoint another person in his stead, if the Director so removed was appointed by the Company in General Meeting or by the Board. The person so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provision of this Article is not so filled by the General Meeting at which he is removed, the Board may at any time thereafter, fill such vacancy.
- 133 Board may fill up casual vacancies Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office upto the date upto which Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
- 134 When Candidate for office of Director must give notice No person not being a retiring Director shall be eligible for appointment to the office of the Director at any General Meeting unless he or some Member intending to propose him has, not less than 14 days before the General 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 to propose him as a candidate for that office, as the case may be. The Company shall inform its Members of the candidature of a 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 General Meeting provided that it shall not be necessary for the Company to serve individual notice upon the Members as aforesaid if the Company advertise such candidature or intention not less than seven days before the General 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.

- 135 Director elected by minority shareholders The Company may have a director elected by minority shareholders in such manner as may be prescribed in this behalf by the government or any other statutory authority from time to time.
- 136 Alternate Directors The Board may appoint an alternate Director to act for a Director (hereinafter called the original Director) during the absence of the original Director from the State in which the meetings of the Board are ordinarily held for a period of not less than three months. An alternate Director so appointed shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held if the term of office of original Directors is determined before he so returns to the state aforesaid, any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the alternate Director.
- 137 Meeting of Directors The Board of Directors shall meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. Provided that, a minimum seven (7) days prior written notice shall be given to each Director (including the Investor Director) of any meetings unless the Investor Director shall have given written approval for a meeting called on shorter notice. The right of the Investor Director and all other Directors to receive a minimum seven days prior written notice of any meetings of the Board shall cease after the successful completion of IPO.
- 138 Quorum The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher. Provided however that, where it involves a decision on an Affirmative Vote Item, the quorum shall include an Investor Director.
- 139 Resolution by circulation Subject to the provisions of Section 289 of the Act, a resolution by circulation signed by the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.
- 140 How question to be decided a) Save as otherwise expressly provided in the Act and these Articles, a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a simple majority of the Board (the affirmative vote greater than 50% of the Directors present at a meeting duly called and for which requisite quorum is present as required under these Articles or under the Act, as the case may be). Any questions arising at a meeting shall be decided by a simple majority of votes and, in case of any equality of votes, the Chairman shall have a second or casting vote..

- b) Provided that up to IPO, notwithstanding anything contained in these Articles, no action or decision relating to winding up and/or liquidation or taking any action in relation thereto or undertaking any transaction, having similar effect with respect to the Company (“**Affirmative Vote Items**”) shall be taken unless an affirmative vote of the Investor is obtained for the same. In the event, the Investor Director is unable to attend the Meeting of the Board, where action or decision on Affirmative Vote Item is to be taken, on the proposed date, the Investor Director shall at the Board Meeting called for approving the date of the Board Meeting, request to postpone the Meeting of the Board, in which case such Board Meeting shall be postponed for a period of at least three (3) days. In the event, no such request of postponement is made by the Investor Director in the Board Meeting, the Board Meeting shall be held in accordance with its agenda / notice including on the Affirmative Vote Items (if any) on the date fixed for the meeting. All resolutions at such Board Meeting, at which the Investor Director is not present shall be passed by majority and would not require any affirmative vote from the Investor Director subject to the proviso contained herein. Provided that in the event the Investor Director has already refused in writing to provide its affirmative vote on the Affirmative Vote Item to be discussed in the Board Meeting, at any time prior to the Board Meeting, such a resolution shall not be deemed to be passed in accordance with this Clause. It is hereby clarified that no Affirmative Vote Items shall be tabled or discussed in any Board Meeting of the Company unless the same is included in the agenda circulated to the Investor Director along with the notice of Board Meeting issued to the Investor Director in terms of these Articles.
- c) The right provided under the aforesaid Article shall cease to exist after the successful completion of the IPO.

- 141 Right of continuing Directors when there is no quorum The continuing Directors may act notwithstanding any vacancy in the Board but if and so long as their number is reduced below three, the continuing Directors or Director may Act for the purpose of increasing the number of Directors to three or of summoning a General Meeting of the Company but for no other purpose.
- 142 Debenture Directors Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time remove any Directors so appointed. A Director appointed under this article is herein referred to as a “Debenture Directors” and the Debenture Director means a Director for the time being in office under this Article. A debenture Director shall not be bound to hold any qualification shares 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 provision shall have effect notwithstanding any of the other provisions herein contained.
- 143 Nominee Directors a) So Long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by Reserve bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects by themselves and each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies or financial institutions holds or continues to hold debentures /shares in the company as a result of

underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation or financial institution 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 or non whole time (which Director or Director/s is/are hereinafter referred to as "Nominee Director/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

- b) 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 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.
- c) 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 or continues to hold Debentures/shares in the company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall it so fact vacate such office immediately the moneys owing by the Company to the Corporation are paid off or in the corporation ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the company arising out of the guarantee furnished by the Corporation.
- d) The Nominee Director/s 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 Nominee Director(s) is/are member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- e) The Company shall pay the Nominee Director/s sitting fees and expenses to 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 Directors 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 such Nominee Director/s for attending the meetings of the company, the same shall be reimbursed to the Corporation or the nominee Director, by the company.
- f) Provided that if any such Nominee Director/s an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation.
- g) 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 Corporation and have such rights as the usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration commission and monies as may be approved by the Corporation.

- 144 Election of Chairman of Board a) The Board may elect a Chairman of its meeting and determine the period for which he is to hold office.
- b) If no such Chairman is elected or at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairman of the Meeting.
- 145 Committee meetings and determination of questions thereat A committee may meet and adjourn as it thinks proper, and the questions arising at any meeting of a committee shall be determined by majority of votes as the members present as the case may be and in case of an equality of vote the Chairman of the Committee shall have a second or casting vote, in addition to his as a member of the committee.
- 146 Power to appoint Committees and to delegate powers The Board may, subject to the provisions of the Act, from time to time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time, revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.
- 147 Proceedings of Committee The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and to are not superseded by any regulations made by the Board under the last preceding Article.
- 148 Validity of Acts done by Board or a Committee All Acts done by any meeting of the Board or a committee thereof, or by any person Acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person Acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.
- 149 When acts of a Director valid not withstanding defective appointment etc. Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
- 150 Retirement of Directors Not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to terminate by retirement of Directors by rotation and (b) save as otherwise expressly provided in these Articles be appointed by the Company in General Meeting.
- Subject to the provision of Section 256 of the Act at every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one-third shall retire from office.
- 151 Eligibility for re-election A retiring Director shall be eligible for re-election.
- POWERS OF THE BOARD**
- 152 General power of Company vested in the Board Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do. The Board



shall be entitled to pay all expenses incidental to the formation of the Company and in particular, expenses incurred by the promoters for the purpose. Provided that the Board shall not exercise any power or to do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, or be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act thing the Board shall be subject to the provisions contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulations not inconsistent therewith, including regulations made by the Company in General Meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

- 153 Powers to be exercised by Board only by Meeting
- a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:
    - (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
    - (ii) Power to issue debentures;
    - (iii) Power to borrow money otherwise than on debentures;
    - (iv) Power to invest the funds of the Company;
    - (v) Power to make loans.
    - (vi) Power to authorize the buyback of shares
  - b) The Board of Directors may by a meeting delegate to any committee of the Directors or to the Managing Director, the manager or any other principal officer of the company, the powers specified in sub clauses (iii), (iv) and (v) above.
  - c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount upto which monies may be borrowed by the said delegate.
  - d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount, upto which the fund may invested and the nature of the investments which may be made by the delegate.
  - e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount upto which the loans may be made by the delegatee, the purpose for which the loans may be and the maximum amount of loans which may be made for each such purpose in Individual cases.

#### **LOCAL MANAGEMENT**

- 154 Local Management
- Subject to the provisions of the Act, the following regulations shall have effect:  
The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the rest of this Article shall be without prejudice to the general powers conferred by this paragraph.
- 155 Local Directorate delegation
- The Board may from time to time and at any time, establish any Local Directorates or agencies for managing any of the affairs of the Company outside India, or in any specified locality in India, and may appoint any persons to be members of such Local Directorate or any managers or agents and may fix their remuneration and save as provided in Section 292 of the Act, the Board may,

from time to time and at any time delegate to any person so appointed any of the powers, authorities and description for the time being vested in the Board and may authorize the members for the time being of any such Local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms subject to such conditions as the Board may think fit and the Board may, at any time, remove any person so appointed and may annul or vary any such delegation.

- 156 Power of Attorney The Board may, at any time and from time to time, by power of attorney under Seal, appoint any persons to be the attorneys of the Company for such purposes and with such powers authorities and description (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may from time to time, think fit, any such appointment may if the Board thinks fit, be made in favor of the members or any of the members of any Local Directorate established as aforesaid or in favor of any company or firm, or in favor of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such power-of-attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.
- 157 Sub-delegation Any such delegates or attorneys as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and description for the time being vested in them.
- 158 Seal for use abroad The Company may exercise the powers conferred by Section 50 of the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Board and the Company may cause to be kept in any State or country outside India, as may be permitted by the Act a foreign register of Members or debenture holders resident in any such State or country and the Board may, from time to time, make such regulations as it may think fit respecting the keeping of any such foreign register, such regulations not being inconsistent with the provisions of Section 157 and 158 of the Act, and the Board may from time to time make such provisions as it may think fit relating there to and may comply with the requirements of any local law and shall in any case, comply with the provisions of Sections 157 and 158 of the Act.
- 159 Managing Director/Whole time Director The Board may appoint any one or more of themselves to the office of the Managing Director/Whole time Directors, for such period at such remuneration and on such other terms and conditions as the Board thinks fit. The Managing Director shall be subject to the same provisions as to resignation and removal as the other Directors and he shall ipso facto and immediately cease to be a Managing Director if he ceased to hold the office of Director from any cause whatsoever.
- 160 Power of the Managing Director/Whole time Director The Managing Director/Whole time Director shall subject to the control and supervision of the Board of Directors have generally all powers of managing and supervising the Company's business and shall *inter alia* exercise and have the following powers and duties:
- (a) To manage generally all concerns and affairs of the Company, to order for the supply of goods, machinery, labor and all things necessary for the Company on its behalf, to sanction payment of bills to appoint and employ on such terms and conditions as he thinks proper, manager, secretaries, under secretaries, superintendents, inspectors, engineers overseers, contractors, clerks, foremen, and other officer and labor hands, agents,

organizers, brokers, canvassers and other persons for the purpose of the Company or to remove or dismiss them and appoint others in their place and to pay the persons so appointed or employed such salaries allowances, wages, commissions, traveling expenses, contribution to provident fund or other remuneration as he may deem proper and fit.

- (b) To receive all payments on behalf of the Company and to receive and sign all letters money orders registered or insured packets and covers, book-posts, telegrams, consignments, and parcels of all descriptions and the like forwarded to the Company and to carry on and sign all correspondences of the Company.
- (c) To pay the costs, charges and expenses, preliminary and incidental for the promotion, formation, establishment, carrying on, running and registration of the Company and for taking licenses from municipality or corporation or from the Government, Central or provincial for the Company, if necessary
- (d) To receive all expenses incurred, advanced by him for the aforesaid or any other purposes or business from the funds of the Company provided the Board sanctions such reimbursement.
- (e) To sign cheques, drafts, certificates, bonds, hundies and other documents on behalf of the Company.
- (f) To give effectual receipts and discharges of all kinds of payments either in the shape of claim interest rent, profit and other payments and dues and for non-payments for any debts, money, rent due or breaches of any covenant, agreement or condition, to take proceedings, civil, criminal or otherwise for recovery of such debts, money, rent, dues damages compensation in respect of such breaches or otherwise.
- (g) To settle, start, defend, adjust, compound submit to arbitration and compromise withdraw all actions, accounts, claims, and demands whether arising in any legal proceeding or not.
- (h) To appear and conduct cases for the Company in all courts of justice, civil criminal and revenue before any executive, judicial, revenue, forest, police, postal, excise, income-tax, railway, steamer, telegraph, municipal, government or military departments, district board, local board, union board, or other officers in any action or proceedings or matters in which the Company is interested, with a view to promote, benefit, safeguard, or defend its interest or settle or compromise or compound take action or judgment against the Company or to vote in any municipal corporation, district board, union board, or legislative bodies, electric matters on behalf of the Company.
- (i) To admit execution of documents before any district registrar, sub registrar of assurances, registrar of co-operative societies and to get basic documents from the offices of the aforesaid officers and to conduct or defend any case before them.
- (j) To sign and verify written statements, petitions pleadings, compromises, vakalatnama, warrants of attorneys, muktearnamas, and agents names in all courts civil, criminal or revenue and to pay their fees, charges and or other legal expenses and law charges and costs.
- (k) With the sanction of the Board to deposit any money in and withdraw money from all treasuries, banks, and any other person or persons for and on behalf of the Company.
- (l) To execute and do in the name of the Company all deeds and things for the welfare of the Company.
- (m) With the sanction of the Board to institute suits including those for libel, defamation, or infringement or any right concerning the Company.
- (n) To grant and/or revoke any power of attorney general or special on behalf

of the Company to any person or persons as he may think fit and proper in the best interest of the Company.

- (o) To execute and do in the name of and for and on behalf of the Company all things and deeds and documents as the Board may authorize him to do.
- (p) To keep under his care and safe custody all papers valuable securities and properties of the Company.
- (q) Subject to the approval of the Board to borrow or raise by loan or otherwise any sum as is required for the conduct of the business of the Company.
- (r) To do all acts, things and executions necessary for the day to day management of the company and in the interest of the company, subject to authorization of the same by the Board or by a General Meeting of members, wherever such authorization is required as per the provisions of the Act or any other statute
- (s) To delegate the authority/power exercised by him, to any person, unless it is specifically prohibited.

#### **THE SECRETARY**

- 161 Appointment of Secretary  
The Board may by resolution appoint a secretary of the Company and fix his remuneration.

#### **COMMON SEAL**

- 162 The common seal, its custody and use  
The company shall have a Common Seal for the purposes 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 Board shall provide for the safe custody of the seal.

The Common seal shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of Directors previously given and in the presence of any one Director or secretary or any other person authorised by the Board, who shall sign every such instrument to which the seal has been so affixed, provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Director to issue the same.

- 163 Seal for use out of India  
The Company may, as and when the Board so decides, have an official seal for each of such territories, districts or places out of India, as the Board may deem necessary. Each such official Seal shall be the facsimile of the Common Seal of the Company, with the addition on its face the name of the territory, district or place where it is to be used.

#### **MINUTES**

- 164 Minutes of the meeting(s)
- (1) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or of every committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.
  - (2) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereof.
  - (3) All the appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

- (4) In the case of a meeting of the Board or of a committee of the Board the minutes shall contain:
- i the names of the Directors present at the meeting;
  - 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.

- (5) Nothing contained in clauses (1) to (5) 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 proceeding; or
- iii detrimental to the interests of the Company.

The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

- (6) Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

#### **RESERVES**

165 Reserves

The Board may, from time to time, before recommending any dividend set apart any or such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company for equalization of dividends for repairing, improving, or maintaining any of the property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may, invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets.

166 Investment of money

All moneys carried to the Reserve shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purposes of the Company may be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or to otherwise as the Board may from time to time think proper.

#### **CAPITALIZATION OF RESERVES**

167 Capitalization of reserves

Any General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves or any Capital Redemption Reserve Account in the hands of the

Company and available for dividends or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the Members as would be entitled to receive the same if distributed by way of dividends and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such Members in paying up in full any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution, of payment shall be accepted by such Members in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of the Share Premium Account or a Capital Redemption Reserve Account may, for the purpose of this Article only be applied in the paying up of un-issued shares to be issued to Members of the Company as fully paid bonus shares.

168 Surplus moneys A General Meeting may resolve that any surplus money arising from the realization of any capital assets of the Company or any investment representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the Members on the footing that they receive the same as capital.

169 Fractional certificates For the purpose of giving effect to any resolution under the last two preceding Articles, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign contract on behalf of the Members entitled to the dividend or capitalized fund, and such appointment shall be effective.

170 Equitable interest not to be recognized The Company shall not be bound by or recognize any equitable, contingent, future or partial interest in any fractional part of a share or (except only as by these presents otherwise expressly provided) any other right in respect of any share except an absolute right to the entirety thereof as the registered holder.

**DIVIDEND**

171 Dividend to be declared in General Meeting The Company in General Meeting may declare dividends to be paid to the Members according to their respective right and interest in the profits. No dividend shall exceed the amount recommended by the Board, but the Company may declare a smaller dividend in a General Meeting.

172 Interim dividends The Board may from time to time pay the Members such interim dividends as appear to them to be justified.

173 Dividends out of profit only No dividend shall be paid otherwise than out of the profits of the Company arrived at in the manner provided for in Section 205 of the Act. The declaration of the Board as to the net profits of the Company shall be conclusive.

174 Division of profits The Profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the Members in proportion of the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

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 on terms provided that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
175	Debts may be deducted	The Board 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.
176	Capital paid up in advance at interest not to earn dividend	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.
177	Dividends in proportion to amount paid up.	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 on terms, providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
		No Member to receive dividend whilst indebted to the Company and the Company's right of reimbursement thereof.
		No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst 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 may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.
178	Effect of transfer of shares	A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer.
179	Dividend to joint holders	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.
		A person entitled to a share by transmission shall subject to the right of the Board, retain such dividends or money as is hereafter provided be entitled to receive dividend without being registered as a Member and may give a discharge for any dividends or other moneys payable in respect of the share.
180	Notice of Dividends	Notice of any dividend that may have been declared shall be given to the persons entitled to share thereto in the manner mentioned in the Act.
181	Dividend how remitted	The dividend payable in cash may be paid by transfer to bank account or by cheque or warrant sent through post direct to 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 they may direct in writing. 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 forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
182	Dividend to be paid within time prescribed by the Act.	The Company shall pay the dividend or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within the time prescribed

by the Act, from the date of the declaration unless:

- i where the dividend could not be paid by reason of the operation of any law;
- ii where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;
- iii where there is a dispute regarding the right to receive the dividend;
- iv where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder, or
- v where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

183 Unclaimed dividend No unclaimed dividend shall be forfeited by the Board and the Board shall comply with provisions of Sections 205A and 205B of the Act, as regards unclaimed dividends.

184 No interest on dividends Subject to the provisions of Section 205 A of the Act no dividend shall bear interest as against the Company.

185 Dividends in cash No dividend shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by Members of the Company.

#### **REGISTERS AND DOCUMENTS**

186 Inspection of Registers The minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from 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 case of the Register of Members of the Company, provided for in the Act. Copies of entries in these Registers shall be furnished to the persons entitled to the same on such days and during such business hours as may consistently be determined by the provisions of the Act.

187 Buy Back of Shares The Company may buy back its own shares or other specified securities subject to the provisions of Sections 77A, 77AA and 77B of the Act and any related guidelines issued in connection therewith.

188 Sweat Equity The Company may issue sweat equity shares subject to the provisions of Section 79A of the Act and any other related provisions as may be required for the time being in force.

#### **DEMATERIALIZATION OF SECURITIES**

189 Dematerialization of securities Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its securities, rematerialize its securities held by the depositories and/or to offer its fresh securities in the dematerialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

190 Option given to investors Every person shall have the option to hold the securities with a Depository. Such a person who is a beneficial owner of the securities can at any time opt out of a Depository in respect of such 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 certificate of securities.



		<p>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 name of the allottee as the beneficial owner of the security.</p>
191	Securities in Depository to be in fungible form	<p>All securities held by a Depository shall be dematerialized and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of securities held by it on behalf of the beneficial owners. No certificate shall be issued for the securities held by the Depository.</p>
192	Voting rights of Depository and beneficial owner	<p>The Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner.</p> <p>Save as otherwise provided here in above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.</p> <p>Every person holding securities 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 shall be entitled to all the rights and benefits and shall be subject to all the liabilities in respect of such of his securities that are held by the Depository.</p>
193	Allotment of securities by the Depository	<p>Notwithstanding anything contained in the Act or the Articles, where the Depository holds the securities, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.</p>
194	Register and Index of beneficial owners	<p>The register and index of beneficial owners maintained by the Depository under the Depositories Act shall be deemed to be the Register and Index of Members and security holders for the purpose of these Articles except as is mentioned in the provisions of Section 150, 151 and 152 of the Act.</p>
195	Transfer of securities	<p>Nothing contained in Section 108 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.</p>
196	Beneficial owner deemed as absolute owner	<p>Except as ordered by the Court of competent jurisdiction or by law required the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami. Trust Equity, equitable contingent, future, partial interest other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>
197	Cancellation of Certificates upon surrender by person	<p>Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record the name of the depository as the Registered owner in respect of the said securities and shall also inform the Depository accordingly.</p>
198	Service of documents	<p>Notwithstanding anything contained in the Act, or these Articles, to the contrary,</p>

where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the company by means of hard copies or through Electronic mode or by delivery of floppies or discs.

- 199 Distinctive number of securities held in a depository The shares in the capital shall be numbered progressively according to their several denomination, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are Dematerialized from. Except in the manner provided under the Articles, no share shall be sub-divided. Every forfeited or surrendered share be held in material form shall continue to bear the number by which the same was originally distinguished.
- 200 Provisions of Articles to apply to shares held in depository Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provision of Depository Act, 1996.
- 201 Depository to furnish information Every Depository shall furnish to the Company Information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the company in that behalf.
- 202 Option to opt out in respect of any such security If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (Thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

#### **ACCOUNTS**

- 203 Profit and Loss Account to be laid before General Meeting at least once in every year. Subject to Sections 210 and 166 of the Act, once at least in every year the Board shall place before the Company in General Meeting a profit and loss account for the period not more than six months before such General Meeting.
- 204 Balance Sheet A Balance Sheet shall be made out in every year, audited and laid before the Company in Annual General Meeting made up-to-date not more than six months before such Meeting. The Balance Sheet together with the Auditor's Report shall be accompanied by a Report of the Directors as to the state of the Company's affairs and the amount, which they recommend to be paid by way of dividend and the amount, which they propose to carry to Reserve fund.

#### **AUDIT**

- 205 Accounts to be audited annually Once at least in every year one or more Auditor(s) shall examine the books of account of the Company.
- 206 Appointment of auditors The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office term from the conclusion of the meeting until the conclusion of the next Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor or Auditor's so appointed, unless he is a retiring Auditor.
- 207 Audit of accounts of branch office of the Company Where the Company has a branch office the provisions of Section 228 of the Act shall apply.
- 208 Right of Auditor to attend General Meeting All notices of and other communications relating to any General Meeting of the Company which any Member of the Company is entitled to have sent to him shall also be forwarded to the Auditor of the Company and the Auditor shall be

entitled to attend any General Meeting which he attends on any part of the business which concerns him as Auditor.

- 209 Auditors Report to be read The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
- 210 When Accounts to be deemed finally settled Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General meeting shall be conclusive.

#### **SERVICE OF DOCUMENTS AND NOTICE**

- 211 How document is served on the members
- a) A document (which expression for this purpose shall include and be deemed to include any summons, notice requisition, process order, judgment or any other document in relation to or in winding up of the Company (may be served or sent to the Company) on or to any member either personally or by sending it by post to his registered address or (if he has no registered address in India) to the address if any within India provided by him to the Company to give the notice to him.
  - b) All notices shall, with respect to any registered share to which persons are entitled jointly, be given to whichever of such persons who is named first in the Registered notice so given shall be sufficient notice to all the holders of such share.
  - c) Where a document is send by post:
    - (i) Service thereof shall be deemed to be effected by properly addressing paying and posting a letter containing the notice provided that where a member has intimated to the company in advance that documents should be sent to him under a certificate of posting or by registered post without acknowledgement due and has deposited with the Company a sum sufficient to defray expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member.
    - (ii) Unless the contrary is provided, such service shall be deemed to have been effected.
    - (iii) In the case of a notice of a meeting, at the expiration of forty-eight hours the letter containing the notice is posted.
  - d) In any other case, at the time at which the letter would be delivered in ordinary course of post.
- 212 Members to notify address in India: Each registered holder of shares from time to time notify in writing to the Company so place in India to be registered as his address and such registered place of address shall for all purposes be deemed his place of residence.
- 213 Service on members having no registered address: If a member has no registered address in India, and has not supplied to the Company and address within India, for giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Registered Office of the Company shall be deemed to be duly served to him on the day of which the advertisement appears.
- 214 Service on persons acquiring shares on death or insolvency of members: A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have

been served if the death insolvency had not occurred.

214A *“Information covenants:*

*Upto the successful completion of IPO, the Company shall provide to IDF and the IDF Director, the following information/documents.*

- 1. annual financial statement duly audited by the statutory auditors, unaudited annual financial statements, and unaudited quarterly financial statements;*
- 2. prior to the commencement of each financial year, an annual operating plan and budget for such financial year, for approval by the Board;*
- 3. details of any material litigation, proceedings or material dispute or adverse changes that impedes or likely to adversely affect the business of the Company; and*
- 4. details of any material event of Force Majeure or any other event which would have a material adverse effect on the company’s profit or business.*

*After the successful completion of IPO, the right created in favour of IDF under this Article shall cease to exist.*

214B IPO

- a) In the event the Company fails to make an IPO for any reason, (e.g. due to prevailing market condition etc.) on or before IPO Cut-off Date, IDF shall have the following rights, granted to it by the Promoters, exercisable simultaneously:
  - i) IDF shall be entitled to sell all its shares in the Company to the Promoters at a price equal to Rs. 20.31 per share (which would be same as its cost basis per share in the hands of IDF);
  - ii) IDF shall be entitled to purchase from the Company 15.1% of the issued and allotted equity share capital of GEL (on a fully diluted basis) for a consideration equal to the amount receivable by IDF from the Promoters under Article 214B(a)(i) above (the “GEL Transaction”); and
  - iii) IDF shall have the right to treat the amount receivable from the Promoters on exercise of its right to sell its shares in the Company under Article 214B(a)(i) above, as the amount deemed to have been paid by IDF to the Company towards exercise of its right to purchase GEL shares under Article 214B(a) (ii) above.
- b) Upon completion of the GEL Transaction, the Promoters and the Company shall ensure that (a) a fresh shareholders agreement on the same terms and conditions as the previous shareholders agreement executed with GEL; and (b) a fresh promoters undertaking on the same terms and conditions as the Promoters’ Undertaking is executed and the rights of IDF are once again captured in the Articles of Association of GEL and its subsidiaries. Upon completion of such matters the Shareholders Agreement and other transaction document shall stand forthwith terminated.

214C No Special Rights After IPO

It is clarified for the sake of abundant caution that after the successful completion of IPO, all special rights created in favour of IDF in relation to the Company or its subsidiaries pursuant to this Articles of Association or under any

other document shall cease to exist.

- 214D Governing law and dispute resolution:
- a) The Articles, the SHA and the transactions contemplated hereunder and there under shall be governed by the laws of India.
  - c) Any dispute arising under or out of or in connection with or in relation to the Articles or the SHA or any alleged breach hereof shall be determined and settled by arbitration pursuant to the Arbitration and Conciliation Act, 1996. Any such dispute shall be determined by panel of odd number arbitrators, of which each Party to the dispute shall select one arbitrator and if such arbitrators are an even number, the arbitrators selected shall appoint one further arbitrator. Any award rendered upon such arbitration shall be final and conclusive and binding on the Parties. The place of such arbitration shall be Bangalore. The Parties further agree that the arbitrators shall also have the power to decide on the costs and reasonable expenses (including reasonable fees of its counsel) incurred in the arbitration and award interest up to the date of the payment of the award
  - d) This [Article 214D] shall survive termination of the Articles and/or the SHA.

#### **AUTHENTICATION OF DOCUMENTS**

- 215 Authentication of documents and proceedings
- Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, the Managing Director, the Manager, the Secretary or an authorized officer of the Company and need not be under its seal.

#### **RECONSTRUCTION**

- 216 Reconstruction
- On any sale of the undertaking of the Company the Board or the Liquidators on a winding up may if authorized by a special resolution accept fully paid or partly paid up shares, debentures or securities of any other company whether incorporated in India or not either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the Members without realization, or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities benefit or property otherwise than in accordance with the strict legal rights of the Members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the General Meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation there to, save only in the case the Company is proposed to be or in the course of being wound up, such statutory rights (if any) under Section 494 of the Act as are incapable of being varied or excluded by these Articles.

#### **SECRECY**

- 217 Affairs of the Company to be kept secret
- No shareholder or other person shall be entitled to visit or inspect the Company's Registered Office or place of business without the permission of the Managing Director, or any other Director in the absence of a Managing Director, or to require discovery of any information respecting any details of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of business

of the Company and which in the opinion of the Managing Director or the Directors it will be inexpedient in the interests of the Company to communicate to the public.

- 218 Every Director to sign a declaration pledging to observe secrecy
- Every Director, Manager, Trustee, Member of the Committee, Secretary and all Officers, Servants, Agents, Accountants or other persons employed in the business of the Company shall if so required by the Managing Director or the Directors, sign a declaration pledging himself to observe a strict secrecy respecting all transaction of the Company with its customers and of accounts with individuals and in matters relating thereto and shall by such declarations pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by Chairman at any General Meeting or by a court of 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.

#### **WINDING UP**

- 219 Distribution of assets
- If the Company shall be wound up, and the assets available for distribution among the Members as such are insufficient 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 the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the paid up capital at the commencement of the winding up the excess shall be distributed amongst the Members but this Article is to be without prejudice to the rights of Member registered in respect of shares issued upon special terms and conditions.
- 220 Distributions of assets in specie
- If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may with the sanction of Special Resolution divided among the contributories, in specie or kind, 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 of such trusts for the benefit of the contributories or any of them, as the liquidators, with the like sanction shall think fit.

#### **INDEMNITY AND RESPONSIBILITY**

- 221 Director's other rights to indemnity
- Subject to the provisions of Section 201 of the Act every Director, manager, secretary and other officer or servant of the Company shall be indemnified by the Company out of the funds of the Company for all costs charges traveling and other expenses, losses and liabilities which any such Director, manager, secretary and officer or servant may incur or become liable to pay by reason of any contract entered into, or act or deed done by him as such director, manager, secretary and other officer or servant, or in any way in the discharge of his duties (unless the same shall happen through his wilful default, negligence, misfeasance, breach of duty or breach of trust) and the amount for which such indemnity as provided shall immediately attach as a lien on the property of the Company and shall have priority as between the Members over all other claims.

Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section. 633 of the Act in which relief is given to him by the Court.

221A Insurance

The Company, shall obtain and maintain directors liability insurance covering all its Directors including the Investor Director, in a form and to the extent as per standard industry practice, and subject to applicable law.

222 General clause

Wherever in the Act it has been provided that any company shall have any right, privilege or authority or that any company cannot carry our any transaction unless it is so authorized by its Articles, then in that case, this Article hereby authorizes and empowers this Company to have such right, privilege or authority and to carry out such transactions as have been permitted by the Act without their being any other specific Article in the behalf herein provided.

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

Sl. No.	Names, Address, and occupation of the Subscribers	Signature of subscribers	Signature of witness and his name address, description and occupation
1.	GRANDHI MALLIKARJUNA RAO S/o. G. China Sanyasi Raju 8-2-621/1/F. Road No. 10 Banjara Hills, Hyderabad Occupation : Business	Sd/-	
2	G. VARALAKSHMI W/o Grandhi Mallikarjuna Rao 8-2-621/1/f, Road No. 10 Banjara Hills Hyderabad Occupation: Housewife	Sd/-	
3	BODA VENKATA NAGESWARA RAO S/o B. Venkateswara Rao H. No. 1-10-1/249/1, Shook Nagar Extension, Hyderabad- 500 020 Occupation: Business	Sd/-	
4	BODA VISALAKSHI W/o B.V. Nageswara Rao H. No. 1-10-1/249/1, Ashok Nagar Extension, Hyderabad- 500 020 Occupation: Housewife	Sd/-	Sd/ K. Srinivasa Rao S/o K. Venkateswara Rao 1408, Babu Khan Estate, Basher Bagh Hyderabad 500 001 Chartered Accountants
5	OBBLISETTI BANGARU RAJU S/o. Neelachalam Plot No. 7, Suryanagar Karkana Hyderabad Occupation : Business	Sd/-	
6	OBBLISETTI SANTHI W/o O. Bangaru Raju Plot No. 7, Suryanagar Karkana Hyderabad Occupation: Housewife	Sd/-	
7	S.S.N. MURTHY S/o S. Narasimha Murthy C/o GMR Vasavi Industries Ltd. Opp. Grameen Bank 'A' Colony Srikakulam- 532 001 Occupation: Business	Sd/-	

Dated this 25<sup>th</sup> day of April 1996 at Hyderabad