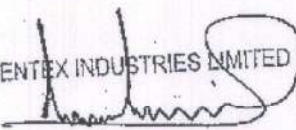

Memorandum
and
Articles of Association
of
CLC INDUSTRIES LIMITED

For SPENDEX INDUSTRIES LIMITED

Managing Director/Director

CLC INDUSTRIES LIMITED

AUTHORIZED SIGNATORY

Company No. 55-139153

(SECTION 18 (3) OF COMPANIES ACT, 1956)

M/s. SPENTEX INDUSTRIES LIMITED
having by special resolution altered the provisions of its
Memorandum of Association with respect to place of the Registered
Office by changing it from the State of Maharashtra to the
NCT of Delhi and such alteration having been confirmed by an
order of The Company Law Board, Western Region Bench,
Mumbai bearing the date 27/05/2005

I hereby certify that a certified copy of the said order has this day
been registered.

Given under my hand at NEW DELHI this 30th day of June
Two Thousand Five.



(D. R. Chaturvedi)
DY. REGISTRAR OF COMPANIES,
NCT OF DELHI & HARYANA



CLC INDUSTRIES LIMITED

AUTHORISED SIGNATORY

COMPANY NO: 65-138153.

Section 18(1)(a) of the Companies Act, 1956.

**CERTIFICATE OF REGISTRATION OF THE SPECIAL
RESOLUTION CONFIRMING ALTERATION OF
OBJECT CLAUSE(S).**

The shareholders of M/s. Spentex industries
Limited having passed Special Resolution in the
Annual/Extra Ordinary General Meeting held on 7th
September, 05 altered the provisions of its Memorandum
of Association with respect to its objects and complied with section
18(1) of the Companies Act, 1956.

I hereby certify that the said Special Resolution together with
the printed copy of the Memorandum of Association as altered, has
this day been registered.

Given under my hand at New Delhi this 21st day of
September two thousand five.



Sd/-
(V. N. Sharma)
Dy./Asstt. Registrar of Companies,
NCT OF DELHI & HARYANA



CLC INDUSTRIES LIMITED

AUTHORISED SIGNATORY

No. 11-92371/95

(SECTION 18 (3) OF COMPANIES ACT, 1956)

CERTIFICATE OF REGISTRATION OF THE ORDER OF
COMPANY LAW BOARD, EASTERN REGION BENCH, CALCUTTA
CONFIRMING TRANSFER OF THE REGISTERED OFFICE
FROM ONE STATE TO ANOTHER

The SPENIX INDUSTRIES LIMITED having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the Registered Office by changing it from the State of WEST BENGAL to the state of MAHARASHTRA and such alteration having been confirmed by an order of COMPANY LAW BOARD, EASTERN REGION BENCH, CALCUTTA bearing date the 8TH JULY, 1995.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at BOMBAY this FOURTH day of SEPTEMBER One Thousand nine hundred and NINETYFIVE.

(Y. M. DEOLIKAR)
ADDL. REGISTRAR OF COMPANIES,
MAHARASHTRA



CLC INDUSTRIES LIMITED

AUTHORISED SIGNATORY



प्राप्त० आई० भार०

Form I. R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

ता० का सं०
No. *21-53629* of 19*91*

में एतद् द्वारा प्रमाणित करता हुँ कि आज

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that *Shentex*

Industries Limited

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

मेरे हस्ताक्षर से आज ता० को दिया गया।

Given under my hand at *Calcutta* this *twenty fifth*

day of *november* one thousand nine hundred and

ninety one

Dr. A. K. Doshi
कम्पनियों का रजिस्ट्रार
Registrar of Companies

West Bengal.





कारबार प्रारम्भ करने के लिए प्रमाण-पत्र
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149(3) के अनुसार
Pursuant of Section 149(3) of the Companies Act, 1956

M. No. 2113679 of 1991
ने एतद्वत्स प्रमाणित किया है कि

जो कम्पनी अधिनियम, 1956 के अधीन तारीख को नियमित की गई थी और जिसने आज विहित प्रारूप में सम्यक रूप से सत्यापित घोषणा फाइल कर दी गई है कि उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the *Textex Industries Limited*

which was incorporated under the Companies Act, 1956, on the *twentieth* day of *November*, 1991, and which has this day filed a duly verified declaration in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख को

में दिया गया।
Given under my hand at *Calcutta*
this *twentieth* day of *November* one thousand nine hundred and *ninety one*.

[Signature]
कम्पनी की रजिस्ट्रार
Registrar of Companies
[Signature]



जी० बा० एफ० एस० कलकत्ता/89
GIFS Calcutta/89-HQC 204-24490-20,000.

THE COMPANIES ACT, 2013
(Incorporated under the Companies Act, 1956)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
CLC INDUSTRIES LIMITED

- i. The name of the company is CLC INDUSTRIES LIMITED
- ii. The registered office of the Company shall be situated in State of Maharashtra**.
- iii. The objects for which the Company is established are:
 - A. #THE OBJECTS TO BE PURSUED BY THE COMPANY OF ITS INCORPORATION ARE:**
 1. To establish, own, run and manage composite textile mills and to carry on the business of spinners, weavers, doublets, converters, knitters, twistors, combers, crimpers, texturizers, processors, dyers, printers, bleachers, mercerizes of all kinds of yarns, man-made fibers; textiles, cloth, linen and other fabrics made from cotton, hemp, jute, wool, silk, rayon, nylon, polyester, staple fibers and other fibrous material.
 2. *To carry on the business as manufacturers, processors, dealers, contractors, agents, suppliers, stockiest, traders, representatives, importers, exporters, engineers, designers, printers, dyers, weavers, bleachers, mixers, drapers, consultants, finishers, and promoters for any or all varieties of silks, artificial silks, synthetics, polyester rayon, nylon, cotton or any other types of yarn and or cloth fabrics and linen from any base whether organic or inorganic or compounds or mixtures thereof by physical, chemical or any other process of treatment now prevalent or may be devised in future and manufacturing the chemicals, dye-stuffs, equipments, vitriol, washing bleaching and dyeing materials, ham stitches platters, knitters, embroiderers, tailors, dress makers, costumers, manufacture of carpets and sport goods, gloves hatters dyers, cleaners, washers synthetic and manmade fibers and yarns and all other requisites needed for all or any of the above purposes and by Bye products which can be conveniently produced there from.
 3. *To carry on any part of India and abroad, the business as spinners, weavers, manufactures, traders, ginners, pressers of cotton jute hemp silk wool synthetic and any other fibrous material and the cultivation thereof and the business of weaving or otherwise manufacturing bleaching, dyeing, printing, yarn cloth, linen and other good or merchandise made there of and generally to carry on the business of cotton merchants, bleachers and dyers, makers of vitriol bleaching and dyeing materials, and to transact all related manufactured articles.
 4. *To carry on the business of generation, purchase, transmission, storage, supply, employ, distribution, traders and sale of electricity and power produced by using coal, naphtha, natural gas, oil, solids, fuels, or any other kinds of solid or liquid or gaseous fuel, water and air, through windmills, wind farms, solar

#Special resolution passed through postal ballot on 19th June 2018.

***Inserted vide special Resolution dated 07.09.2005**

****The proposed change in Clause II of Memorandum of Association (MOA) is approved by special resolution passed by the Members of the Company at Extra ordinary General Meeting held on 28th January, 2025, subject to the approval of Regional Director (Northern Region), Ministry of Corporate Affairs.**

energy, thermal stations and hydroelectric stations through generation/co-generation methods, from refineries or any other process, or by using biogases. Biomass and from other wastages and from all types of conventional or non-conventional energy sources or through any other means now known or which may be hereinafter invented or exploited and to supply the power to state electricity boards central/state government and other industrial or other kinds of consumers directly or indirectly and to any other authority whether private or public to transmit accumulate sell develop harness supply, and distribute the power and to establish construct acquire, purchase own fix maintain operate, run disposes off and generally to deal in maintain all types of power generating stations tie lines, sub-stations, main transmission lines connected therewith transformers cables wires lines accumulators lamps and work stations whether in India or abroad and setting up of refineries for production of petroleum and related products, setting up thermal or hydel stations for generation of electricity.

5. *To carry on the business as manufacturers, dealers, traders, exporters and importers of all varieties of steel, special steel, structure steel, ferro alloys, carbon steel, tool alloys steel, mild steel, copper, brass, zinc and any other kind and grades of steel, ferrous and non-ferrous metal and their compounds and to carry on and execute the work of engineers including manufacturing, trading and dealing in billets, rods, ingots, sheets, wires, and in all kinds of products whether forged, rolled or drawn and consequently to manufacture, sell and deal in all or any of the by-products which will be obtained in the process of manufacturing these steel products and to carry on the business of miners, importers and exporters, dealers in iron ores, chromium ores, magnetic ores, thorium, uranium, asbestos, nickel, copper, lead, tin, bauxite ores and all ferrous and non-ferrous ores of every description and grads what so ever in any part of the country and abroad and to carry on the business of processing, cleaning melting, forging, grading, and matching, to convert the ores into marketable metals and to manufacture, deal import and export pig iron, sponge iron ferrosilicon ferro chrome and other ferrous substances and metals of every description and grade and to manufacture, deal Import and export all kinds and varieties of non-ferrous raw metals such as aluminium copper tin lead etc. and the by-products obtained in processing and manufacturing these raw metals.
6. *To act an export house, buying house, retail house, importers and exporters, wholesale and retail dealers, traders and to organize sales of and in men's women's and children's clothing and wearing apparel of every kind nature and description including shirts, vests, underwear's socks, stockings, sweaters, laces, and all other hosiery goods bush shirts, pyjamas suits, vests, underwear's, suits, pants, workman's clothes, uniforms for the army, navy, air force, schools and other personnel foundation garments for ladies, dresses, brassieres, maternity belts, knee caps, coats, panties, nighties, leather goods jackets, gloves, tides, knickers, Bermuda, hankies, ties, skirts, ladies suits, gents suits and fashion wears, wearing's for seasons and climates.
7. *To plan, design, develop, improve, buy and sell, distribute, license, install, repair, alter, trade, import, export or otherwise deal in and with all kinds of software, offshore software development projects, software project consultancy, development of computer languages and allied computer services, hardware and programme of any and all kinds and description including but not limited to computers and microprocessor-based systems, mini and microcomputer based products, main frame and super

computers, electronic and mechanical computers, computer peripherals and equipment's and terminals including intelligent terminals, speech processing equipment, office and terminals including intelligent terminals, speech processing equipment, office and factory automation equipment and to take up on turnkey basis projects for software development, hardware manufacturing and creating all types of Infrastructural facilities whether on own or through outside agencies and to advice and render whether in India or abroad services like staff and management recruitment, training and placements, technical analysis of data electronic data processing, preparation of project reports surveys and analysis for implementation of project and their progress review, critical path analysis, organization and method studies and other economic mathematical statistical scientific and modern management technique and to establish and render any and all consultancy and other services of professional and technical nature.

8. *To carry on business as proprietors, developers, builders, managers, operators, hirers and dealers of all kinds of immovable properties including but not limited to that of lands, buildings, farms, cinemas, hotels and cold stores and to carry on all incident at or allied activities and business as are usually carried on by properties, builders, managers, operators, hirers and dealers etc., of such properties and to carry on business as hirers of machinery.
9. *To carry on the business as manufacturers, processors, dealers, contractors, agents, suppliers, stockiest, traders, representatives, on all or any of the business cement, lime, plasters, ceramic, sanitary fittings, asbestos sheets, chinaware, whitening clay, gravel, sand, minerals, earth, coke, fuel and stone and builders' requisites and conveniences of all kinds whether in India or abroad.

B. #MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN PART A OF CLAUSE III ARE:

- 1 To carry on business as weavers, hemstitchers, knitters, manufacturers, glovers, hatters, dyers, cleaners, embroiderers, tailors, dress makers, costumers, washers, printers, drapers, manufacturers of ready-made garments, hosiers, brace and belt makers, silk mercers, makers and suppliers of carpets, blankets, overcoats and umbrellas conducive to the main object.
- 2 To act as principals, agents, brokers, buying and selling agents, wholesalers, retailers, commission agents, dealers, importers, exporters, warehouses in all kinds of silk, kapas, cotton, wool, rayon, jute, hesian and other fibres, yarns, waterproof materials and fabrics, textiles, mattings or other cloths.
- 3 To buy, sell, manufacture, import, export and otherwise deal in colours, dyes, chemicals mill stores, textile stores, machinery, plant and equipment required for the business of the Company.
- 4 To acquire and take over as a going concern by purchase of or on lease and to undertake, to carry on the whole or any part of the business together with the goodwill and trade name, property rights and liabilities of any person or persons, firm or any company carrying on any business, which is within the objects of the Company and to pay for the same by shares, debentures, stock, bonds, cash or otherwise and to conduct and carry on or liquidate and wind up any such business.

- 5 To amalgamate, enter into foreign or Indian, technical and/or financial collaboration partnership or into any arrangement, for sharing of profits, union of interest, co-operation, joint-venture, reciprocal concession or otherwise with any person, firm, corporation, or Government or Company Carrying on, engaged in or about to carry on or engaged in any business, undertaking or transaction which the company is authorised to carry on or engage in and to take or otherwise acquire and hold the company is authorised to carry on or engage in and to take or otherwise acquire and hold shares or securities of any such persons, firms or Companies and to sell, hold re-issue with or without guarantee or otherwise deal with the same.
- 6 The Company may at any time Invite and receive or without any such invitation receive any gifts of immovable or movable property and offerings or voluntary donations or bequests and legacies either from the shareholders or from any other person or give gifts of immovable or movable property and offerings or voluntary donations, bequests and legacies either to the shareholders or to any other person for all or any of the objects of the Company with or without any special conditions provided such gifts received or gifts made or the conditions attached are not inconsistent with or derogatory to any of the objects of the Company.
- 7 To place to reserve or to distribute as bonds, shares, the money arising from the sale by the Company of forfeited shares in conformity with the provisions of the Companies Act, 2013.
- 8 To acquire and take over as going concern by purchase of or on lease and to undertake, to carry on the whole or any part of the business together with the goodwill and trade name, property, rights, and liabilities of any person or persons, firms or any company and to pay for the same by shares, debentures; stocks, bonds, cash or otherwise and to conduct and carry on or liquidate and wind-up any such business.
- 9 To enter into, make and perform contracts and arrangements of every kind and description with Corporate Body, State or Central Government or any companies, firms or persons that may seem conducive to the Company's objectives or any of them and to obtain from any such authority any rights, privileges, charters, contracts, concessions, licences for manufacture, purchase and sale of any kinds of goods, machinery, spare parts, securities, shares, stocks, debentures etc. which the company for the time being may think desirable to obtain and to carry out, exercise and comply with such arrangements, rights, privileges and concessions.
- 10 To sell, subject, mortgage, lease, manage, develop, exchange, dispose of, or transfer the business, immovable or movable property and undertaking of the Company or any part thereof or any part of the property, rights and concessions of the Company in such manner and upon such terms and conditions and for such consideration as the Directors of the Company, for the time being, may think fit to accept and in particular for cash, shares, debentures, debenture-stock, bonds or securities of any other company having objects altogether or in part similar to those of this Company.
- 11 To receive, raise or borrow money from time to time for any of the purposes of the Company by bonds, debentures or promissory notes or by taking credit, in or opening, current accounts with any individual or firm or with any Bank or Bankers and whether with or without giving, any security, goods or other articles or by mortgaging, charging, hypothecating any lands, buildings and machinery, goods, assets

or revenue of the Company, present or future, including its uncalled capital or by the issue of debentures, debenture-stock, perpetual or otherwise including debentures or debenture-stock convertible into shares of this or any other company or to convey the same absolutely or in trust and give lenders power of sale and other powers as may be expedient and to purchase, redeem or pay off such securities subject to the applicable provisions of the Companies Act, 2013 and directives of Reserve Bank of India.

- 12 To lend or deposit moneys belonging or entrusted to or at the disposal of the Company to such person or Company and in particular to customers and others having dealings with the Company with or without security upon such terms as may be thought proper and to invest or otherwise employ such moneys in such manner as may be thought proper and from time to time to vary such transactions. However, the Company shall not carry on banking business as defined under the Banking Regulation Act, 1949.
- 13 To invest and deal with the moneys of the Company not immediately required in immovable properties, shares, stock, bonds, debentures, obligations or other securities of any company or association or in Government Securities or in current or deposit account with banks or on the mortgage of immovable properties of any tenure or on the pledge of movable property or in any other manner as may from time to time be determined by the Directors of the Company for the time being and from time to time, sell or vary all such investments and execute all assignments transfers receipts and documents that may be necessary in this behalf.
- 14 To give guarantee for the performance or discharge of any obligations, liabilities, duties or the payments of moneys by any persons, firms and companies or Governments of States and to give indemnities.
- 15 To establish and maintain branches in India or abroad and to employ and remunerate experts and agents for the purpose of carrying on all or any of the Company's objects.
- 16 Subject to the provisions of the Act, to distribute among the members in specie or kind any property of the Company or any proceeds of sale or disposal of any property of the Company, in the event of winding up.
- 17 To draw, make, issue, accept, transfer and endorse, discount, execute and negotiate promissory notes, hundies, bills of exchange, cheques, drafts, bills of lading, letters of credit, delivery orders, dock-warrants, railway or transport receipts, warehouse-keeper's certificate and other negotiable or commercial or mercantile instruments connected with the business of the Company.
- 18 To open accounts with any bank or banks and to deposit monies therein and to draw and endorse cheques on and to withdraw moles from such accounts and generally operate upon same (whether overdraft or not) as may be required for any of the objects or purposes of the Company.
- 19 To ensure any of the persons, properties, undertakings, contracts, guarantee or obligations or profits of the Company of every nature and kind in any manner whatsoever.
- 20 To refer any dispute, claim or demand by or against the Company to arbitration and observe and perform the awards.

- 21 To establish, provide, maintain and conduct or otherwise subsidize research laboratories and experimental stations, work-shops for scientific and technical researches, experiments and tests of all kinds and to promote studies and research both scientific and technical investigations and invention by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, training colleges, schools and other institutions for training, lectures, meetings and conferences and by providing the remuneration of scientific or technical professors, or teachers and by providing for the award of exhibitions, scholarships, prizes and grants.
- 22 To be interested in, promote and undertake the formation and establishment of such institutions, associations, chamber of commerce, or other bodies, business, industrial, trading or manufacturing within the objects of the Company and to acquire, promote and/or subsidize any industry or undertaking.
- 23 To undertake and execute any trust they undertake whereof may see desirable either gratuitously or otherwise, and/or to make donations to any persons, company or association and to subscribe or guarantee money for any national, international, charitable, benevolent, educational, public, object, activity exhibition or trade show which may be conducive to the objects of the Company or in the Interest of its members or for the welfare of the staff and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions:
- 24 To enter into any arrangements and to take all necessary or proper steps with Governments or with other authorities, supreme, national, local, municipal or otherwise or any place in which the Company may have interest and to carry on any negotiations or operations for the purpose of directly carrying out the objects of the Company or effecting any modification in the constitution of the Company or furthering the Interest of its member and to oppose any such steps taken by the other company, firms or persons, which may be considered likely to prejudice the interests of the Company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the Interest of the Company and to oppose and resist legislation which may seem disadvantage to the Company and to obtain from any such Government, authority or any company any charter, contracts, decrees, rights, agents loans, privileges or concessions which the Company may think fit or desirable to obtain or carry out exercise and comply with any such arrangements charters, contracts, decrees, rights privileges or concessions.
- 25 To promote, form and register and aid in promotion, formation and registration of any Company or companies subsidiary or otherwise, for the purpose of acquiring all or any of the property, undertaking, rights and liabilities of such company and to be interested in, or take or otherwise acquire, purchase, hold, sell or otherwise dispose of shares, debentures and other securities in or of any such company, or any other company, for all or any of such company, or any other company, for all or any of the objects mentioned in this Memorandum and to subsidize or otherwise assist any such company and to undertake the management or other work duties, and business of any such company on such terms and conditions as may be determined.
- 26 To create any depreciation fund, reserve fund, sinking fund, insurance fund, dividend equalising fund, capital redemption fund or any other special fund whether for depreciation, or for repairing, Improving, extending or maintaining any of the property of the Company or for redemption of debentures or redeemable preference, shares, or for any other purpose whatsoever conducive to the interest of the Company.

- 27 To provide for the welfare of the directors, ex-directors, employees or ex-employees of the Company or its predecessors in business and the wives and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings, chawls, or quarters or by grants of money, pensions, gratuities, allowances, bonuses, awards, profit sharing or other scheme or trust and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and to establish maintain and grant scholarships, monies to any persons for, technical study and education in India and elsewhere in the world which may be necessary or useful for any of the objects of the Company, and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.
- 28 To pay out of the funds of the Company, all expenses of and incidental to the issue of subscription of the shares or loans or capital including brokerage, underwriting or other commission for obtaining applications for or placing or guaranteeing the placing of shares or any debentures, debenture-stock and other securities of this company and also all expenses attending the issue of any circular or notices and printing, stamping, circulating proxies and forms to be filled up by the members of the Company.
- 29 To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any assets, concessions, properties or rights.
- 30 To donate or gift in cash or kind, for any national charitable, benevolent, public, or useful purposes or to any institution, club, society, research association, fund, university, college or any other person or body.
- 31 To apply for, secure, acquire by grant, legislative, enactment, assignment, transfer, purchase, or otherwise, and to exercise, carry out, enjoy and charter, license, power, authority, franchise, concession, right or privilege, which any Government or authority, or any Corporation or other Public Body may be empowered to grant, and to pay for, aid in, and contribute towards carrying on the same into effect.
- 32 To apply for, purchase or otherwise acquire any patents, patent rights, copyrights, trademarks, formulae, licenses, concessions and to like or any secret or other information, the acquisition of which may seem circulated directly or indirectly to benefit the Company.
- 33 To adopt such means of making known the business of the Company as may seem expedient and in particular, by advertising in the press or any other means, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- 34 To become member of other bodies of persons and associations, including societies, clubs and companies limited by guarantee, whether formed for profit or for non-profit activities
- 35 To pay out of the funds of the Company all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company or any other company promoted by the Company or any company in which the company is or may contemplate being interested.

- 36 *To carry on the business as manufacturers, producers, dealers, traders, importers, exporters and agents of any items which is necessary to be carried on by the company or to acquire, develop and to undertake job work or as ancillary, to any of the above business.
- 37 *To acquire by concession, grant, purchase, barter, lease, license or otherwise either absolutely or conditionally and either solely or jointly with others any such houses, land, farms, water rights and here diamantes and any machinery, plants, utensils, trademarks and other movable and immovable property of any description in India or elsewhere in the world, which may be useful or necessary for the Company's business.
- 38 *To place, to reserve or to distribute subject to the provisions of the Companies Act, 2013, bonus shares amongst the members or otherwise to apply as the Company may from time to time think it, any money received by way of premium of shares of debentures issued at a premium by the Company and any money received in respect of dividends accrued on forfeited shares.
- 39 *To promote, form and to be interested in, and take hold and dispose of shares in any other company having objects similar, altogether or in part in those of this Company.
- 40 *To sell, sublet, mortgage, let on tease, manage, develop, exchange, rent, royalty or tribute grant, licenses, easements options and other rights over and in any other manner deal with or dispose of, or transfer the business, immoveable or moveable property, and undertaking or the Company or any part thereof or any part of the property, rights and concessions of the Company in such manner and upon terms and conditions and for such consideration as the Directors of the Company, may think fit to accept and in particular for cash shares, debentures, debenture-stock, bonds or securities of any other Company having objects altogether or in part similar to those of this Company.
- 41 *To give guarantees or counter guarantees to any bank, Insurance company or financial institutions for advances taken, deferred payment, guarantees obtained or any other financial accommodation taken and/or in connection with any business or transaction of the company, and to remunerate by way of commission or otherwise any person, persons or company for such services rendered-or to be rendered.
- 42 *To establish and maintain branches in India or abroad and to employ and remunerate experts, agents and any other person to for the purpose of carrying of the business of the Company and to procure the Company to be recognized to any part of the world in accordance with laws for the time being at such place.
- 43 *To Institute and do defend any suit, appeal, application for review or revisions or any other application of any nature whatsoever, to take out executions, to enter into agreements, to refer arbitration and to enforce and where need be to contest any award and for all such purposes engage or retain, counsel, attorneys and agents and when necessary to remove them.
- 44 *To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company or who are of were at any time the directors or officers of the Company or of any such other Company as aforesaid and the wives, widows, families and dependant of any such persons and also establish and subsidize and

***Inserted vide special Resolution dated 07.09.2005**

subscribe to any institution, association, clubs or funds calculated to the benefit of or to advance the interest and well-being of the company or of any such other Company as aforesaid, and make payments to or towards medical relief of the Insurance of any such person or person as aforesaid and to any of the matters aforesaid either alone or in conjunction with any such other Company as aforesaid.

- 45 *To buy, sell, exchange, alter, improve, manipulate, prepare for market or for the purpose of the business of the Company, let on hire apparatus, tools, utensils, plants, vehicles, machineries, implements, substances and materials as well as other vehicles in connection with the business of the Company.
- 46 *To hold, use, cultivate, work, manage, improve, carry on and develop any undertaking lands and real and personal estate or property and assets of any kind of the company or any part thereof.
- 47 *To guarantee the payment or money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, Instruments and securities of any Company or of any authority, supreme, municipal local or otherwise or of any persons whatsoever, whether incorporated or not and generally to guarantee, or become sureties for the performance of any contracts or obligations.
- 48 *Subject to the restriction of the MRTP Act 1969, to form, incorporate, float or promote any company or companies, whether in India or abroad having amongst its or their objects the acquisition of all or any of the assets or control, management or development of the company or any other object or objects which in the opinion of the Company could directly or indirectly assist the Company in the management of its business or the development of its properties or otherwise prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or Company in any manner it shall think it for services rendered in the formation or promotion of the Company or the conduct of its business or in or about the promotion of any other company in which the Company may have an interest or in the issue of any securities of the company or company promoted by this Company.

C. #OTHER OBJECTS has been omitted to give effect to the new set of Memorandum of Association as per Companies Act, 2013 pursuant to Special Resolution passed through Postal Ballot dated 16th May, 2018.

- iv. The liability of the members is limited.
- v. **The Authorised Share Capital of the Company is Rs.1,210,000,000/- (Rupees One Hundred and Twenty-One Crores Only) which shall consist of Rs.1,140,000,000/- (Rupees One Hundred and Fourteen Crores Only) divided into 114,000,000 (Eleven Crores and Forty Lakhs Only) Equity Shares of Rs.10/-each (Rupees Ten Only) and 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs Only) Redeemable Preference Shares of Rs. 10/- each (Rupees Ten Only) with power to divide the Share Capital for the time being into several classes and to Increase or reduce its capital or vary its nominal value from time to time and modify, vary or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may be for the time being provided in the Companies Act, 2013 and any other applicable laws and guidelines.

#Special Resolution passed through postal ballot on 19 June, 2018

***Inserted vide special Resolution dated 07 09.2005**

****Amended es par Hon'ble High Court Order dated 20.12.2005**

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

	Names, Addresses, Descriptions & Occupations of Subscribers	Numbers of Equity shares taken by each subscribers	Name Addresses Description and Occupation of witness
1	Sd/- 8. Goenka (Sanjiv Goenka) Son of Mr. Rama Prasad Goenka 19. Belvedere Road, Allpore, Calcutta-700027 Occupation-Industrialist	1 Equity (ONE)	Witness for SL. 1 to 6 Sd/-T.K. Banerjee (Tapan Kumar Banerjee) Son of Dr. N.C. Banerjee, 4A, Little Rusell Street Calcutta- 700071 Occupation-Service
2	Sd/- P.B. Ghosh (Priya Brata Ghosh) Son of late Jnan Chandra Ghosh EC-42, Salt Lake City, Calcutta-700 064 Occupation-Service	1 Equity (ONE)	
3	Sd/- S. Banerjee (Sumantra Banerjee) Son of Dr. Asok Banerjee 10, Konark Garden, 6, Burdwan Road, Calcutta-700027 Occupation Service	1 Equity (ONE)	
4	Sd/- S.M. Kulkami (Sharad Madhav Kulkani) Son of Late M.G. Kulkami 161, A Turin Towers Prabhadevi, Bombay-25 Company Executive	1 Equity (ONE)	
5	Sd/- H.C. Mathur (Harish Chandra Mathur) Son of late Govind Behari Lal, Flat No. 404 Middleton Court, 4/2 Middleton Street, Calcutta 700 071 Occupation-Service	1 Equity (ONE)	
6	Sd/- B.L. Chandak (Bhanwar Lal Chandak) Son of Mr. Gowardhan Chandak A-33, Lake Gardens (Joy villa) Flat No.6, Calcutta 700-045 Occupation-Service	1 Equity (ONE)	
7	Sd/- T.K. Banerjee (Tapan Kumar Banerjee) Son of Dr. N.C. Banerjee 4A, Little Rusell Street Calcutta-700 071 Occupation-Service	1 Equity (ONE)	Witness for SL. No. 7 Sd/- Tarit Kumar Sengupta S/o Sri Sukumar Sengupta 31, Netaji Subhas Road, Calcutta- 700-001 Occupation- Service
		7 Equity (SEVEN)	

Calcutta, dated this 22nd day of November, 1991

THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

CLC INDUSTRIES LIMITED

All Sections/Provisions/Schedules/Rules contained in these Articles of Association are in accordance with the Companies Act, 2013, and notifications issued there under, from time to time, however for remaining Sections/Provisions/Schedules/Rules of Companies Act, 2013, for which necessary notifications are yet to be issued by the Ministry of Corporate Affairs/Central Government of India, the corresponding Sections/Provisions/Schedules/Rules of Companies Act, 1956 shall remain in force. Further, as and when any amendment/notification/circular issued by the Ministry in pursuance to the provisions of Companies Act 2013, containing the provisions which are contrary to existing articles of association, then at that time such amendments/notifications/circulars will supersede these Articles of Association, to the extent of such amendment (s) made from time to time.

***Interpretation**

1. Unless the context otherwise requires words of expression contained in these Articles shall bear the same meaning as in the Companies Act, 2013 or any statutory modification thereof for the time being in force. The marginal notes thereto shall not affect to construction hereof and in these Articles the following words or expressions shall, unless the context otherwise requires, have the meaning set opposite of them respectively.

The Act: The Companies Act, 2013 and where the context so requires any re-enactment or statutory modification, thereof for the time being in force.

The Company: CLC INDUSTRIES LIMITED

The Board and Board of Directors: The Directors for the time being of the Company.

The Managing Directors: The Managing Directors for the time being of the Company.

Key Managerial Personnel: In relation to the Company, Key Managerial Personnel means-

-the Chief Executive Officer or the Managing Director or the Manager; the Company Secretary; the Whole-time Director; the Chief Financial Officer; and such other officer as may be prescribed under the Act or rules made thereunder.

Dividend: Includes any interim dividend.

Month: Calendar month.

Year: Calendar year.

The office: The Registered Office for the time being of the Company.

Person: Includes Corporation.

Proxy: Includes attorney duly constituted under a Power of Attorney.

Register: The Register of Members to be kept pursuant to the Section 88 of the Act.

Registrar: "Registrar" means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering Companies and discharging various functions under the Act.

*Special Resolution passed through postal ballot on 15th June, 2018 to change the name of the Company from Spentex Industries Limited to CLC Industries Limited
Substituted /Inserted Vide Special Resolution dated 11.09.2014

For SPENTEX INDUSTRIES LIMITED

Managing Director/Director

Seal: The Common Seal of the Company.

These Articles: Articles of Association as originally framed or altered from time to time in accordance with the provisions to the Act.

In writing or written: Include printing, lithography and any other mode of representing or reproducing words in a visible form. Words importing the singular number shall include plural number and vice versa and words denoting masculine gender shall include the feminine gender.

Table 'F' not to apply

*Company not to purchase its own shares.

Share Capital

*Allotment of Shares

*Return of Allotment

Restriction of Allotment

*Commission and Brokerage

*Issue of Shares at a Discount

2. Save as reproduced herein the regulations contained in Table 'F' of Schedule 1 to the Act shall not apply to the Company.
3. Save as permitted by Section 67 of the Act, the funds of the company shall not be employed in the purchase of, or lent on the security of shares of Company and the Company shall not give, whether direct or indirectly, financial assistance, whether by means of a loan, guarantee the provisions of security or otherwise, for the purpose of or in connection with a purchase or subscription made or to be made by any person or for any share the Company or in its holding Company. The article shall not be deemed to affect the power of the Company to enforce repayment of loans due from members or to exercise a lien conferred by the Article.

SHARES

4. The Authorised Share Capital of the company shall be that amount referred to in Clause V of the Memorandum of Association of the Company.
5. Where at any time the Board decide to increase the capital of the Company by the issue of new shares, then subject to such requisite approvals from the shareholders or from any other authority, as may be required from time to time, under provisions of these articles and Section 62 of the Act, the Board may increase the subscribed capital of the Company by allotment or issue of further shares.
6. As regards allotments of shares made from time to time the Company shall comply with the provision of sub-section (4) of section 39 of the Act.
7. If the Company shall offer any of its shares to the public for subscription
 - a) no allotment thereof shall be made unless the amount stated in the prospectus as the minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the company but this provision shall no longer apply after the first allotment of shares offered to the public for subscription.
 - b) the amount payable on application on each share shall not be less than five per cent of the nominal amount of the shares or such other percentage or amount specified by SEBI; and
 - c) the Company shall comply with the provisions of sub-section (3) of Section 39 of the Act.
8. The Company may exercise the powers of paying commissions conferred by Section 40(6) of the Act subject to the ceiling prescribed in Rule 13 of Companies (Prospectus and Allotment of Securities) Rules, 2014 provided that the rate of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and shall not exceed five percent of the price at which the shares, in respect whereof the same is paid, are issued and in the case of debentures 2] per cent of the price at which the debenture are issued. Such commission may be paid in case or by the allotment of fully or partly paid shares or partly one way and partly in the other. The company may also on any issue of shares or debentures, pay such brokerage as may be lawful.
9. Company shall not issue shares at discount except in the case as provided in Section 54 i.e. issue of sweat equity shares, of the Act.

Substituted /Inserted Vide Special Resolution dated 11.09.2014



- Payment of instalment on shares 10. If, by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the share or by his heirs, executors, administrators or other legal representatives.
- Liability of members registered jointly in respect of shares 11. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.
- Trust not recognized 12. Save as herein otherwise provided, the Company shall be entitled to treat the member registered in respect of any shares as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by law required be bound to recognise (even when having notice thereof) any equitable contingent, future or partial interest in any share or any other right in respect of any shares except and absolute rights to the entirety thereof in the person from time to time registered as holder thereof.
- Registration of shares 13. Share may be registered in the name of any person, company or other body corporate. Unless the Board otherwise consents not more than four persons shall be registered jointly as members in respect of any shares. No shares shall however be registered in the name of a minor or person of unsound mind.

INCREASE AND REDUCTION OF SHARE CAPITAL

- *Power to increase capital 14. The Company in general meeting by passing resolution as per the provisions of Companies Act, may from time to time increase its capital by the creation of new shares and of such amount as may be specified in the resolution : provided that in the event of the Company creating and or issuing further preference Shares in future Ranking Pari Passu with the shares then already issued it would do so only with the consent of the holders of not less than three-fourth of the Preference shares then outstanding or with the sanction of a special resolution passed at a separate meeting of the holders of such preference Shares.
- *Provisions relating to the issue 15. Before the issue of any new shares, the company in general meeting by passing special or ordinary resolution as may be required under the Act may make provisions as to the allotment and issue of new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at premium. In default of any such provision or so far as the Act shall permit the new shares may be issued in conformity with the provisions of Articles 6.
- New shares to rank equally with existing shares 16. Except so far as otherwise provided by the conditions of issue or by the Articles, any capital raised by the creation of new shares shall be considered part of the then existing capital of the company and shall be subject to the provisions herein contained with reference to the payment of calls and instalments transfer and transmission, forfeiture, lien and otherwise.
- Inequality in number of new share 17. 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 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.
- Reduction of Capital 18. The Company may, from time to time, by special resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law.

ALTERATION OF SHARE CAPITAL

- Power to sub-divide and consolidate share 19. The Company in general meeting may alter the conditions of its Memorandum of Association as follows, that is to say, it may -

* Substituted /inserted Vide Special Resolution dated 11.09.2014



- (1) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (2) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject to the provisions of Section 61(t)(d) of the Act;
- (3) Convert all or any of its fully paid-up shares into stock and re-convert that stock into fully paid-up shares of any denomination.
- (4) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

*Rights in respect of shares on sub-division

20. Where any share capital is sub-divided, the Company in general meeting, subject to the provisions of Sections 43, 47 and other provisions, if any, of the Act may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferential or special rights as regards dividend repayment of capital voting or otherwise.

*Surrender of shares

21. Subject to the provisions of the Act, the Board may accept from any member in the surrender, on such terms and conditions as shall be agreed for all or any of his shares.

VARIATION OF SHAREHOLDERS RIGHTS

*Power to vary rights

22. If at any time the capital is divided into different classes of shares, the rights attached to the shares of any class, unless otherwise provided by the terms of issue of the share of that class, may subject to the provisions of the Act and whether or not the Company is being wound up be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class. To every such separate meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be three persons at least holding or representing by proxy one-fifth of the issued shares of that class: Provided that if any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and on a poll shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the Company would have if this Article was omitted. The Company shall comply with the provisions of Section 117 of the Act as to forwarding to the Registrar a copy of any such agreement or resolution together with a copy of the statement of material facts annexed under Section 102 of the Act to the notice of the meeting in which such-resolution has been passed.

SHARE CERTIFICATES

Share Certificates

23. (1) Share Certificates shall be issued in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force.
- (2) Every member shall be entitled free of charge to one Certificate for all the shares of each class registered in his name or, if the Board so approves, to several certificates each for one or more of such shares, but in respect of each additional certificate, the Company shall be entitled to charge such fee as the Board may decide from time to time but not exceeding Rs.50 per certificate, in any case. Unless the conditions of issue of any shares otherwise provide, the Company shall, within three months after the date of either allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in cases of issue of bonus

*Substituted /inserted Vide Special Resolution dated 11.09.2014



shares) or within one month of receipt of the application for registration of the transfer of any of its shares, as the case may be, deliver the certificate of such shares. Every certificate of the shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the above Rules, or in a form as near thereto as circumstances admit, against the name of the person to whom it has been issued, indicating the date of issue in respect of any share held jointly by several person, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of the joint-holders whose name stand first on the Register shall be sufficient delivery to all such holders.

- *(3) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn out or where the cages in the reverse for recording transfer have been duly utilised, then upon surrender thereof to the Company, the Board may order the same to be canceled and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate. Where a certificate which has been defaced, etc., lost or destroyed, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so defaced, etc. lost or destroyed, as the case may be, and in the case of certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article (except when issued in replacement of those which are old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilised) or when sub-division or consolidation of share certificates is made there shall be paid to the Company such sum as the Board may decide from time to time but not exceeding Rs.50 per certificate, in any case.
- (4) Every certificate shall be under the Seal and shall specify the name of the person(s) in whose favour the certificate is issued the shares to which it relates and the amount paid-in- thereon.
- (5) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a Certificate for share to one of several joint holders shall be sufficient delivery to all such holders.

*Call

24. The Board may from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 49 of the Act make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made by payable at fixed times, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalment and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at a meeting of the Board.
25. No call shall exceed one-fourth of the nominal amount of a share or be made payable at less than one month from the date fixed for the payment of the last preceding call. Nor less than fifteen days notice of any call shall be given specifying the time and place of payment and the person or persons to whom such call shall be paid.

Restriction Power to make calls and notice

* Substituted / Inserted Vide Special Resolution dated 11.09.2014.



- Interest on call or installment
28. If a sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof the member for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest thereon at the rate of twelve per cent per annum or at such lower rate as the Board may determine from the day appointed for the payment thereof to the time of the actual payment; Provided that the Board shall be at liberty to waive payment of any such interest either wholly or in part.
- Some payable on shares to rank as calls
27. If by the terms of issue of any share or otherwise any sum becomes payable at any fixed time or by installments at fixed times, whether on account of the nominal value of the share or by way of premium, every such sum or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall apply to such sum or installment accordingly.
- Evidence in action by Company against Members
28. On the trial or hearing of any action or suit brought by the Company against any member or his representatives to cover any money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of member is, or was, when the claim arose, in the Company's register as a member or one of the members, in respect of the share for which such claim is made, and that the amount claimed is not entered as paid in the books of the Company, that the resolution making the calls is duly recorded in the Minute book and that notice of such call was duly given to the member or his representatives issued in pursuance of the Articles, and it shall not be necessary to prove the appointment of Directors who made such call nor that a quorum was present at the Board meeting at which any call was made was duly convened constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payment of Calls in advance
29. The Board may, if it think fit receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for, and upon the moneys so paid in advance may pay interest at such rate not exceeding eight per cent per annum as may be agreed upon between the Board and the member paying the sum in advance. No such sum paid in advance of calls shall entitle the member paying such sum to participate in profits or to any portion of dividend declared in respect of any period prior to the date on which such sum would but for such payment become presently payable. The Board may at any time agree to repay the sum so advanced or may at any time repay the sum so advanced upon giving to such member not less than three months notice in writing.

Revocation of calls

30. A call may be postponed at the discretion of the Board.

FORFEITURE AND LIEN

- Notice for payment of calls of installment
31. If a member fails to pay any sum payable in respect of any call or any installment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or installment remains unpaid, serve a notice on such member requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- Form of Notice
32. The Notice aforesaid shall name a day, not being earlier than the expiry of fourteen days from the date of the notice, on or before which the payment required by the notice is to be made and a place at which such call or installment, and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment on or before the day and the place so named, the shares in respect of which such call or installment was payable shall be liable to be forfeited.
- Forfeiture of shares
33. If the requirements 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 the payment required by the notice has been made, 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.



- Notice of Forfeiture 34. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with date thereof shall forthwith be made in the Register of Members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.
- Forfeited share to become property of the Company 35. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner, as the Board thinks fit.
- Board may annul the Forfeiture 38. 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 on such terms as it thinks fit.
- Liability of Forfeiture 37. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding such forfeiture remain liable to pay and shall forthwith pay to the company all calls or 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 at such rate not exceeding twelve per cent per annum as the Board may determine and the Board may enforce the payment thereof or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
- Evidence of Forfeiture 38. A duly verified declaration in writing that the declarant is a Director, the Managing Director or Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any given, for the share in favour of the person to whom the share is sold or disposed of, and the transferee shall be registered as a member in respect of such share. The transferee shall not be bound to see to the application of the purchase money nor shall his title to such share shall be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of such share.
- Forfeiture provisions to apply to non-payment in terms of issue 39. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
- Company's lien on shares 40. The Company shall have a first and paramount lien on every share (not being a fully paid up share) registered in the name of each member (whether solely or jointly with others) and on the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share, and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect. Subject to the provisions of the Act, such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration of a transfer of a share shall not operate as a waiver of the Company's lien, if any, on such share.
- Enforcement of lien by sale 41. For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made, unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell shall have been served on such member his executor or administrator or other legal representative as the case may be, and default shall have been made by him or them in payment of sum payable as aforesaid in respect of such share for fourteen days after the date of such notice.
- Application of proceeds of sale 42. The net proceeds of any such sale shall be received by the company and, after payment of the costs of such sale, be applied in or towards payment of such part of the amount in respect of which the lien exists is presently payable and the residue, if any, shall be paid to the person entitled to the shares at the date of the sale.
- Validity of sale in exercise of lien after forfeiture 43. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore conferred, the Board may appoint some person to execute an instrument of transfer of the share sold



and 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, nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share, the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the company exclusively.

Board may issue new certificates

44. Where any share has been sold by the Board pursuant to these powers herein contained in that behalf and the Certificate in respect thereof has not been delivered to the company by the former holder of such share, the Board may issue a new Certificate for such share, distinguishing it in such manner as it may think fit from the Certificate not so delivered. Where in any such case the Certificate in respect of the share forfeited and/or sold is not delivered and a new Certificate for such share has been issued, the original Certificate shall be treated as cancelled and no claim or title based on such Certificate shall be binding on the Company

TRANSFER AND TRANSMISSION OF SHARES

*Execution of Transfer etc.

45. Save as provided in Section 56 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of transferee has been delivered to the Company along with the Certificate or if no such Certificate is in existence, along with the letter of allotment of the shares in accordance with provisions of Section 56 of the Act. The transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness, who shall add his address. Shares shall not be transferred to more than three persons as joint holders.

*Application for registration of transfer

46. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in case of a partly paid share, be effected unless the Company gives notices of the application to the transferee in the manner prescribed by Section 56 of the Act and subject to the provisions of these Articles, the Company, shall unless objections is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name, of the transferee in the same manner and subject to the same conditions as if the applications for registration of the transfer was made by the transferee.

*Form of transfer

47. Every instrument of transfer of shares shall be in the form prescribed by the Act or the rules made thereunder and shall be in accordance with the provisions of Section 56 of the Act. There shall not be charged any fee or fees in respect of transfer or transmission of any number of shares or for the registrations of any probate letters of administration, power of attorney, certificate of death or marriage or other similar instruments.

*Directors may refuse to register transfer

48. Subject to the provisions of Section 58 of the Act and Section 22-A of the Securities Contract (Regulation) Act, 1956, the Board may, at its discretion, decline to register any transfer of shares, whether fully paid or not, giving reasons for such refusal, notwithstanding that the proposed transferor is already a member of the Company. Provided that registration of a transfer shall not be refused on the grounds of the transferor, being either alone or jointly with any other person or persons, is indebted to the Company on any account whatsoever.

No transfer to minor etc.

49. No transfer of a share shall be made to or registered in the name of a minor or person of unsound mind.

Instrument of transfer to be left at office

50. Every instrument of transfer shall be left at the office of Company for registration, accompanied by the Certificate of the shares which is the subject of the instrument of transfer or, if not such Certificate is in existence, by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor of his right to transfer the share. Every instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

*Substituted /inserted Vide Special Resolution dated 11.09.2014



Notice of refusal to register transfer

51. If the Board refuses, whether in pursuance of Article 46 or otherwise to register the transfer of or the transmission by operation of law of the right to any share the Company shall within one month from the date on which the instrument of transfer of the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be; notice of the such refusal.

*Person entitled to shares by transmission

52. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons."

*Transfer of shares of insane minor deceased or bankrupt members

53. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

*Rights of person entitled to shares by reasons of death etc. of Member

54. 1. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

2. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

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

Election by persons becoming entitled to share

55. (1) If the person becoming entitled to a share under Article 53 shall elect to be registered as a member in respect of the share himself he shall delivered or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

(3) All the limitations, restrictions and provisions of these Articles, relating to the rights to transfer and the registration of transfers of shares, shall be applicable to any such of transfer as aforesaid as if the death, insanity bankruptcy or insolvency of the member had not occurred and the notice or transfer signed by that member.

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(4) A person becoming entitled to a share by reason of death, insanity, bankruptcy or insolvency of the member shall, subject to the provisions of Article 80 and of Section 123 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered member in respect of the share.

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

Company not liable for disregard of a notice purporting to prohibit registration of transfer

56. 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 in or in the said shares) notwithstanding that the company may have had notice of such equitable right, title or interest or notice purporting to prohibit registration of such transfer 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 so to do, though it may have been entered or referred to any book of the Company.

*Nomination

56A Notwithstanding anything Contained in the Article 52, a holder or joint holders of Shares or Debentures, may at any time nominate, in accordance with the provisions of Section 72 of the Companies Act, 2013 and in the manner prescribed thereunder, a person to whom all the rights in the shares/Debentures of the Company shall vest in the event of death of such holders. Any nomination so made shall be dealt with by the Company in accordance with the provisions of Section 56 of the Companies Act, 2013.*

*Definitions

56 B (1) For the Purpose of this Article:

*Beneficial Owners: means a person or persons who defined in clause (a) of sub-section (1) of section 2 of the depositories Act, 1996."

*SEBI" means the Securities & Exchange Board of India;

*Depository (Section 2(32) of the Act): Depository means a depository as defined as clause (a) of sub-section(1) of section 2 of the Depositories Act, 1996(22 of 1996);" and

*Securities (Section 2(81) of the Act): Securities includes as defined in clause (h) of section 2 of the Securities Contracts (Regulations) Act, 1956."

Dematerialisation of Securities

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

Options for investors

(3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

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

*Securities in Depositories to be in fungible form

(4) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 89, sub-section (43) of section 2, Section 186 and other provisions, if any of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

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- Rights of Depositories and Beneficial Owners (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- Service of Documents (6) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- *Transfer of Securities (7) Nothing contained in Section 58 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- Allotment of securities dealt with in a Depository (8) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- Distinctive numbers of Securities held in a Depository (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.
- Register and Index of Beneficial Owners (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security-holders for the purposes of these Articles."

BORROWING POWERS

- *Power of Board to borrow 57. Subject to and in compliance with the provisions of Sections 179 and 180 of the Act, the Board may, from time to time at its discretion, raise or secure the payment of any sum or sums of money for the purposes of the company from any source; Provided however where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose) the Board shall not borrow such moneys except with the consent of the company in general meeting by passing special resolution.
- Board to determine conditions on which money may be borrowed 58. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respect as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or other security on the undertaking of the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.
- *Issue of debentures etc. at discount or with special privileges 59. Any debentures, debenture stocks, bonds or other securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender and drawing provided that debentures or debenture stocks, bonds or other securities loans with the right of allotment of or conversion into share shall not be issued or raised except as provided in sub-section (3) of Section 62 of the Act.

*Substituted /Inserted Vide Special Resolution dated 11.09.2014



*Instrument of transfer of debentures

Notice of refusal

Execution of charge of mortgage by Board

*Annual General Meeting

Extra ordinary General Meeting

60. Save as Provided in Section 58 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer, in the same form and on the same terms and conditions as are applicable to the transfer of share duly stamped and executed by the transferor and transferee, has been delivered to the Company together with the certificate or certificates of debentures.
61. If the Board refuses to register the transfer of any debenture, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and the transferor a notice of the refusal.
62. If any Directors or any other person shall become personally liable for the payment of any sum primarily due from the Company, Board may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETING OF THE MEMBERS

63. In addition to any other meeting, general meeting of the Company shall be held in each year within such intervals as are specified in Section 96(1) of the Act, and subject to the provisions of Section 96 (2) of the Act at such times and places as may be determined by the Board. Each such general meeting shall be called as "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall, except in the case where an extraordinary general meeting is convened under the provisions of Article 65, be called a "General Meeting".
64. The Board may whenever it thinks fit, call a general meeting and it shall on the requisition of such number of members of the Company 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 meeting, forthwith proceed duly to call an extraordinary general meeting, of the Company and in the case of such requisition the following provisions shall apply:
- (a) The requisition shall set out the matters for the consideration of which the 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.
 - (b) 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.
 - (c) If the Board does not, within twenty one days from the date of receipt of valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
 - (d) Any meeting called under this Article by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall be held at the office.
 - (e) Where two or more persons hold any shares, jointly a requisition or (e) Where two or more persons hold any shares, jointly a requisition or notice calling a meeting signed by one or some of them shall, for the purpose of this Article, have the same force and effect as if it had been signed by all of them.
 - (f) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

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- *Notice of Meeting
65. (1) Save as is provided in Section 101 of the Act, meeting shall be called by giving not less than twenty one day's notice either in writing or in electronic mode in such manner as provided in the Act. Every notice of a meeting shall specify the place, date and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
- (2) Notice of every meeting of the Company shall be given to every member of the Company to the person entitled to a share in consequent of the death or insolvency of a member and to the Auditors for the time being of the Company, in the manner hereinafter provided for the giving of notices to such person Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the office of the Company under Section 20 of the Act, the statement of material facts referred to in Section 102 of the Act need not be annexed to the notice as required by the Section but it shall be mentioned in the advertisement that the statement of material facts has been forwarded to the members of the Company.
- (3) The accidental omission to give any such notice to or the non-receipt of the notice by any member or other person to whom it should be given, shall not invalidate the proceedings at the meeting.

- *Circulation of Members resolution etc.
66. The Company shall comply with the provision of Section 111 of the Act as to giving notice of resolutions and circulating statement on the requisition of member

PROCEEDINGS AT GENERAL MEETING

- Business of Meetings
67. In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (I) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors, (II) the declaration of a dividend, (III) the appointment of directors in the place of those retiring, and (IV) the appointment of and fixing the remuneration of the auditors and in the case of any other meeting, all business shall be deemed special.

- Notice of Special Business
68. Where any items of business to be transacted at the meeting are deemed to be special as defined in Article 68, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including a particular nature of the concern or interest, if any, therein of every Directors. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

- *Quorum to be present when business commences.
69. Pursuant to Section 103 of the 2013 Act, no business shall be transacted at any general meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to business save as here in otherwise provided, if the number of shareholders as on the date of the general meeting is not more than 1000, then 5 members personally present will constitute a quorum, if the number of members of the company as on the date of the general meeting is between 1001 to 5000 then quorum requirement is 15 members personally present and in case the number of members is more than 5000, then 30 members personally present will constitute the quorum.

- *Resolution to be passed by Company in General Meeting.
70. Any act or resolution, which under these Articles or the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 114 (1) of the Act unless either the Act or the Articles specifically require such act to be done or such resolution to be passed by a specific majority or by special resolution as defined in Section 114 (2) of the Act. The resolution being either ordinary or special may be passed by electronic voting, votes cast electronically as well as by postal ballot.

- Chairman of General Meeting.
71. The Chairman, if any, of the Board shall preside as the Chairman at every general meeting of the Company. If at any meeting the chairman is not present within fifteen minutes after the time appointed for holding such meeting, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one of their number being a member entitled to vote to be chairman of the meeting.

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Dissolution and adjournment of Meeting

72. If within half an hour from the time appointed for holding a meeting of the Company a quorum is not present, the meeting, if called upon the requisition of the members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may by notice appoint and if at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

Votes by show of hands

73. Every question submitted to a meeting shall be decided in the first instance, by a show of hands and in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.

Evidence of passing of a resolution where poll is not demanded

74. At any general meeting, unless a poll is (before or on the declaration of the result of voting on any resolution on a show of hands) demanded by the Chairman of the meeting of his own motion or by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up; a declaration by the Chairman that the resolution has or has not been carried, or has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against the resolution.

Poll

75. (1) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of the Chairman of the meeting and on any other question it shall be taken at such time not being later than forty-eight hours from the time when the demand was made as the Chairman may direct.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

(3) Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers, as the Board may decide who shall be a person not being an officer or employee of the Company present at the meeting provided such a member is available and willing to be appointed to scrutinize the votes given on the poll and to report thereon.

(4) The result of the poll shall be the decision of the meeting on the resolution on which the poll was taken: On a poll 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.

(5) The demand for a poll shall not prevent the meeting from transacting any business other than the business in respect of which a poll has been demanded.

Power of Chairman to adjourn General Meeting

76. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned or of the business to be transacted at the adjourned meeting. Provided that when a meeting is adjourned for thirty days or more of the adjourned meeting notice of the adjourned meeting shall be given as in the case of an original meeting.

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VOTES OF MEMBERS

*Votes of Members

77. (1) Subject to any rights or restrictions for the time being attached to any class of shares on a show of hands every member holding Equity shares and present on person including a body corporate represented by a duly authorised person in accordance with Section 113 of the Act, shall have one vote and on a poll every member present in person or by proxy (as defined in article 83) shall have voting right in proportion to his share of the paid-up capital of the Company as provided in Section 47 of the Act.
- (2) Subject to the provisions of Section 47 of the Act, every member holding any preference share shall in respect of such capital have a right to vote only on;
- a) resolution placed before the Company at a general meeting which directly affect the rights attached to his Preference Shares and for this purpose any resolution for the winding up of the Company or for the repayment or reduction of its share capital shall be deemed directly to effect the rights attached to his Preference share, and
 - b) every resolution placed before the company at a general meeting if the dividend due on such capital or any part of such dividend has remained unpaid;
 - i) In the case of cumulative preference shares in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and
 - ii) In the case of non-cumulative preference shares, either in respect of the period of not less than two years ending with the expiry of the financial year immediately preceding the commencement of the meeting or in respect of an aggregate period of not less than three years comprised in the six years ending with the expiry of the year aforesaid.

*Votes by and power of representatives of Members Companies

78. A company or a body corporate (hereinafter in this Article called "Member Company") which is a member of the Company may vote by proxy or by representative duly appointed in accordance with Section 113 of the Act. A person duly appointed to represent the member company at any meeting of the company, or at any meeting of any class of members of the Company, shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

Votes in respect of shares of members deceased etc.

79. Any person entitled under Article 54 to transfer shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned 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 Board shall have previously admitted his right to vote at such meeting in respect thereof. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll vote by proxy.

Votes of joint members

80. Where there are members registered jointly in respect of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares, as if he were solely entitled thereto, and if more than one of such members be present at any meeting, either personally or by proxy that one of the said members be present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this Article, be deemed to be members registered jointly in respect thereof.

Votes of proxy

81. On a poll votes may be given either personally or by proxy or in case of a body corporate by a duly authorised representative as aforesaid.

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Instrument appointing
Proxy to be in writing

82. 1) The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate by under its Common seal or be signed by a officer or an attorney duly authorised by it.
- 2) A person may be appointed a proxy though he is not a member of the Company and every notice calling a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.
- *3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights: Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 4) A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy.

Instrument appointing
a proxy to be
deposited at the office

83. The instrument appointing a proxy and the power of attorney of other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote in respect thereof, and in default the instrument of proxy shall not be treated as valid. No instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution except an adjourned meeting in cases where the meeting was originally held within twelve months from the date.

When vote by proxy
valid though authority
revoked

84. 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 the revocation of the proxy or the transfer of the share in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is given. Provided nevertheless, that the Chairman of any 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.

Form of instrument
appointing a special
proxy

85. Every instrument appointing a special proxy shall be retained by the company and shall, as early as circumstances admit, be in the following form.

I/we _____ of _____ in the district of _____ being a member/members of CLC INDUSTRIES LIMITED hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us, and on my/our behalf at the annual general meeting/general meeting (not being an annual general meeting) of the Company to be held on the _____ day of _____ and at any adjournment thereof Signed this _____ day of _____ 19 _____

Revenue Stamp _____ Signature _____

*Provided always that the instrument appointing a proxy shall be in the prescribed format as provided in the Companies (Management and Administration) Rules, 2014 of the Act.

Restriction on voting

86. No member shall be entitled to exercise any voting right either personally or by proxy, at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised, any right to lien.

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Objection as to qualification of votes

87. No objection shall be raised as to the qualification of any voter except at the meeting of adjourned meeting at which the vote objected to is given or tendered, and every vote 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 meeting who shall forthwith decide the same and such decision shall be final and conclusive.

DIRECTORS

*Number of Directors

88. Until otherwise determined by the Company in general meeting the number of Directors of the Company shall not be less than three and not more than fifteen inclusive of debenture and nominee directors, if any, provided that Company shall have at least one Women Director in accordance with the proviso of Section 149 of the Act. Further subject to the provision of Section 149 of the Act, Company shall have at least one director who has stayed in India for a total period of not less than 182 days in the previous calendar year.

First Directors

89. The first Directors of the Company were:

1. SUMANTRA BANERJEE
2. PRIYA BRATA GHOSH
3. SHARAD MADHAV KULKARNI

Share Qualification of Directors

90. A Director shall not be required to hold any shares in the Company as his qualification shares.

Appointment of Directors by finance corporation

91. (1) Where any investment and finance corporation such as the Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India or any other Corporation or Bank or the Central or State Government make loan to the Company, or give guarantee in connection with the grant of a loan to or the supply of machinery or other equipment for the Company, any of such Corporation, Bank or Government shall be entitled to nominate a Director or Directors of the Company if that be agreed to as a condition of the grant of loan or giving of such guarantee. The Directors so nominated shall have the same power and privileges as other Directors of the Company and the provision of these Articles as to retirement of Directors shall not apply to him/them. The said Directors shall hold office at the pleasure of and shall be removed or substituted by another person by any such corporation, Bank or Government and in addition to the Directors fee provided in these Articles, such Directors shall be paid such travelling and other expenses etc., for attending the Board's meeting as may be provided under the rules of the Corporation, Bank or Government which they represent.

Debenture Director

- (2) Any Trust Deed for securing debentures or debentures stocks may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person to be a Director of the Company and may empower such Trustees or holders of debentures or debentures stocks, from time to time remove and reappoint any director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation.

*Director's remuneration fees and expenses

92. (1) The remuneration of each Director for attending the meetings of the Board or committee thereof shall be such sum as may be decided by the Board from time to time for each meeting attended by him subject to the condition that such fee shall not exceed such sum as may be prescribed by the Central Government from time to time.

- (2) Subject to the provisions of the Act, the Directors (other than Alternate or Wholtime or Managing Director) shall, if so authorised by a special resolution passed in a general meeting, shall also be entitled to receive a commission of upto 1 percent of the net profits of the Company in any financial year (to be computed in a manner laid down in Section 197 and Schedule V of the Act) in such proportions as may be determined by the board from time to time and in default of such determination in equal proportions.

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(3) In addition to the above any Director who has to travel from his usual place of residence to the place at which the meeting of the Board or committee of the Board is held, may be paid such sum as the Board considers fair compensation for travelling, lodging and other expenses as may be fixed by the Board from time to time.

*Remuneration of Director for extra services

93. If any Director being willing, shall be called upon to perform extra services or make any special exertion for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then subject to Sections 2(78), 197 & 188 and Schedule V of the Act, the Board may remunerate the Director so doing 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.

Board may act notwithstanding vacancy

94. The continuing Directors may act notwithstanding any vacancy in the Board, but if their number falls below the quorum fixed by Article 112 for a meeting of the Board, the Board, shall not except for the purposes of filling vacancies or of summoning a general meeting of the Company, acts so long as the number is below the minimum aforesaid.

When office of Directors becomes vacant

95. The office of a Director shall ipso facto become vacant if:

(a) he is found to be unsound of mind by a Court Competent jurisdiction,

(b) he applies to be adjudicated an insolvent;

(c) he is adjudged as an insolvent;

(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months;

*Provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;

(e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure;

(f) he incurs disqualifications specified in section 164

(g) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence from the Board.

(h) he (whether by himself or by any person for his benefit or on his account) or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 185 of the Act;

(i) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;

(j) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act.

(k) he becomes disqualified by an order of Court or tribunal;

(l) he, having been appointed a Director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in the Company;

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(l) by notice in writing to the Company he resigns his office; or

(m) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of the provisions of Section 188 of the Act and by operation of that section he is deemed to vacate.

*Notwithstanding anything in clauses (c), (d) and (k) the disqualification referred to in those clauses shall not take effect:

(a) for thirty days from the date of the adjudication or sentence.

(b) where any appeal or order or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, until the expiry of the seven days from the date on which such appeal or petition is disposed of, or

(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication sentence or conviction and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

*Directors etc. not to hold office or place of profit under the company or its subsidiary

96. Any Director or other person referred to in Section 188 of the Act may be appointed to or hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with the aforesaid provisions of the Act or such provisions as may be prescribed by the Central Government from time to time.

Directors may be directors of Companies promoted by the Company

97. A Director of the Company may be or become a director of any Company promoted by this Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or member of such company.

*Conditions under which Directors may contract with the Company

98. Subject to the provisions of Section 188 of the Act, a Director shall not be disqualified from contracting with the Company either as vendors, purchase or otherwise of goods materials or services or from underwriting the subscription of any shares or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner with any other partner in such firm or with a private company of which such Director is a member or Director be void, nor shall any Director so contracting or being such member or so interested be liable to account to the company for any profit realised from any such contract or arrangement by reason of such Director holding such office or of the fiduciary relation thereby established.

*Disclosure of Directors' Interest

99. Every Director, who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at the first meeting of the Board in every financial year or whenever there is any change in the disclosure already made then at the first Board Meeting held after such change disclose his concern or interest in any company or companies or Bodies Corporate, firms or other association of individuals which shall include the shareholding in such manner as provided in the provisions of Section 184 of the Act and rules made there under. Further, Director who is interested in pursuance of sub-section (2) of Section 184 of the Act, shall not participate in the meeting in which such contract or arrangement is discussed.

Discussion and voting by interested Director

100. No Director shall as a Director, take any part in the discussion of or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote. This prohibition shall not apply to:

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*Proportion of Directors to retire by rotation

Retirement of Directors

Determination of retirement of Directors

Appointment of Directors to be voted on individually

Increase or reduction in the number of Directors

Power to remove Directors

- (a) any contract or indemnity against any loss which the Director or any one or more of them may suffer by reason of becoming or being a surety or sureties for the company; or
- (b) any contract or arrangement entered into or to be entered into by the Company with a public company with a private company which is a subsidiary of a public company in which the interest of the Director aforesaid consists solely in his being a director of such company and the holder of not more than shares of such number of value therein as is requisite to qualify him for appointments as the director by the Company or in his being a member holding not more than two percent of the paid up share capital of such company

101. Not less than two thirds of the total number of Directors shall be persons who are liable to retire by rotation. For the purpose of this article, "total number of directors" shall not include independent directors, whether appointed under Companies Act, 2013 or any other law for the time being in force, on the Board of the Company.

102. 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 then the number nearest to one third, shall retire from office.

103. 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 are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

104. At the annual general meeting at which a Director retires by rotation the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is public holiday, till the next succeeding day which is not a public holiday at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill up the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:

- (a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
- (b) the retiring Director has by a notice in writing addressed to the Company or the Board expressed his unwillingness to be so reappointed;
- (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 provision to Section 162 of the Act is applicable to the case.

*105. Subject to the provisions of Sections 2(10), 149, 151 and 152 of the Act the Company in general meeting may from time to time increase or reduce the number of Directors.

*106. The company may, subject to the provisions of Section 169 of the Act, by ordinary resolution of which special notice according to Section 115 of the Act has been given, remove any Director before the expiry of his period of office and may by ordinary resolution of which special notice has been given appoint another person in his stead. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provision of this Article.

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Board may fill casual vacancies

*107. If the office of any Director appointed by the Company in general meeting is vacated before his term of office will expire in the normal course, the resulting vacancy may be filled by the Board, but any person so appointed shall hold office only up to the date upto which the Director in whose place he is appointed would have held office or it had not been so vacated provided that the Board shall not fill such vacancy by appointing thereto any person who has been removed from the office of the Director under Section 169 of the Act.

The Board may appoint additional Director

108. The Board shall have power at any time and from time to time to appoint a person or persons as an additional Director(s) provided the number of Director or and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Article, Such additional Director shall hold office only upto the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company at that meeting subject to the provisions of the Act.

ALTERNATE DIRECTOR

Power of Board to appoint alternate Directors

*109. The Board may subject to provision 161(2) of the Companies Act, appoint an alternate director to act for a Director during his absence for a period of not less than three months from India but he shall ipso facto vacate office if and when the original director returns to the India. Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director. Person appointed as an alternate director should not be a person holding any alternate directorship for any other director in the Company

PROCEEDINGS OF THE BOARD

Meeting of the Board

*110. (1) The Board of Directors shall hold a minimum number of four meeting in every financial year in such a manner that not more than 120 days shall intervene between two consecutive meeting.

* (2) Notice of every meeting of the Board shall be given either in writing or through electronic means at least 7 days before the meeting to every Director for the time being in India and at his usual address in India to every other Director.

Chairman to preside at meetings.

111. (1) All meetings of the Board shall be presided over by the Chairman.

(2) If no such Chairman is appointed or if at any meeting of the Board, the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be the Chairman at the meeting.

Quorum

*112. Subject to the provision of Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in the one-third being rounded off as one) or two Directors whichever is higher: Provided that where at any time the number of Interested Director exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting, being not less than two shall be the quorum during such time. For the purpose for this Articles, an alternate Director shall be counted, in a quorum at a meeting at which the Director in whose place he is appointed is not present. Further participation of the directors by video conferencing or by other audio visual means shall also be counted for the purpose of Quorum. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board, the meeting shall stand adjourned till such date and time as the Chairman of the Board shall appoint.

Powers of Board Meeting

113. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles for the time being vested on or exercisable by the Board.

Questions to be decided by majority vote

114. Save as otherwise provided by the Act, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

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Committees of the Board

*115. Subject to the restrictions contained in Section 179 of the Act, the Board may from time to time delegate any of its powers to a committee or committees of the Board as it thinks fit and may from time to time revoke such delegation. Every committee so formed shall, in the exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the board. All acts done by any such committee of the Board in conformity with such regulation and in fulfilment of the purposes of their appointment, shall have the like force and effect as if done by the Board.

Regulation of Committee Meeting

*116. The meeting and proceedings of any such Committee of the Board 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 are not superseded by any regulation made by the Board under these Articles.

Acts of a Director valid notwithstanding defective appointment etc.

*117. 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 provision contained in the Act or in this Article: 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.

Resolution by circulation

*118. Save as otherwise expressly provided in the Act and in those cases where a resolution is required by Section 179 of the Act to be passed at meeting of the Board a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee thereof, as the case may be duly convened and held, if a draft thereof in writing is circulated together with the necessary papers, if any to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

MINUTES:

Minutes to be made

*119. (1) The Board shall, in accordance with the provision of Section 118 of the Act, cause minutes of all proceedings of every general meeting and of all proceedings of every meeting to the Board or every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and last page of the record of the proceedings of each meeting in such books shall be dated and signed by Chairman of the said meeting or the chairman of the next succeeding meeting, and, in the case minutes of the proceedings of a general meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. In no case minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by passing or otherwise.

(2) The minutes of each meeting shall contain a fair and correct summary of the proceeding thereof and all appointments of officers made at the meetings aforesaid shall be included in the minutes of the meeting; aforesaid shall be included in the minutes of the meeting; Provided that no matter need be included in any such minutes which in the opinion of the Chairman of the meeting in his absolute discretion-

(a) is, or could reasonably be regarded as, defamatory of any person.

(b) is irrelevant or immaterial to the proceedings, or

(c) is detrimental to the interest of the Company.

(3) The minutes of each meeting of the Board or Committee of the Board shall also contain.

(a) the name of the Directors present at the meeting, and 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.

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(b) of all orders made by the board or Committee of the Board, and

(c) of all appointment of Directors and other officers of the Company.

(4) Minutes of any meeting of the Board or Committee thereof or of the Company in general meeting if kept in accordance with the provision of Section 118 of Act shall be evidence of the proceedings recorded therein. The book containing the minutes of all proceedings of any general meeting of the Company shall be kept at the office and shall be open for inspection to any member as per the information/schedule of date given in the notice of General Meeting without charge on all business days between the hours of 10.00 a.m. and 12.00 p.m.

POWERS OF THE BOARD

*General powers of the Company vested in the Board

120. Subject to the provisions of the Act the control of the company shall be vested in the Board, who shall pay all expenses incurred in promoting and registering the company and shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do: Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other act or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in general meeting after passing special resolutions: Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other act in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith duly made thereunder, including regulations 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.

*Power to keep foreign register

121. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a Foreign Register, and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit respecting the keeping of any such register.

Drawing etc of negotiable and other instruments

122. All cheques, promissory notes, drafts, hundies, bill of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed drawn, accepted, endorsed or otherwise executed as the case may be, by the Managing Director or by such other Director or person and in such manner as the Board shall from time to time by resolution determine.

CHAIRMAN/MANAGING DIRECTOR/WHOLETIME DIRECTOR

Power to appoint Chairman

123. Subject to the provisions of the Act, the Director may from time to time appoint any of the Directors to be the Chairman of the Board, either for a fixed term or without any limitation as to the period for which he shall hold such office.

To what provision Chairman shall be subject

124. The Chairman of the board shall be liable to retire by rotation and 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 the Chairman if he cease to hold the office of Director for any cause.

MANAGING DIRECTOR

Power to appoint Managing Director

125. Subject to the provisions of the Act, the Board may from time to time appoint any director(s) to be the Managing Director, Joint Managing Director(s) and wholtime Director(s) of the company for such term not exceeding five years at a time and other conditions including payment of remuneration, as they may think fit and may, from time to time (subject to the provisions of any contract between him/them and the company) remove or dismiss him/them from office and appoint any other person(s) in his/their place.

*To what provisions Managing Director(s) shall be subject

126. Subject to the provisions of Section 162 of the Act, Managing Director(s), Joint Managing Director(s) and wholtime Director(s) shall not, while he/they continue(s) to hold that office, be subject to retirement by rotation and he/they shall not be reckoned as a director for the purpose of determining

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the rotation or retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him/them and the Company) he/they shall be subject to the same provisions as to resignation and removal as the other Directors and he/they shall, ipso facto and immediately, cease to be the managing Director if he ceases to hold the office of Director for any Cause.

Remuneration of
Managing Director

127. Subject to the provisions of the Act and of these Articles, the Company may pay its Managing Director(s) / Joint Managing Director (s) / Wholetime Director(s) such additional remuneration as may from time to time be determined by the company in general meeting subject to the approval of the Central Government.

*Power of Managing
Director

128. Subject to the provisions of the Act, and in particular to the prohibitions, provisions and restrictions contained in Section 179 thereof, the Board may from time to time entrust to and confer upon the Managing Director(s) Joint Managing Director(s) and or wholetime Director(s) for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restriction as it thinks fit, and the Board may confer such powers, either collaterally with or to the exclusion of, or in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers.

Certain persons not
to be appointed
Managing Wholetime
Director

129. The Company shall not appoint or employ or continue the appointment or employment of any person as its Managing or Wholetime Director who -

- (a) is an undischarged insolvent or has at any time been adjudged an insolvent;
- (b) suspends, or has at any time suspended, payment to his creditors or makes, or has at any time made, a composition with them; or
- (c) is or has at any time been convicted by a Court of an offence involving moral turpitude.

130. The Company shall have the Seal and Board shall provide for the safe custody of the Seal, which shall not be used or affixed to any instrument or document except by the authority of a resolution of the Board or a committee of the Board authorised in that behalf and every instrument or document to which the Seal is so affixed shall be signed by the Company Official, authorised by the Board or by any one of the Directors of the Company; 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 Board to issue the same.

KEY MANAGERIAL PERSONNEL

Key Managerial
Personnel

*130A. Subject to the provision of section 203 of the Act, Company will have the following persons as Whole time Key Managerial Personnel of the Company,—

- (i) Managing Director, or Chief Executive Officer or manager and in their absence a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer;

The Whole-time key managerial personnel of the Company shall not hold office in other company except in subsidiary company at the same time. If the office of any Whole time Key Managerial Personnel is vacated, the resulting vacancy shall be filled up as per the provisions of section 203 of the Act.

ANNUAL RETURNS

Annual Returns

*131. The Company shall comply with the provisions of Section 92 of the Act as to make and filing of Annual Returns.

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RESERVES

Reserves

*132. The Board may from time to time, before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of the debentures debts or other liabilities of the Company, for equalization of dividends for repairing improving or maintaining the plant or any property of the absolute discretion thinks conducive to the interest of the Company, and may, subject to the provisions of the Act, invest the several sums so set aside upon such investments as permissible by the Memorandum of Association (other than shares of the company) as it may think fit, and from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the company and may divide the reserve into such special funds as it thinks fit, with full power to employ the reserve or any part thereof in the business of or for the purpose of the Company

Investment of Reserves

*133. All money carried to the reserves shall nevertheless remain and be profits of the Company subject to due provisions being made for actual loss or depreciation on or for the payment of dividends, such moneys and all other moneys of the Company not immediately required for the purposes of the Company may, subject to the provisions of the Act, 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 otherwise as the Board may from time to time think proper.

CAPITALISATION OF RESERVES

Capitalization of Reserves

134. The Company in general meeting may, upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part of the undivided profits of the company standing to the credit of any of the Reserves or to the credit of the Profit and Loss Account or any Capital Redemption Reserve Account, or otherwise available for distribution as dividend or representing premium received on the issue of shares and standing to the credit of the share Premium Account be capitalised and distributed amongst such of the members of the company as would be entitled to receive the same if distributed by way of dividend and in the same proportions as the equity share capital held by them on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be allotted and distributed credited as fully paid up accordingly or in or towards payment of any amounts for the time being unpaid on any shares held by such members respectively or partly in one way and partly in the other way as aforesaid and/or that such distribution and/or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum: Provided that any sum standing to the credit of a share premium Account or a Capital Redemption Reserve Account, may for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

Surplus Moneys

135. The Company in general meeting may, upon the recommendation of the Directors, resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments 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.

Fractional Certificates

*136. For the purpose of giving effect to any resolution under these 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 in trustee upon such trusts for the persons entitled to the dividend or capitalised funds as may seem expedient to the Board. Where required a proper contract shall be filled in accordance with Section 75 of the Act and the Board may appoint any persons to sign such contract on behalf of the person entitled to the dividend or capitalised fund. Further any agreement made under such authority shall be effective and binding on such members.

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INTEREST OUT OF CAPITAL

Interest out of capital *137. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building, or the provision of any plant which cannot be made profitable for a lengthy period the Company may pay interest on so much of that share capital as is for the time being paid up for the period at the rate and subject to the conditions and restrictions imposed by any provisions of the Companies Act, 2013 and may charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provision of plant.

DIVIDENDS

- Division of profits 138. Subject to the rights of members entitled to shares, if any, with preferential or special rights attached thereto the profits, which the Company from time to time decides to distribute in respect of any year or other period shall be applied in the payment of a dividend on the Equity shares of the Company but so that a partly paid up shares shall only entitle the members in respect thereof to such a proportion of the distribution upon a fully paid up shares as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up advance of calls upon the footing that the same shall carry interest such capital shall not rank for dividends or confer a right to participate in profits.
- Declaration of Dividends *139. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provision of Section 127 of the Act, fix the time for payment. Provided no dividend shall be declared or paid by a company from its reserves other than free reserves.
- Restriction on amount of Dividends 140. No large dividend shall be declared than recommended by the Board, but the Company in general meeting may declare a smaller dividend.
- Dividends out of profit only and not to carry interest *141. Subject to the provisions of Section 123 of the Act, no dividend shall be payable except out of the profits of the company or out of moneys provided by the Central or State Government for the payment of the dividend in purchase of any guarantee given by such Government and no dividend shall carry interest against the company.
- Profit 142. The declaration of the Board as to the amount of the profit of the Company shall be conclusive.
- Interim Dividends 143. The Board may, from time to time pay to the members such interim dividends as appeared to board to be justified by the profit of the Company.
- Debts may be reduced 144. The board may deduct from any dividend payable to any member all sums of money presently payable by him to the Company on account of calls or otherwise in relation to shares of the company.
- Dividend and call 145. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend may be set off against the call.
- Dividend payable in cash 146. No dividend shall be payable except in cash, Provided that nothing in the foregoing shall be deemed to prohibit the capitalisation 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 the shares held by members of the Company.
- Effect of Transfer 147. A transfer of shares shall not pass the rights to any dividend declared there-on before the registration of the transfer by the Company.
- To whom dividends payable 148. No dividend shall be paid in respect of any share except to the member registered in respect of such share or to his order to his bankers. But nothing contained in these Articles shall be deemed to require the Bankers of a member to make a separate application to the Company for the payment of the dividend.
- Dividend to members registered jointly 149. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for any dividends bonus and other payments in respect of such share.

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- Notice of Dividend - 150. Notice of any dividend whether interim or otherwise shall be given to the persons entitled to share therein in the manner hereinafter provided.
- Payment of Dividend *151. Unless otherwise directed in accordance with Section 20 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through post to the registered address of the member, or in the case of members registered jointly, to the registered address of the member who is first named in the Register or to such person and to such address as the member or members, as the case may be may in writing direct, and every cheque or warrant shall be made payable to the order of the person to whom it is sent.
- Unclaimed Dividends 152. No unclaimed or unpaid dividend shall be forfeited by the company and any unclaimed or unpaid dividend shall be treated in the manner as laid down under the provisions of the Act.
- Maintenance of Books of Account *153. The Company, in accordance with section 128 of the Act, shall prepare and keep at its registered office books of account and other relevant books and papers and Financial Statements for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its Branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting. Provided further that the Company may keep such books of account or other relevant papers in electronic mode in the manner as provided in the provisions of the Act.
- Location of Books of Account 154. The books of account shall be kept at the office or at such place in India as the Board may decide, and when Board so decide the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of account and other books and papers shall be open to inspection by any Director during business hours and shall also be open to inspection by the Registrar or by any officer of Government authorised by the Central Government in this behalf.
- Inspection by Members *155. The registers and indices maintained pursuant to section 88 and copies of returns prepared pursuant to section 92, shall be open for inspection during business hours, at such reasonable time (but not less than 2 hours) on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of such fee as may be decided by the Board of the company but not exceeding fifty rupees for each inspection.
- Books of Accounts to be preserved *156. Subject to sub-section (5) of Section 128 of the Act, the books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such book of accounts shall be preserved in good order.

BALANCE SHEET & ACCOUNTS

- Balance Sheet Profit *157. At every annual general meeting of the Company, the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 129 of the Act and such Balance Sheet and profit and Loss Account shall comply with the requirements of Sections 129 and 134 of the Act and of Schedule III to the Act so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the results or extent of the trading and transactions of the Company than it may deem expedient.
- *Annual Report of Directors *158. There shall be attached to every balance Sheet laid before the Company in general meeting a report by the Board in accordance with Section 134 of the Act.
- Copies to be sent to Members and others 159. A copy of every Balance Sheet (including the Profit and Loss Account, the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a statement containing the salient features thereof in the form as may be prescribed by the Central Government from time to time in pursuance of Section 136 of the Act shall not less than twenty one days before the

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date of the general meeting at which the aforesaid documents are required to be laid, be sent to every member, trustee for the holders of any debentures and other person to whom the same are required to be sent by the said provisions of the Act.

Copies of balance sheet to be filed with Registrar

*160. The Company shall comply with the provisions of Section 137 of the Act as to filing of copies of the Balance sheet, profit and loss Account and documents required to be annexed or attached thereto with the Registrar.

AUDIT

Accounts to be audited annually

161. At least once in every year the books of account of the company shall be examined by one or more Auditor or Auditors.

First Auditors

162. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first annual general meeting of the Company.

Appointment and remuneration of Auditors

*163. The Company shall at each annual General Meeting appoint an individual or a firm as an auditor to hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and the appointment, remuneration, rights and duties of the Auditor or Auditors shall be regulated by Section 139 to 147 of the Act. Provided the appointment of an individual auditor not more than one term for a period of 5 consecutive years and in case of audit firm not more than two terms of 5 consecutive years.

Audit of Account of branch office

164. Where the Company has branch office the provision of Section 143 of the Act shall apply.

Notice of Meeting to be sent to Auditors

165. All notices or other communication 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 and to be heard at any general meeting which he attends on any part of the business which concerns him as auditor.

Auditors report to be read

166. The Auditors Report (including the Auditors separate, special or supplementary report if any) shall be read before the company in general meeting and shall be open to inspection by any member of the Company.

NOTICE AND DOCUMENT

Services of notices on Members

*167. (1) Subject to the provision of Section 20 of the Act and the rules made there under, a notice or document may be served by the company on any member either personally or by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed in the rules framed under the Act.

(2) Where a notice or document is sent by post :-

(a) Service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document 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 with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses for doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) Such service shall be deemed to have been effected:-

i) in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted, and

ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

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Notice to Members who have not supplied address

Notice to Members registered jointly

Notice to persons entitled by transmission

Giving of Notice by advertisement

Advertisement of Notice

Date on which Notice deemed to be served

Transferee etc. bound by prior Notices

Notice valid through member deceased

*Service of process in winding up

(3) Where notice or other document is sent by post outside India, service thereof shall be deemed to have been effected by properly addressing and sending a letter by air mail, postage prepaid, at the time which the letter would be delivered in the ordinary course of post.

168. A notice or document advertised in a newspaper circulating in the neighbourhood of the office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member resident in India who has no registered address in India and has not supplied to the Company an address for the giving of notices to him. Any such member who has no registered address in India and has not supplied to the Company an address for the giving of notices to him. Any such member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notices to him.

169. A notice or document may be served by the Company on the members registered jointly in respect of a share by serving it on the member named first in the Register in respect of the share.

170. A notice or 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, or assignees of the insolvent, or 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 supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

171. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act, shall be sufficiently given if given, by advertisement.

172. Any notice required to be, or which may be given by Advertisement, shall be advertised once in one or more newspapers circulating in the neighbourhood of the office.

173. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

174. Every person who, by operation of law, transfer or other means, whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such share.

175. Subject to the provisions of Article 172 any notice or document delivered or sent by post or left at the registered address of any member in pursuance of these Articles shall notwithstanding that such members be then deceased and whether or not the Company has notice of his demise, whether registered solely or jointly with other persons, for all purposes of these presents be deemed a sufficient service of such notice or document on his executors or administrators and all persons, if any, jointly, interested with him in any such share.

176. Subject to the provisions of Chapter XX of the Act and rules made thereunder---

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

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KEEPING OF REGISTERS & INSPECTION

*Register etc to be maintained by the company

177. The Company shall keep and maintain at the office in accordance with the requirements of the Act, the following Registers or any other register as may be necessitated to maintain from time to time in accordance with Companies Act, 2013 and rules framed there under.

i) A Register of Charges Pursuant to Section 85 of the Act.

ii) A Register of members pursuant to Section 88(1)(e) of the Act.

iii) A Register of debenture-holder pursuant to Section 88(1)(b) & (c) of the Act.

iv) Register of Contracts or arrangements in which Directors are interested pursuant to Section 189 of the Act.

v) Register of Directors and Key Managerial Personnel and their shareholding pursuant to Section 170 of the Act.

vi) Register of Renewed and Duplicate Share Certificate pursuant to Section 46 of the Act.

vii) Register of Loans, Guarantee, Security and Acquisition made by Company pursuant Section 186 of the Act.

viii) A Register of Investment made by the company in shares or debenture of bodies corporate pursuant to provisions of the Act.

ix) A Register of Investment not held by the company in its own name pursuant to Section 187 of the Act.

xi) A register of Deposit pursuant to Section 73 of the Act.

*Supply of copies of Registers etc.

178. The company shall comply with the provisions of Sections 17, 71, 94, 117, 119, 136, 189, 190, 170, 171 or any other provisions of the Act as applicable from time to time as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates and books therein mentioned to the persons therein specified when so required by such persons on payment of the charges, if any, prescribed by the said sections.

*Inspection of Register etc.

179. Where under any provisions of the Act any persons, whether a member of the Company or not; is entitled to inspect any register, return certificates, deeds, instruments, or document required to be kept or maintained by the Company the person so entitled to inspection shall be permitted to inspect the same during the business hours or during such hours as the Directors may from time to time prescribe on such business days as the Act requires them to be open for inspection.

Closing of register of Members and Debentureholders

180. The Company may, after giving not less than seven days previous notice by advertisement in some newspaper circulating in the District in which the office of the Company is situated, close the Register of Members or the Register of Debenture-holders, as the case may be for any period or periods not exceeding in the whole forty five days in each year, but not exceeding thirty days at any one time.

Issue of duplicate cheques, dividend warrants etc

181. The Company may issue a duplicate cheque or dividend warrant or interest warrant to a shareholder or holder of debentures furnishing such indemnity or otherwise as it may think proper.

*Secrecy

SECURITY

182. Every Director, Manager, Auditor, Secretary or Trustee for the Company its members or debenture holders, members of a committee, officer, servant, agents, accountant or other persons employed in or about the business of the company shall if so required by the Board or by the Managing Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters

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which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles, or any provisions of the Act, as applicable.

Right of Members to enter premises of the company.

183. No member or other persons (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board.

WINDING UP

Distribution of assets on winding up

184. If the Company shall be wound up and the assets available for distribution among the members as such shall be 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 the excess shall be distributed among the members in proportion to the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.

Distribution of assets in specie

185. If the Company shall be wound up, whether voluntarily or otherwise the Liquidator may, with the sanction of a special resolution, divide among the contributories, in specie or in kind, the whole or any part of the assets of the Company and may, with the like sanction vest any part of the assets of the Company in trustee upon such trusts for the benefit of the contributories or any of them, as the Liquidators with the like sanction, shall think fit, but so that no contributory shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

*Indemnity

186. Subject to the provisions of the Act, every Director, Manager, Secretary or officer of the Company or any person employed by the company or the Auditor for the time being of the Company shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Manager, Secretary, Officer, employee or Auditor in defending any proceedings whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the Court.

Article 185 A

The Company shall indemnify the Directors against:-

- (a) any act, omission or conduct of or by the Company, the Promoters or their employees or agents as a result of which, in whole or in part, any Director is made a party to, or otherwise incurs any Loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or
- (b) any action or failure to act undertaken by the Director at the request of or with the consent of the Company or any of the Promoters; or
- (c) contravention of any Law including, without limitation, the Foreign Exchange (Management) Act 1998, Laws relating to provident fund, gratuity, labour, environment and pollution; and any action or proceedings taken against the Director in connection with any such contravention or alleged contravention.

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MISCELLANEOUS

The provisions of these Articles 187 to 208 shall have effect notwithstanding anything to the contrary contained in the other Articles. It is clarified that in the event of any conflict between the matters listed in Articles 1 to 186 and the relevant provisions of the matters listed in Articles 187 to 208, Articles 187 to 208 shall prevail. These Articles 187 to 208 shall cease to have effect upon the termination of the Agreement under clause 20.2 of the Agreement.

Article 187 Definitions

For the purposes of Articles 187 to 208, and unless the context otherwise requires, the following expressions shall have the following meanings:

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

- (a) "control" means the power to direct the management and policies of a Person whether through the ownership of voting capital, by contract or otherwise, and
- (b) A holding or subsidiary company of any Person shall be deemed to be an Affiliate of that Person;

Without limiting the generality of the foregoing, with respect to the Investor, "Affiliate" shall include (i) Citigroup Venture Capital International Growth Partnership, L.P., Citigroup Venture Capital International Partnership G.P. Limited, any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary or Affiliate of any of the foregoing, in which any member of Citigroup is a general partner or which is otherwise an Affiliate of Citigroup (ii) in the case of any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary or affiliate of any of the foregoing, in which any member of Citigroup is a general or limited partner, shareholder, investment manager or advisor, member of a management or investment committee, nominee, custodian, trustee or unit holder, (Permitted Transferee), any partners, members, directors, officers, employees or investors (either directly or indirectly through any investment partnerships of entities of such entity) who are distributees of investments held by such Permitted Transferee pursuant to the bona fide liquidation of such entity in which securities held by such entity are distributed to such distributees.

"Agreement" means the Draft Investment Agreement, between the Company, the Investor and the Promoters, together with its Schedules and Annexures;

"Agreed Form" any reference to a document in Agreed Form is a reference to a document in a form agreed between the Parties and initialled for the purposes of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of the Parties);

"Business Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in [New Delhi, India], and Port Louis, Mauritius for the transaction of normal banking business;

"Charter Documents" shall mean the Memorandum of Association and these Articles of Association of the Company;

"Connected Person/Concern" of the Company means:-

- (a) any company under the same management;
- (b) the Promoters and their Affiliates;
- (c) any Director of the Company or any director of any holding or subsidiary company of the Company or of any Affiliate of the Company;
- (d) any director of any holding or subsidiary company of any Affiliate of the Promoters; any Affiliate of the Company, or of a director referred to above ("such director");
- (e) any firm or unlisted company in which the Company, the Promoters, any such director or any Affiliate or partner of any such director, Promoters or Affiliate is a partner, shareholder or director or has any shareholding exceeding 1% of the paid up share capital of such company, any control or any interest;
- (f) any listed company in which the Company, the Promoters, any such director or any Affiliate or partner of any such director, Promoters or Affiliate is a director or holds shares exceeding 1% of the paid-up equity share capital of such listed company;
- (g) any company, the board of directors, managing director or manager whereof acts or is accustomed



to act in accordance with the directions or instructions of the Board of Directors of the Company, of the Promoters of any such director or of any Affiliate mentioned above;

NOTE: For the purpose of the above, the Investor Directors shall not be deemed to be "directors" of the Company;

"Disclosure Letter" means the disclosure letter in Agreed Form provided by the Company and the Promoters to the Investor simultaneously with the execution of the Agreement;

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

"Equity Shares" means the equity shares of the Company, having a face value of Rs. 10/- (Rupees ten only) each;

"Exchange" means the Bombay Stock Exchange Limited;

"Governance Matters" shall mean the matters set out below:

- i. Acquisition of shares, assets, business, business organization or division of any other Person, creation of legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs and consolidations, creation of any new subsidiaries.
- ii. Any changes in class rights for shares (directly or indirectly).
- iii. Commencement of any new line of business, which is unrelated to the business of the Company, or making of any investment (other than short-term deposits with banking or financial institutions).
- iv. Any change in the issued, subscribed or paid up equity or preference share capital of the Company, or Reorganisation of the share capital of the Company; including new issuance of shares or other securities of the Company or redemption, retirement or repurchase of any shares or other securities, issuance of convertible debentures or warrants, or grant of any options over its shares by the Company.
- v. Sale, transfer or other disposition of, the Company, any of its subsidiaries or any other change in the capital structure of the Company and its subsidiaries.
- vi. Listing / de-listing of the Company or any subsidiary on any stock-exchanges or change in legal status e.g. public to private company status etc.; the taking of steps towards or appointment of any advisers in connection with a potential sale or flotation (on any new stock exchanges) of securities of the Company or any subsidiary;
- vii. Declaration or payment of dividends or other distributions on any class of equity securities of the Company.
- viii. Approval, adoption, amendment or modification of the annual budget, or the taking of any action that would be inconsistent with the budget then in effect.
- ix. Creation or adoption of any new or additional equity option plan, or any change, modification or amendment to any existing equity option plan.
- x. Dissolution, winding-up or liquidation of the Company or any of its subsidiaries, whether or not voluntary, or any restructuring or reorganization which has a similar effect.
- xi. Any transactions, agreements or arrangements between the Company and any of its Connected Persons/Concerns having a value greater than Rs. 5 lacs.
- xii. Any amendment, supplement, modification or restatement of the memorandum or articles of association of the Company or any of its subsidiaries as in effect on the date hereof.
- xiii. Material changes to accounting or tax policies, procedures or practices or change of internal or statutory auditors.
- xiv. Change of registered office.
- xv. Providing guarantees or making any loans (other than in the ordinary course of business and subject to an agreed maximum limit).
- xvi. Sale, transfer, assignment, mortgage, pledge, hypothecation, grant of security interest in, subject to any lien, or otherwise dispose of, any assets or securities of the Company or any of its subsidiaries, with a fair market value of such assets or securities exceeding Rs. 2.5 crores in a



- single transaction, or Rs. 5 crores on an aggregate basis, in any calendar year.
- xvii. Incurrence, issuance or assumption of any form of indebtedness in excess of the levels agreed upon in the annual budget.
 - xviii. Capital expenditure, including constructions and leases, more than Rs. 2.5 crores per annum in excess of the levels agreed upon in the annual budget.
 - xix. Entering into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations or liabilities on the Company or any of its subsidiaries to pay an amount of 2.5 crores or more or provide services or products generating revenues of Rs. 5 crores or more, in one calendar year, or imposes or is likely to impose on the Company or any of its subsidiaries any obligation or liability, which is not capable of being quantified in monetary terms.
 - xx. The appointment or removal and determination of the terms of employment including compensation of key management personnel including Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, Operations Head and any significant changes in the terms of their employment agreements.
 - xxi. The prosecution or settlement of legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed Rs. 50,00,000/- within any financial year.
 - xxii. Any agreement, arrangement, transaction or assignment of any assets of the Company with a value of more than Rs. 2.5 crores.
 - xxiii. Delegation of authority or any of the powers relating to any matter contained in this definition of the Board or the board of the Company and/or its Affiliates to any individual or committee and any commitment or agreement to do any of the foregoing.

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

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

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

"Investor" means Citigroup Venture Capital International Growth Partnership, Mauritius Limited;

"Investor's Consent" means the prior written consent of the Investor;

"Investor Group" means the Investor and its Affiliates;

"Investor Shares" means the Equity Shares held by the Investor and/or any member of the Investor Group, including without limitation the Investor Subscription Shares, the Investor Warrant Shares and all Equity Shares acquired by the Investor pursuant to the Takeover Offer (as defined below) and, until their exercise, includes the Investor Warrants;

"Investor Subscription Shares" means the 17,500,000 (Seventeen Million Five Hundred Thousand) Equity Shares to be subscribed to by the Investor on and subject to the terms and conditions of the Agreement at the Share Subscription Price;

"Investor Warrants" means 1,750,000 (One million Seven Hundred and Fifty Thousand) warrants (in the form and having the characteristics provided in the board resolution allotting the Investor Warrants) representing a right to subscribe to an aggregate of 1,750,000 (One million Seven Hundred and Fifty Thousand) Equity Shares to be issued by the Company to the Investor at the Warrant Exercise Price, and shall be exercisable at any time at the option of the Investor within a maximum of 18 (eighteen) months from the date of their issue;



"Investor Warrant Shares" means Equity Shares subscribed to by the Investor pursuant to the exercise by the Investor of the Investor Warrants;

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

"Losses" includes all losses, claims, costs, and damages (whether direct, indirect, general or special, absolute, accrued, conditional or otherwise and whether or not resulting from third party claims), including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements;

"Parties" means collectively the Company, the Investor, and the Promoters and "Party" shall be construed accordingly.

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

"Promoters" means the Persons set out hereunder:

- i. Ajay Choudhary;
- ii. Mukund Choudhary;
- iii. Kapil Choudhary;
- iv. Jyoti Choudhary;
- v. Ritu Choudhary

"Relative" shall have the meaning assigned to the term in sub-section 77 of Section 2 of the Act;

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

"Required Governmental Approvals" means such Government Approvals, if any, as may be necessary or advisable for the subscription to the Investor Subscription Shares and the Investor Warrants and the Equity Shares to be issued on exercise of the Investor Warrants by the Investor on the terms contained herein, the acquisition of Equity Shares by the Investor pursuant to the Takeover Offer, including, without limitation, any Government Approvals which are granted automatically contingent upon requisite filing of specified documents and/or reports being made;

"Share Subscription Price" means a price of Rs. [36.54]/- per Equity Share (including a premium of Rs. 26.54/- per Equity Share);

"Strategic Investor" means any Person whose principal business is (a) the manufacture and sale of textiles in India, or (b) the provision of goods or services in India that compete with the business of the Company;

"subsidiary" has the meaning given to such term in the Act;

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

"Warrant Shares" means Equity Shares to be issued and allotted by the Company pursuant to the exercise by the Investor of the Investor Warrants;

"Warrant Subscription Price" means a price of Rs. [3.654]/- per Investor Warrant; and

"Warrant Exercise Price" means a price of Rs. [32.885]/- per Investor Warrant.

Article 188 THE BOARD AND THE INVESTOR DIRECTOR

188.1. The Board of the Company shall at all times comprise of such number of Directors as the Parties may agree, of whom the Investor shall, subject to Article [188.3], be entitled to nominate and maintain in office 1 (one) non-retiring Director (the "Investor Director") and the Promoters shall



- be entitled to nominate and maintain in office 4 (four) Directors. The Company shall obtain all requisite Government Approvals for the appointment of the Investor Director. The Promoters shall nominate 5 (five) Independent Directors (as such expression is defined in the listing agreement between the Company and the Exchanges ("Listing Agreement")) to the Board, provided that the Independent Directors are persons acceptable to the Investor
- 188.2. In the event that the permission of the Central Government is required for the appointment of the Investor Director as a non-retiring Director, then till such time as the permission of the Central Government is obtained for the appointment of the Investor Director as a non-retiring Director, the Investor Director shall be appointed as a retiring Director. The permission of the Central Government for the appointment of such non-retiring Director shall be promptly obtained by the Company
- 188.3. To the extent permissible by Law, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal under this Article shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If the Law does not permit the person nominated by the Investor to be appointed as a Director merely by nomination by the Investor, the Company and the Promoters shall ensure that the Board forthwith (and in any event within 7 (seven) days of such nomination or at the next Board meeting, whichever is earlier) appoints such person as a Director and further that, unless the Investor changes or withdraws such nomination, such person is also elected as a Director at the next general meeting of the shareholders of the Company
- 188.4. The Promoters agree to use all their rights, including their rights as and in respect of Directors and their voting rights in relation to any Equity Shares held by them, to effectuate the appointment and election of the Investor Director as contemplated herein.
- 188.5. If the Investor desires that the Investor Director appointed and/or nominated by it should cease to be a Director, the Promoters shall exercise all their rights, including their rights as or in respect of Directors and their voting rights in relation to the Equity Shares held by them in the Company in such manner so as to ensure such removal as soon as may be practicable. The Investor shall have a right to recommend any other person to be appointed as Investor Director in place of its original nominee as Investor Director. The Parties shall ensure that only such persons are appointed in place of the Investor Director as are recommended by the Investor. All nominations for the replacement Investor Director made by the Investor shall be in writing and shall take effect on its receipt at the office of the Company and shall be given effect to in the manner mentioned above.
- 188.6. The Investor shall be entitled to nominate persons to be appointed as the alternate directors to the Investor Director and the Company and the Promoters shall ensure that such persons are appointed as the Investor Director's alternate Director.
- 188.7. The Directors or the Observer (as the case may be) shall be paid all out of pocket expenses (including travel, boarding and lodging expenses) by the Company for attending any shareholders' meeting and Board meeting of the Company and any other expenses incurred by the Directors or the Observer in the course of fulfilling their duties and obligations as directors of the Company.
- 188.8. The Investor Director shall be a non-executive Director, shall not be responsible for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Law. The Company shall nominate Directors or persons other than the Investor Director as "persons in charge" as contemplated under applicable Law and shall ensure that the Investor Director is not included within the scope of "Officer who is in default" under applicable Law. The Investor Director shall not be required to be an Independent Director and the Company shall have such number of Independent Directors (other than the Investor Director) as are required under the provisions of the Listing Agreement.
- 188.9. The Company shall, on or before the appointment of the Investor Director, obtain director's liability insurance for an amount and on terms satisfactory to the Investor.
- 188.10. The Investor Director shall not be required to hold any qualification shares.
- 188.11. The Investor Director shall be entitled to be (unless restricted by Law) a member of, or at the option of the Investor, an invitee on any of the committees of the Board and/or the Company.
- 188.12. The Investor shall be entitled to nominate a non-voting observer (an "Observer") to the Board and to all the committees of the Board. The Observer shall be an employee or director of the Investor or its Affiliate and it is clarified that the Observer shall treat all information imparted to it at the Board meetings as strictly confidential. The Investor undertakes to execute a binding confidentiality agreement with the Observer.



Article 189 Corporate Governance

- 189.1. At least [7 (seven)] Business Days notice of each Board meeting shall be given to each Director unless, in any particular case all the Directors (including the Investor Director) agree to a shorter notice. A detailed agenda for a Board meeting, setting out the items of business proposed to be transacted at the meeting (the "Agenda") and enclosing all supporting documents in relation thereto, shall be sent to all the Directors at least [7 (seven)] Business Days before the date of the meeting of the Board, unless all the Directors (including the Investor Director) agree to a shorter period. The items not specified in the Agenda may not be discussed at any Board meeting save and except with the consent of the Investor Director.
- 189.2. The quorum for a meeting of the Board shall include the Investor Director (if the Investor Director has been appointed). If the Investor Director (or the alternate Director) is not present for 2 (two) consecutive Board meetings, despite having adequate notice as above, the Board meeting convened shall not be inquorate and, [subject to the provisions of Article [191] (Governance Matters),] any decision taken by the Board in relation to the Agenda shall be binding.]
- 189.3. The quorum for a meeting of the shareholders of the Company shall include a representative of the Investor, present throughout the meeting whether in person or by proxy, unless otherwise agreed with the Investor's Consent.
- 189.4. The Chairperson of the Board or of any committee thereof, or of any meeting of the shareholders of the Company shall not have a casting vote.

Article 190 Information Rights

- 190.1. The Company and the Promoters shall procure that the Company maintains high standards of governance and reporting to the Board, the shareholders of the Company and analysts. The Company shall organize presentation to the Board, the shareholders of the Company and analysts, from time to time, as may be directed by the Board.
- 190.2. In addition to the information they are entitled to receive under the provisions of applicable Law, the Investor, the Directors (including the Investor Director) and the Observer shall also be entitled to receive, from the Company such additional information as may be requested by any of them.
- 190.3. The Investor shall be entitled to disclose any of the information received by it to any Affiliate or any partner or investor or prospective investor in an Affiliate. Provided that this clause shall not apply to unpublished price sensitive information which has been provided to the Investor pursuant to the specific request of the Investor for such information (Specified Information). The Investor shall only be entitled to disclose the Specified Information with Citigroup Venture Capital International (a unit of Citigroup Alternative Investments) and any manager, advisor or sub advisor and general partner of the Investor or any person who holds the share capital of the Investor.
- 190.4. Without prejudice to the above, the Company shall, ensure that the Investor is not provided with any unpublished price sensitive information (except for Specified Information), unless the Investor specifically requests for such information and for this purpose shall, prior to providing any unpublished price sensitive information to the Investor, publish such information in accordance with Law in order to enable the investor or any member of the Investor Group to deal in the Equity Shares.

Article 191 Governance Matters

- 191.1. From the Intimation Date (as such date is defined below) the Investor would have the right to require that any action or decision relating to any Governance Matter shall be taken (whether by the Board, any committee, the shareholders of the Company, or any of the employees, officers or managers of the Company) only with the Investor's Consent (Governance Right).
- 191.2. The provisions of Article 191.1 shall come into effect from such date as may be specified by the Investor in accordance with the Agreement (Intimation Date).

Article 192 Transfer Provisions

Null and Void Transfers

- 192.1. Any Transfer or attempt to Transfer any Equity Shares in violation of this Article [192] shall be null and void ab initio, and the Company shall not register such Transfer and shall reject any such Transfer made or attempted, suo moto without necessity of a Board decision and may institute proceedings for this purpose if required by Law.
- 192.2. Notwithstanding anything contained in the Agreement, the Promoters shall not be entitled to, and shall not, Transfer or create any Encumbrance (other than any Encumbrance created in favour of banks / financial institutions securing any finance availed of by the Company and disclosed in the



Disclosure Letter) over or dispose of any Equity Shares or other securities (including any warrants held by the Promoters) of the Company (or any interest in such securities) held by them, save and except with the Investor's Consent. Provided that this Article [192.2] shall not apply to a Transfer of shares to Relatives and Affiliates of the Promoters, provided that (a) the proposed transferees execute deeds of adherence in Agreed Form and (b) so long as (i) the Promoters continue to hold at least 51% of the paid up equity share capital of the Company subsequent to such Transfer and (ii) the aggregate shareholding of Mr. Ajay Kumar Choudhary, Mr. Mukund Choudhary and Mr. Kapil Choudhary continues to represent at least 36% of the paid up equity capital of the Company.

Article 193 Tag Along

193.1. Subject to the provisions specified in Article [192.2], in the event that the Promoters (or any of them) propose to Transfer any of their Equity Shares (and warrants held by the Promoters) such that the Transfer would result in the aggregate shareholding of the Promoters in the Company falling below 51% of the equity share capital of the Company on a fully diluted basis (a "Change in Control"):

- (a) the Promoters shall first give a written notice (hereinafter referred to as the "Offer Notice") to the Investor. The Offer Notice shall state (i) the number of Equity Shares (and warrants) proposed to be Transferred (hereinafter referred to as the "Sale Shares") and the number and class of Equity Shares the Promoters own at that time, (ii) the name and address of the proposed transferee, (iii) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee, (iv) the date of consummation of the proposed Transfer, (v) a representation that the proposed transferee has been informed of the rights provided to the Investor under this Article [193] and has agreed to purchase all the securities required to be purchased in accordance with the terms of this Article, and (vi) a representation that no consideration, tangible or intangible, and whether designated towards the purchase price for the Sale Shares or otherwise, is being provided to the Promoters that will not be reflected in the price paid to the Investor on exercise of its tag-along rights under this Article [193]. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Offer Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The total value of the consideration for the proposed Transfer of the Sale Shares (including any non-compete fee or other consideration payable to the Promoters in respect of the Transfer), calculated per Sale Share, is referred to herein as the "Offer Price". Such Offer Notice shall be accompanied by a true and complete copy of all documents constituting the agreement between the Promoters and the proposed transferee regarding the proposed Transfer.
- (b) The Investors shall be entitled to respond to the Offer Notice by serving a written notice (the "Response Notice") on the Promoters prior to the expiry of (21 (twenty)) Business Days from the date of receipt of the Offer Notice (the "Offer Period") requiring the Promoters to ensure that the proposed transferee of the Sale Shares also purchases all the Equity Shares (including the Investor Warrants) held by the Investor Group (as mentioned in the Response Notice) (the "Offered Shares") at the Offer Price and on the same terms as are mentioned in the Offer Notice.
- (c) The Promoters shall not be entitled to sell or Transfer any of the Sale Shares to any proposed transferee unless the proposed transferee simultaneously purchases and pays for the Offered Shares for the same consideration and upon the same terms and conditions as applicable to the Sale Shares, provided that the Investor may choose to receive the cash equivalent of any such consideration which is in a form other than cash and the Investor shall not be required to provide any representations and warranties in respect of the Offered Shares other than with respect to its title to the Offered Shares. Where the Investor has properly elected to exercise its tag-along right and the proposed transferee fails to purchase from the investor the Offered Shares which it is entitled to sell under this Article, the Promoters shall not make the proposed Transfer of the Sale Shares, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of the Sale Shares.
- (d) In the event the Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period, the Promoter shall be entitled to sell and Transfer the Sale Shares to the proposed transferee mentioned in the Offer Notice on the same terms and conditions and for the same consideration as is specified in the Offer Notice. Any transferee purchasing the Sale Shares shall deliver to the Promoters on or before the date of consummation of the proposed Transfer specified in the Offer Notice payment in full of the Offer Price in respect of the Sale Shares in accordance with the terms set forth in the Offer Notice and of any requisite transfer Taxes. If completion of the sale and



Transfer to the proposed transferee does not take place within the period of 30 (thirty) days following the expiry of the Offer Period, the Promoters' right to sell the Sale Shares to such proposed transferee shall lapse and the provisions of this Article [193] shall once again apply to the Sale Shares. Additionally, at least six (6) months should pass between two successive Offer-Notices for sale of the Offered Shares.

193.2. Without prejudice to the other provisions hereof, in the event that the Promoter(s) Transfer any Equity Shares (other than a Transfer which gives rise to a Change of Control) then:

- (a) The Promoters shall provide the Investor with an Offer Notice containing the items (i) to (vi) mentioned at Article [193.1(a)] above;
- (b) The Investor shall be entitled to respond to the Offer Notice by serving the Response Notice on the Promoter prior to the expiry of the Offer Period requiring the Promoters to ensure that the proposed transferee of the Sale Shares also purchases such number of the Equity Shares (including the Investor Warrants) held by the Investor Group as mentioned in the Response Notice (the "Offered Securities") at the Offer Price and on the same terms as are mentioned in the Offer Notice.
- (c) If the proposed transferee is unwilling or unable to acquire all of the Offered Securities mentioned in the Response Notice upon such terms, then the Promoters may elect either to cancel such proposed Transfer or to allocate the maximum number of Equity Shares of the Company which the proposed transferee is willing to purchase among the Sale Shares and the Offered Securities specified by the Investor Group in the Response Notice, pro-rata in the ratio of the equity shareholding in the Company at such time of the Promoters and the Investor Group, and to consummate such Transfer on such terms. The Promoters shall not be entitled to sell or Transfer any of the Sale Shares to any proposed transferee unless the proposed transferee simultaneously purchases and pays for the required number of Offered Securities in accordance with the provisions of the Agreement.
- (d) The Promoters shall ensure that, along with the Sale Shares, the proposed transferee also acquires the Offered Securities specified in each Response Notice for the Offer Price and upon the same terms and conditions as applicable to the Sale Shares, provided that the Investor may choose to receive the cash equivalent of any such consideration which is in a form other than cash and the Investor shall not be required to provide any representations and warranties in respect of the Offered Shares other than with respect to its title to the Offered Securities. Where the Investor has properly elected to exercise its tag-along right and the proposed transferee fails to purchase from the Investor the Offered Securities which it is entitled to sell under this tag along provision, the Promoters shall not make the proposed Transfer of the Sale Shares, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of the Sale Shares.
- (e) In the event the Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period, the Promoters shall be entitled to sell and transfer the Sale Shares to the proposed transferee mentioned in the Offer Notice on the same terms and conditions and for the same consideration as is specified in the Offer Notice. Any transferee purchasing the Sale Shares shall deliver to the Promoters on or before the date of consummation of the proposed Transfer specified in the Offer Notice payment in full of the Offer Price in respect of the Sale Shares in accordance with the terms set forth in the Offer Notice and of any requisite transfer Taxes. If completion of the sale and Transfer to the proposed transferee does not take place within the period of 30 (thirty) days following the expiry of the Offer Period, the Promoters' right to sell the Sale Shares to such third party shall lapse and the provisions of this Article [193] shall once again apply to the Sale Shares. Additionally, at least six (6) months should pass between two successive Offer Notices for sale of the Offered Securities.

193.3. Where the Investor requires prior legal, Government, regulatory or shareholders consent for the disposal of its Equity Shares and/or Investor Warrants pursuant to the Agreement or these Articles then notwithstanding any other provision of the Agreement and these Articles, the Investor shall only be obliged dispose of its Equity Shares and/or Investor Warrants once such consent or approval is obtained, and the Parties shall use their reasonable endeavours to obtain any such required approvals. Any period within which a transfer of Equity Shares and/or Investor Warrants by the Investor has to be completed shall be extended by such further period as is reasonably necessary for the purpose of obtaining the above approvals. Provided that if any of the above mentioned approvals are withheld or refused then the Investor shall be deemed not to have offered to sell the concerned Equity Shares and/or Investor Warrants.



193.4. The Parties agree that the Transfer restrictions in the Agreement and/or in the Charter Documents shall not be capable of being avoided by the holding of the Equity Shares and/or Warrants indirectly through a Person that can then be sold in order to dispose of an interest in the Equity Shares and/or Warrants free of such restrictions. Any Transfer, issuance or other disposal of any shares (or other interest) resulting in any change in the control, directly or indirectly, of the Promoters, or of any Affiliate of any Promoter which holds, directly or indirectly, any Equity Shares and/or Warrants, shall be treated as being a Transfer of the Equity Shares and/or Warrants held by the Promoter, and the provisions of the Agreement that apply in respect of the Transfer of Equity Shares and/or Warrants shall thereupon apply in respect of the Equity Shares and/or Warrants so held.

Article 194 Investor's Right to Acquire and Transfer Shares

- 194.1 The Investor shall be entitled to Transfer or otherwise dispose of all or any part of its shareholding in the Company or its Investor Warrants, together with its respective rights and obligations under this Agreement, at any time to any third party transferee, without the prior written consent of any other shareholder of the Company or of the Company. Provided that the Investor shall not transfer its rights to more than two other persons simultaneously and in any event, all such two persons together shall not be entitled to appoint in excess of 2 directors on the Board of the Company pursuant to the transfer of rights under this Agreement.
- 194.2 In the event that the Investor proposes to Transfer its securities in the Company other than on or through any stock exchange, then the Investor shall provide the Promoters with a right of first offer in the manner mentioned below (the "Right of First Offer").
- 194.3 For this purpose, prior to any Transfer of the securities of the Company held by it, the Investor shall inform the Promoters of the number of securities (the "ROFO Securities") proposed to be Transferred by the Investor (the "ROFO Notice").
- 194.4 Within [15 (fifteen)] Business Days of the receipt of the ROFO Notice, the Promoters shall be entitled to respond by notifying the Investor of the price at which they are willing to purchase all (and not less than all) the ROFO Securities (the "ROFO Price").
- 194.5 Thereupon, the Investor shall be entitled to accept the ROFO Price, and Transfer the ROFO Securities to the Promoters at the ROFO Price, which Transfer shall be completed within (30 (thirty)) days of the intimation of the ROFO Price.
- 194.6 If the Promoters do not specify a ROFO Price within the aforementioned period, or the Investor rejects the ROFO Price, then the Investor shall thereafter, be entitled to sell the ROFO Securities to any Person at a price higher than the ROFO Price.
- 194.7 The Investor hereby agrees that it shall not be entitled to Transfer any Equity Shares or Investor Warrants held by it to a Strategic Investor, without the prior written consent of the Promoters. Provided that (i) this Article shall not apply to any Transfer of Equity Shares or Investor Warrants on or through a stock exchange and (ii) the Investor shall not transfer its rights hereunder to a Strategic Investor through a sale on or through a stock exchange.
- 194.8 It is clarified that, notwithstanding anything contained in this Article, the Investor shall be entitled to freely Transfer any or all its Investor Shares, Investor Warrants and its rights and obligations hereunder to any of its Affiliates and to any investor or prospective investor in such Affiliate. Further, any of the rights of the Investor hereunder may be exercised by any of its Affiliates on behalf of such Investor.
- 194.9 It is further clarified that without prejudice to the above, the Investor shall be entitled to assign all or any of its rights hereunder to any Person or Persons to whom any shares of the Company are transferred pursuant to the exercise of rights by an Investor under this Article and in such event, subject to the terms of such transfer, such transferee(s) shall be entitled to enforce all such rights as if it were party to the Agreement in place of and/or in addition to the Investor.
- 194.10 If any equity shares or other securities of the Company are listed or proposed to be listed on one or more stock exchanges overseas, then on the Investor's request, the Company shall take all such steps, do all such things, execute all such writings and make all regulatory applications and filings as may be required by Law for permitting or facilitating the unrestricted sale and distribution of the shares held by the Investor in the Company on such exchanges, such that the Investor's Shares are freely transferable on such stock exchanges.
- The Company and the Promoters shall execute a registration rights agreement in favor of the Investor that is customary in the market in which the securities of the Company are being listed within thirty (30) days of receiving a request to do so from the Investor.
- 194.11 If any equity shares or other securities of the Company are listed or proposed to be listed on one or



more stock exchanges overseas, then the investor shall be entitled to demand that all or part of the shares held by it in the Company be converted into American Depository Receipts or Global Depository Receipts (Full Fungibility), in any manner permissible under Indian Law. The investor shall also be entitled to demand, from time to time, that the Company register the securities of the Company held by such investor with appropriate and necessary regulatory authorities required in connection with such offering to ensure unlimited transferability of such ADRs and GDRs and securities. The Company will, subject to applicable Law, pay the expenses of the investor in all demand registrations (including the fees and expenses of one legal counsel/firm of legal counsels for the investor, but excluding underwriters' discounts and selling commissions).

194.12. The investor will (unless prohibited by applicable Law) be entitled to unlimited piggyback rights (to make an offer for sale simultaneously) in all primary offerings and all other secondary offerings of the Company. The Company will, subject to applicable Law, pay the expenses of the investor in all piggyback registrations (including the fees and expenses of one legal counsel/firm of legal counsels for the investor, but excluding underwriters' discounts and selling commissions).

194.13. The Company shall not grant other registration rights, other than rights that are pari passu or subordinated to the rights of the investor.

Article 195 More Favourable Rights

195.1. No person shall be granted any rights, other than rights which are pari passu or subordinate to those granted to the investor.

Article 196 Ethical Business Practices

196.1. The Promoter, the Company and its subsidiaries covenant that they, their respective affiliates and principals and anyone acting on their behalf:

- (a) shall not, whether in connection with the proposed investment contemplated herein or otherwise:
 - (i) knowingly act in violation of any Laws and regulations as applicable to them; or
 - (ii) make improper payments to public officials in order to secure a business advantage; and
- (b) shall continue to have, in place anti-money laundering practices that are compliant with all applicable Laws; and
- (c) shall continue to follow, highest standards of ethical business practices.

Article 197 Exercise of Investor Warrants

197.1. The Company and the Promoters shall co-operate fully with the investor, to enable the investor to exercise the investor Warrants and cause the conversion of the investor Warrants into the investor Warrant Shares, at the request of the investor.

197.2. The Company shall issue the investor Warrant Shares to the investor upon exercise by the investor of the investor Warrants and shall enter the name of the investor in the register of members of the Company in respect of the investor Warrant Shares. The Company shall take all actions (including all actions requested by the investor) which are required in order that in any event the investor Warrant Shares are listed on the Exchanges within 30 days of their issue.

197.3. The Promoters shall exercise all the rights and powers available to them, including, without limitation, their rights in respect of Directors and all voting rights in respect of shares, in accordance with the provisions of this Agreement and shall ensure that the Company complies with the provisions of this Agreement with respect to the investor's rights in the investor Warrants.

197.4. The investor shall not exercise the investor Warrants and the Promoters shall not exercise any warrants of the Company, until the earlier of (i) completion of 45 (forty five) days from the completion of the Takeover Offer and (ii) the expiry of 16 months from the date of this Agreement.

Article 198 Exercise of Rights

198.1. The Promoters shall exercise all the rights and powers available to them, including, without limitation, their rights in respect of Directors and all voting rights in respect of shares, in accordance with the provisions of the Agreement and shall exercise all their rights and powers as mentioned above to ensure the Company complies with the provisions of the Agreement.

Article 199 Anti Dilution

199.1. The Company shall not, without the investor's Consent issue any Equity Shares or equity linked securities to any Person on terms more favourable than those offered to the investor or at a price



per security lower than the Share Subscription Price.

Article 200 Pre-emptive Rights

- 200.1. In the event that the Company issues any equity shares, or any rights, options, warrants (other than the Warrants), appreciation rights or instruments entitling the holder to receive any Equity Shares or any options to purchase or rights to subscribe to securities, by their terms convertible into, or exchangeable for, Equity Shares (a "Dilution Instrument") at any time, then the Investor shall be entitled to subscribe to such number of Dilution Instruments as would enable the Investor to maintain its proportion of shareholding in the Company, after the conversion or exercise of the Dilution Instruments. The Investor shall also be entitled to subscribe the Dilution Instruments not subscribed to by the other shareholders of the Company, in the same proportion that its shareholding (calculated after giving effect to the Investor's subscription to the Dilution Instruments pursuant to this Article [200.1], but not including the number of equity securities held by other shareholders of the Company not subscribing in such issuance) bears to the total equity shareholding of the Company.
- 200.2. The Investor shall be entitled to acquire the Dilution Instruments on the terms on which the Company proposes to issue the Dilution Instruments to any other Person. The Company agrees and undertakes that it shall not issue any securities in contravention of the provisions of Articles [199.1] and [200.1].
- 200.3. The Company and the Promoters shall ensure that:
- (i) until the release of the guarantees provided by the Company in respect of the obligations of Himalayan Crest Power Limited, and the loans provided to Himalayan Crest Power Limited, 100% of the shares of Himalayan Crest Power Limited shall remain pledged in favour of the Company as security for the obligations of the Company under such guarantees; and
 - (ii) the Promoters shall indemnify the Company in respect of any losses suffered by the Company as a consequence of the abovementioned guarantees and loans, including any amounts paid out by the Company pursuant to such guarantees and any amounts of the loans which are not recovered.

Article 201 Assignment

- 201.1. No Party shall be entitled to, nor shall they purport to, assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under the Agreement or these Articles nor grant, declare, create or dispose of any right or interest in it, in whole or in part provided that the Investor shall be entitled to assign any or all of its rights and/or transfer any or all of its obligations hereunder and/or under the Agreement to any of its Affiliates and/or any investor or prospective investor in an Affiliate and for this purpose the other Parties to the Agreement shall execute such instrument as may be requested by the Investor.
- 201.2. In respect of any of the rights under the Agreement which are available on the basis of the number of Equity Shares held by the investor, the Investor shall be entitled to aggregate its shareholding with the Equity Shares held by the other members of the Investor Group.

Article 202 Future Subsidiaries

- 202.1. If the Company at any time has any subsidiaries, the provisions of the Agreement shall apply mutatis mutandis to such subsidiaries and the Company and the Promoters shall procure that the subsidiaries act in accordance with the Agreement in respect of the rights of the Investor under Articles [Director, Governance Rights, Information, no more favourable rights]. It is clarified that the investor shall not be required to hold any shares of the subsidiaries.

Article 203 Right to Invest

- 203.1. The Company and the Promoters acknowledge that the Investor, its Affiliates and the Investor Group invest and may invest in numerous companies, some of which may be in competition with the Company and its business. The Company and the Promoter confirm and acknowledge that the Investor and the Investor Group shall not be liable for any claim arising out of, or based upon (i) the fact that they hold an investment in any Person that competes with the Company, or (ii) any action taken by any of their officers or representatives to assist any such competitive Person, whether or not such action has a detrimental effect on the Company.
- 203.2. The Company and the Promoters hereby unconditionally and irrevocably consents to the investor and/or any member of Investor Group at any time and from time to time investing in the equity of any Person engaged in the same or a similar business as the business of the Company or entering into collaborations or other agreements or arrangements any Persons in India engaged in the same



or a similar business as the business of the Company so long as the Investor Director is not a director or a person involved in the management of such competing Person. Upon the execution of the Agreement, the Company and the Promoters shall simultaneously, and thereafter from time to time at the request of the Investor, certify that they do not object to such investment, agreement or arrangement with such Persons and in such form as may be requested by the Investor.

Article 204 Required Government Approvals

- 204.1 The Company and the Promoters shall promptly obtain all Required Governmental Approvals (including for this purpose such approvals as the investor is required to obtain and/or in respect of which the Investor requests the Company to so obtain) and shall furnish copies thereof to the Investor. Without prejudice to the aforesaid, in the event that, at any time, the Investor requests the Company or the Promoters to obtain any Government Approvals, the Company or the Promoters (as the case may be) shall obtain such Governmental Approvals as soon as is reasonably practicable.
- 204.2 The Company and the Promoters shall obtain and prepare all such forms, reports and documents required to be filed to obtain, or comply with, any Required Governmental Approvals with any authority under any Law and/or pursuant to any previously obtained Government Approvals, including, without limitation, such documents as may be required under the Foreign Exchange Management Act, 1999 (or any legislation amending or replacing such statute) and/or the rules or regulations made thereunder (as then in effect), with the RBI. The Company and the Promoters shall make all such filings and reports with any authority as may from time to time be required under any Law in connection with the transactions contemplated herein and for the obtaining of all Required Governmental Approvals.
- 204.3 The Company and the Promoters shall deliver copies of such forms, reports and documents to the Investor on or prior to Offer Completion. The Company and the Promoters shall ensure that all forms, reports and documents, to be filed and delivered under this Article [205], are in the prescribed format, are accurately completed and are accompanied by all the required documents.
- 204.4 The Company and the Promoters shall promptly co-operate with any Government authority for the purpose of obtaining any Required Governmental Approvals. The Investor shall provide the Company with any filings required by applicable Law to be obtained by the Company from the Investor in order to obtain the Required Governmental Approvals.

Article 205 Indemnity

- 205.1 The Company and the Promoters shall jointly and severally indemnify, defend and hold harmless, the Investor and/or any member of the Investor Group and the Indemnified Parties (as defined below), promptly upon demand at any time and from time to time, against any and all Losses arising out of or in connection with:
- (a) any misrepresentation or any breach of any Warranty (as defined in the Agreement) or covenant contained herein; and/or
 - (b) any liabilities (including contingent liabilities, whether or not known or contemplated at the time of execution of the Agreement) of the Company not fully disclosed to the Investor in writing prior to the execution of the Agreement; and/or
 - (c) any pending or threatened claims against the Company or any claims which may be made against the Company and which relate to or arise out of, the period prior to Offer Completion (as defined in the Agreement); and/or
 - (d) any and all costs and expenses incurred by the Investor in respect of a claim under this Indemnity.
- 205.2 The Company and the Promoter hereby jointly and severally indemnify the Investor and its Affiliates and all of their directors, officers employees and advisors (the "Indemnified Parties") and agree to keep the Indemnified Parties fully indemnified against, all Losses relating to or arising out of or in connection with any actual or threatened claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration or enquiry (together, a "Claim") by or against any Indemnified Party, where the Claim relates to any event, matter or circumstance arising or existing in relation to the Company prior to Offer Completion.
- 205.3 The Investor shall be entitled, in its absolute discretion, to take such action as they may deem necessary to avoid, dispute, deny, resist, appeal, compromise or contest or settle any claim (including without limitation, making claims or counterclaims against third parties).
- 205.4 The indemnification rights of the Investor under this Agreement are independent of, and in addition to, such other rights and remedies as the Investor may have at Law or in equity or otherwise,



including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

- 205.5. It is clarified that the benefit of the Warranties and of the indemnities granted under this Article [206] shall extend also to any and all Losses in relation to any Investor Shares and/or Investor Warrants or Equity Shares acquired by the Investor, whether pursuant to any takeover offer, any rights issue, bonus issue or Reorganisation, or otherwise at any time on or after the date of this Agreement.
- 205.8. The Company and the Promoters hereby jointly and severally undertake to pay to the Investor promptly on demand by the Investor:
- (a) an amount equal to such proportion of any and all Taxes payable or suffered by the Company in respect of the items mentioned below as is equal to the proportion of the Investor Shares in the Company's equity share capital:
- (i) in respect of or arising from any transaction effected or deemed to have been effected on or prior to the date of the Agreement;
 - (ii) by reference to any profits earned, accrued or received (or deemed to have been earned, accrued or received) on or before date of the Agreement; and
 - (iii) any and all Tax arising by reason of the unavailability of any Tax holiday, concession, benefit or exemption at any time (including after date of the Agreement) where the reason for such unavailability is attributable to a transaction or the non-compliance with any formalities necessary for the continuance of such Tax holiday concession, benefit or exemption on or before the date of the Agreement;
 - (iv) any and all reasonable costs and expenses properly incurred by the Investor in respect of a claim under this indemnity. Provided that clause (a) shall not apply to any Taxes arising out of matters which are fully, fairly and reasonably disclosed for this purpose in the Disclosure Letter.
- 205.7. Each of the Company and the Promoters undertakes to the Investor for itself and as trustee for its respective directors, officers and agents and as to the employees of the Company, to waive any rights, remedies or claims which it may have in respect of any misrepresentation, inaccuracy or omission in or from any information or advice supplied or given by either the Company or its respective directors, officers or agents or their employees in connection with assisting the Promoters or the Company in the giving of any Warranty or the preparation of the Disclosure Letter.
- 205.8. In respect of any matter in relation to which the Investor is entitled to be indemnified by the Company and the Promoters under the Agreement or these Articles, the Promoters and Company agree and acknowledge that the Investor shall be entitled, at its option, to proceed against either or both the Company and/or the Promoters and the Company and the Promoters shall be jointly and severally liable in this regard and in the event that the Company makes any payment to the Investor hereunder, the same shall be grossed up to take into account the loss suffered by the Investor as a consequence of such payment on account of the shares and warrants held in the Company by the Investor.
- 205.9. The Company and the Promoters shall not be liable to indemnify the Investor in respect of the breach of any representations or warranties until the Losses claimed by the Investor for such breach exceed USD 200,000. Provided that, thereafter, the Company and the Promoters shall be liable to indemnify the Investor in accordance with the Agreement and these Articles in respect of all Losses suffered by the Investor.
- 205.10. The aggregate liability of the Promoters and the Company for the breach of any representations and warranties hereunder shall not exceed Rs. 1,406,790,000/-.
- Article 206 Non-Complete**
- 206.1. The Promoters shall devote their whole time and attention during business hours to the business of the Company and the duties of their employment with the Company and shall not be involved or concerned in any other business.
- 206.2. As the Promoters, in the course of their employment and / or directorship, are likely from time to time to obtain knowledge of trade secrets and other confidential information of the Company and to have dealings with the customers and suppliers of the Company and in order to protect such trade secrets and other confidential information and the goodwill of the Company, the Promoters further undertake to the Investor and, as a separate undertaking, to the Company, in the terms set out below.



- 206.3. Each Promoter undertakes to the Company and the Investor that, except as otherwise agreed to in writing by the Board and with the Investor's Consent and without prejudice to any other duty implied by Law or equity, he shall not as long as he holds any shares in the Company and/or during the period of his employment with the Company and for a period of 2 (two) years after the date on which he ceases to be employed by the Company or ceases to hold shares in the Company (whichever is later) (the "Termination Date"), either personally or through any agent or Person or otherwise in any other manner directly or indirectly:
- (a) be concerned in any business directly or indirectly manufacturing, operating, selling or distributing products or services which compete or may compete with the business carried on by the Company;
 - (b) except on behalf of the Company, canvass or solicit business or custom for goods of a similar type to those being manufactured or dealt in or for services similar to those being provided by the Company from any Person who is a customer of the Company;
 - (c) induce or attempt to induce any supplier of the Company to cease to supply, or to restrict or vary the terms of supply to, the Company or otherwise interfere with the relationship between such a supplier and the Company (save and except actions taken by the Promoter during the course of his employment with the Company in exercise of his power and authority as an employee of the Company and in, what he reasonably believes to be, in the interest of the Company); or
 - (d) induce or attempt to induce any director or key employee of the Company to leave the employment of the Company (save and except actions taken by a Promoter during the course of his employment with the Company in exercise of his power and authority as an employee of the Company and in, what he reasonably believes to be, in the interest of the Company).
- 206.4. The Promoters undertake with the Company and the Investor that they shall not use (either personally or through an agent or other Person otherwise, directly or indirectly) or (insofar as they can reasonably do so) allow to be used
- (a) any information of a secret or confidential nature relating to the business or affairs of the Company; or
 - (b) any trade name used by the Company, or any other name calculated or likely to be confused with such a trade name.
- 206.5. Where the Promoters cease to be employed by the Company or ceases to hold shares in the Company (whichever is later):
- (a) for the purposes of Article 207.3(a) the business carried on by the Company shall be deemed to be that carried on as at any time within the year ending on the Termination Date;
 - (b) for the purposes of Article 207.3(b), the goods manufactured or dealt in or services provided by, and the customers of, the Company shall be deemed to be those as at any time within the year ending on the Termination Date;
 - (c) for the purposes of Article 207.3(c) the suppliers of the Company shall be deemed to be those as at any time within the year ending on the Termination Date; and
 - (d) for the purposes of Article 207.3(d) references to directors and key employees shall be deemed to be those with whom the Promoter had material dealings during the year ending on the Termination Date.
- 206.6. For the purposes of Article 207.3 and 207.4, a Promoter is concerned in a business if:
- (a) he carries it on as principal or agent; or
 - (b) he is a partner, director, employee, secondee, consultant or agent in, of or to any Person who carries on the business; or
 - (c) he or any of his Affiliates (excluding for this purpose, any Relatives other than parents and children) has any financial interest (as shareholder or otherwise) in any Person who carries on the business; or
 - (d) he is a partner, director, employee, secondee, consultant or agent in, of or to any Person who has a direct or indirect financial interest (as shareholder or otherwise) in any Person who carries on the business; disregarding (i) any financial interest of a person in securities which are listed or dealt in on any generally recognised stock exchange if the Promoter and any Person connected with him are interested in securities which (collectively) amount to less than one per cent. of the issued securities of that class and which, in all



circumstances, carry less than one per cent of the voting rights (if any) attaching to the issued securities of that class and provided that none of such Persons are involved in the management of the business of the issuer of the securities or any Person connected with it other than by the exercise of voting rights attaching to the securities; (ii) the mere employment of any relative of the Promoters and (iii) references to the Company include its successors in business.

- 206.7. Any of the undertakings on the part of the Promoters under this Article may be released either generally or in any particular case with the Investor's Consent but not otherwise.
- 206.8. Each covenant contained in each clause or paragraph above shall be, and is, a separate covenant by each Promoter and shall be enforceable separately against each Promoter and independently of each of the other covenants and its validity shall not be affected if any of the others is invalid; and if any of the covenants is void but would be valid if some part of the covenant were deleted the covenant in question shall apply with such modification as may be necessary to make it valid.
- 206.9. The Parties hereto expressly acknowledge and agree that in the context of the Company's business and the Promoters' relationship with the Company as promoters, substantial shareholders and directors or employees of the Company, the Promoters' ownership interest in the Company is a substantial ownership interest, and that the Investor would not proceed with the subscription contemplated in the Agreement but for the Promoters' covenants hereunder to ensure the protection of the value of the Company.
- 206.10. The Promoters acknowledge that the restrictions on competitive activity set forth in the Agreement and these Articles are mainly to secure to the Investor the benefits of this Agreement and these Articles and to protect the value of the Company after the subscription by the Investor to the Investor Shares and Investor Warrants, including the goodwill of the Company's business and the potential for expansion of that business.
- 206.11. The Promoters acknowledge the breadth of the geographic scope of this Article, but deem the investment by the Investor under the terms of the Agreement to be adequate consideration for the right to engage in a competitive business that they are foregoing under the Agreement; and the Promoters admit and acknowledge that they have various other technologies and skill sets which, if deployed by them after they cease to be employees of the Company, would not result in their competing against the Company.
- 206.12. The Promoters, having obtained professional advice, acknowledge and agree that the covenants contained in this Article are no more extensive than is reasonable to protect the Investor as subscriber to the Investor Shares and to protect the business of the Company.

Article 207 Others

207.1. *DELETED

- 207.2. The operating facilities of the Company and its subsidiaries will be built and operated in compliance with all applicable national and local environmental Laws and worker safety regulations and with due regard for the environment and health and safety of its workers.
- 207.3. All agreements and transactions between the Company and any and all Persons related in any way to the shareholders of the Company, including those with Connected Parties/Concerns, shall be on an arms length, market terms basis and on terms not more favourable to such Person than those with any unconnected / unaffiliated third party.
- 207.4. The Company shall utilise the subscription proceeds of the Investor Subscription Shares and the Investor Warrants (including the proceeds from the issue of the Investor Warrant Shares) to meet the equity infusion for its expansion plans.
- 207.5. The Company and the Promoters shall ensure that:
- (i) until the release of the guarantees provided by the Company in respect of the obligations of Himalayan Crest Power Limited, and the return of all loans provided to Himalayan Crest Power Limited, 100% (by way of second charge) of the shares of Himalayan Crest Power Limited shall remain pledged in favour of the Company as security for the obligations of the Company under such guarantees; and
 - (ii) the Promoters shall indemnify the Company in respect of any Losses suffered by the Company as a consequence of the abovementioned guarantees and loans, including any amounts paid out by the Company pursuant to such guarantees and any amounts of the loans which are not recovered.

Deleted Vide Special Resolution dated 19.01.2010

CLC INDUSTRIES LIMITED

AUTHORISED SIGNATORY



Article 208 Dispute Resolution

- 208.1. If any dispute, controversy or claim between the Parties arises out of or in connection with this Agreement, including the breach, termination or invalidity thereof (a "Dispute"), the Parties shall use all reasonable endeavours to negotiate with a view to resolving the Dispute amicably. If a Party gives the other Party notice that a Dispute has arisen (a "Dispute Notice") and the Parties are unable to resolve the Dispute amicably within 15 days of service of the Dispute Notice (or such longer period as the Parties may mutually agree), then the Dispute shall be referred to arbitration in accordance with the terms of Article 208.2 below.
- 208.2. Subject to Article 208.1 above, any Dispute shall be finally settled by binding arbitration under the rules of the Singapore International Arbitration Centre. The number of arbitrators shall be three, of whom the Investor shall appoint one arbitrator, the other Parties to the Dispute shall appoint the other arbitrator and the two arbitrators so appointed shall appoint the third arbitrator. The seat of the arbitration shall be Singapore. The language of the arbitration shall be English.
- 208.3. The provisions of Clauses 208.1 and 208.2 shall survive any termination of this Agreement."

CLC INDUSTRIES LIMITED

AUTHORISED SIGNATORY



We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Articles of Association :-

	Names, Addresses, Descriptions & Occupations of Subscribers	Name, Addresses, Description and Occupation of witness
1	Sd/- S. Goenka (Sanjiv Goenka) Son of Mr. Rama Prasad Goenka 19, Belvedere Road, Allpore, Calcutta - 700 027 Occupation - Industrialist	Witness for Sl. 1 to 6 Sd/- T.K. Banerjee (Tapan Kumar Banerjee) Son of Dr. N.C. Banerjee, 4A, Little Russell Street Calcutta-700 071 Occupation-Service
2	Sd/- P.B. Ghosh (Priya Brata Ghosh) Son of late Jnan Chandra Ghosh EC-42, Salt Lake City, Calcutta - 700 064 Occupation-Service	
3	Sd/- S. Banerjee (Sumantra Banerjee) Son of Dr. Asok Banerjee 1C, Konark Garden, 8, Burdwan Road, Calcutta - 700 027 Occupation - Service	
4	Sd/- S.M. Kulkarni (Sharad Medhav Kulkarni) Son of Late M.G. Kulkarni 181, A Turin Towers Prabhadevi, Bombay - 25 Company Executive	
5	Sd/- H.C. Mathur (Harish Chandra Mathur) Son of late Govind Behari Lal, Flat No. 404 Middleton Court, 4/2 Middleton street, Calcutta - 700 071 Occupation - Service	
6	Sd/- B.L. Chandak (Bharwar Lal Chandak) Son of Mr. Gowardhan Chandak A-33, Lake Gardens (Joy villa) Flat No.6, Calcutta - 700 045 Occupation - Service	
7	Sd/- T.K. Banerjee (Tapan Kumar Banerjee) Son of Dr. N.C. Banerjee 4A, Little Russell Street, Calcutta - 700 071 Occupation - Service	Witness for Sl. No. 7 Sd/- Tarit Kumar Sengupta S/o Sri Sukumar Sengupta 31, Netaji Subhas Road, Calcutta-700 001 Occupation-Service.

Calcutta, dated this 22nd day of November, 1991.

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CLC INDUSTRIES LIMITED

AUTHORISED SIGNATORY

