

[THE COMPANIES ACT, 1956]

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

McNALLY SAYAJI ENGINEERING LIMITED



भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, पश्चिम बंगाल

कम्पनी अधिनियम, 1956 की धारा 18(3)

राज्य परिवर्तित करने के संबंध में, कम्पनी विधि बोर्ड के आदेश के पंजीकरण से संबंधित प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L28999WB1943PLC133247
मैसर्स MCNALLY SAYAJI ENGINEERING LIMITED

ने अपने विशेष विनिश्चय द्वारा, इसके पंजीकृत कार्यालय को गुजरात राज्य से पश्चिम बंगाल राज्य में स्थानान्तरित करने के निमित्त अपने संगम-ज्ञापन के प्रावधानों में परिवर्तन कर लिया है और इस परिवर्तन की पुष्टि
COMPANY LAW BOARD, mumbai Bench., Mumbai.

के दिनांक 02/02/2009 के आदेश द्वारा किए जाने पर,

मैं, यह सत्यापित करता हूँ कि उक्त आदेश की सत्यापित प्रतिलिपि को आज पंजीकृत कर लिया गया है।

मेरे हस्ताक्षर द्वारा कोलकाता में, यह प्रमाण-पत्र, आज दिनांक सत्ताईस फरवरी दो हजार नौ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, West Bengal

SECTION 18(3) OF THE COMPANIES ACT, 1956

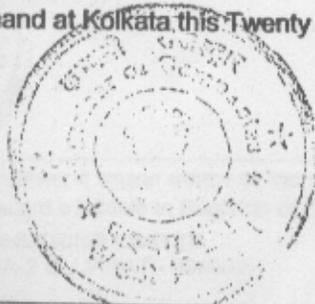
Certificate of Registration of Company Law Board order for Change of State

Corporate Identity Number : L28999WB1943PLC133247

M/s MCNALLY SAYAJI ENGINEERING 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 Gujarat to the West Bengal and such alteration having been confirmed by an order of COMPANY LAW BOARD, mumbai Bench., Mumbai. bearing the date 02/02/2009.

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

Given under my hand at Kolkata this Twenty Seventh day of February Two Thousand Nine.



(PRAKASH KRISHNA GAICHOR)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

पश्चिम बंगाल

West Bengal

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:
MCNALLY SAYAJI ENGINEERING LIMITED
4 MANGOE LANE, KOLKATA,
KOLKATA - 700001,
West Bengal, INDIA

भारत सरकार-कॉर्पोरेट कार्य मंत्रालय
कम्पनी रजिस्ट्रार कार्यालय, गुजरात, दादरा एवं नगर हवेली

नाम परिवर्तन के पश्चात् नया निगमन प्रमाण-पत्र

कॉर्पोरेट पहचान संख्या : L28999GJ1943PLC000389 12534

मैसर्स SAYAJI IRON AND ENGINEERING COMPANY LIMITED

के मामले में, मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स
SAYAJI IRON AND ENGINEERING COMPANY LIMITED

30 OCT 2008

जो मूल रूप में दिनांक छह दिसम्बर उन्नीस सौ तियालीस को कम्पनी अधिनियम, 1956 की धारा 3 के अंतर्गत एक विद्यमान कम्पनी है और
SAYAJI IRON AND ENGINEERING COMPANY LIMITED

के रूप में निगमित की गई थी, ने कम्पनी अधिनियम, 1956 की धारा 21 की शर्तों के अनुसार विधिवत आवश्यक विनिश्चय पारित करके तथा
लिखित रूप में यह सूचित करके की उसे भारत का अ-गोदा, कम्पनी 24.6.1985 956 की धारा A47950779 केत, भारत सरकार, कम्पनी कार्य
विभाग, नई दिल्ली की अधिसूचना सं. सा. का. नि. 507 अ दिनांक एस.आर.एन. दिनांक 29/10/2008 के द्वारा
MCNALLY SAYAJI ENGINEERING LIMITED

हो गया है और यह प्रमाण-पत्र, कथित अधिनियम की धारा 23(1) के अनुसरण में जारी किया जाता है।

यह प्रमाण-पत्र, मेरे हस्ताक्षर द्वारा अहमदाबाद में आज दिनांक उन्नीस अप्रैल दो हजार आठ को जारी किया जाता है।

GOVERNMENT OF INDIA - MINISTRY OF CORPORATE AFFAIRS
Registrar of Companies, Gujarat, Dadra and Nagar Havelli

Fresh Certificate of Incorporation Consequent upon Change of Name

Corporate Identity Number : L28999GJ1943PLC000389

In the matter of M/s SAYAJI IRON AND ENGINEERING COMPANY LIMITED

I hereby certify that SAYAJI IRON AND ENGINEERING COMPANY LIMITED which was originally incorporated on Sixth day of December Nineteen Hundred Forty Three being an existing company as per Section 3 of the Companies Act, 1956 as SAYAJI IRON AND ENGINEERING COMPANY LIMITED having duly passed the necessary resolution in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN A47950779 dated 29/10/2008 the name of the said company is this day changed to MCNALLY SAYAJI ENGINEERING LIMITED and this Certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Ahmedabad this Twenty Ninth day of October Two Thousand Eight.




(PREMLAL BHANJURAM MALIK)

सहायक कम्पनी रजिस्ट्रार / Assistant Registrar of Companies

गुजरात, दादरा एवं नगर हवेली
Gujarat, Dadra and Nagar Havelli

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :
Mailing Address as per record available in Registrar of Companies office:

MCNALLY SAYAJI ENGINEERING LIMITED
CHHANI ROAD, BARODA-2 GUJARAT - 390002,
Gujarat, INDIA

Co. No. 04-389

**FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON
CHANGE OF NAME**

**IN THE OFFICE OF THE REGISTRAR OF COMPANIES,
GUJARAT, DADRA & NAGAR HAVELI,
[Under The Companies Act, 1956 (1 of 1956)]**

**IN THE MATTER OF SAYAJI IRON & ENGINEERING COMPANY LTD.
(DEEMED PUBLIC CO.)**

I hereby certify that SAYAJI IRON & ENGINEERING COMPANY LTD. (DEEMED PUBLIC CO.) which was originally incorporated on 06/12/1943 under the Companies Act, 1956 and under the name SAYAJI IRON & ENGINEERING COMPANY PRIVATE LIMITED. having duly passed the necessary resolution in terms of Section 21/31/44 of the Companies Act, 1956 on 25/11/1994 and the approval of the Central Government signified in writing having been accorded thereto by the Registrar of Companies, Gujarat, vide his letter dated -- in terms of Government of India, Ministry of Law, Justice & Company Affairs, (Department of Company Affairs) Notification No.GSR 507(E) dated 24-06-1985 the name of the said Company is this day changed to SAYAJI IRON & ENGINEERING COMPANY LIMITED. (FULLFLEDGED PUB. COMPANY) and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at AHMEDABAD.

Dated this 2nd day of JANUARY 1995.

One Thousand Nine Hundred NINETY FIVE.



Sd/-

(S. N. MISRA)

Asstt. Registrar of Companies

GUJARAT.

DADRA AND NAGAR HAVELI

SECOND COPY

श्री
रुक्मिणी रावण माता
नमूने निशानों (घ)
(नुमो निशानों क्लम १११ ११)

कंपनी संस्थापित कियानो दाखला

बहोदरा राज्यना सने १९१८ ना कंपनी निबंध अनुसार
जाची दाखला जापवाया जावे हे के. अ. ५१४
समाज कार्यरत एंड इंजनोंयरींग कंपनी (सीमोटेड,
मु. बहोदरा.

Asst. Registrar of Companies
Gujarat State, Ahmedabad

आजराज बहोदरा राज्यना सने १९१८ ना कंपनी निबंध अनुसार
संस्थापित करवाया जाक हे, सने ते भागांचो वपेता (कंपनी)

तारीख ६ माहे होक्टोबर सन १९५१ ना रोज जवारा
बहोदा जापवाया जाक हे.

sd-(H. Iglois)

कंपनी नोंदणी अधिकारी,
बहोदरा राज्य

Given under my hand at AMRUTAL, this Twenty Eighth
day of June one thousand Nine hundred and
Eighty Five.



(V. L. RANE)
Asstt. Registrar of Companies,
Gujarat.

(Handwritten signature)
M. G. ...
Registrar of Companies

MEMORANDUM OF ASSOCIATION

OF

McNALLY SAYAJI ENGINEERING LIMITED

I. Name of the Company

The name of the Company is “McNALLY SAYAJI ENGINEERING LIMITED”.

II. Registered Office

The registered office of the Company will be situated in the State of West Bengal.

II. The objects for which the Company is established are :-

Objects of the Company

- (1) To acquire by purchase or otherwise and to carry on business of manufacturing and as dealers in all sorts of cast Iron, wrought iron, steel, zinc, copper, brass, silver, gold and aluminum bars, sheets, and wares, iron and steel articles, poles, girders, pipes, sheets, castings, furniture, household articles, wires, nails, tools, implements, machinery, spare parts, engines, boilers, etc., and for that purpose to enter into and carry into effect the agreement referred to in clause 2 of the. ARTICLES OF ASSOCIATION of the Company with such modification, if any, as may be agreed between the parties thereto.
- (2) To carry on all or any of the following businesses namely: Iron and Steel mongers, Foundry and Workshop owners and mechanics, ship-builders, Road builders, builders metals and metal-wares, manufacturers, and dealers, contractors, agents, engineers, architects, supervisors, trans-porters, labour suppliers, docks, railways and municipal contractors and suppliers, agents, manufacturers, growers, suppliers and dealers of farm manures timbers, coal, charcoal, tea, coffee, cocoa, cement, chaunam, bricks, kankar, sand, fruits, flowers, produce, plants, manures, tractors, ploughs and farm implements, farm and labour contractors, house and estate agents: brokers, financiers, miners, estate holders, planters, ginners: press owners, millers: millowners, brewers, distillers, oils pressing: cakes manufacturing, printers, publishers, lithographers, type founders: manufacturers and dealers of inks, colours, paints, varnishes, moulds, blocks, farm and dairy produce and to import and export and to deal in wholesale or retail, all the articles, commodities, by products, wares, tools, machinery prepared by or required in the above mentioned trades and business and to do all such things and in all such manners as may be required for the efficient running of the said trades and businesses.
- (3) To establish or to maintain or aid in the establishment and maintenance of a chemical laboratory, mechanical work-shop, foundry, printing, lithographic and type founding works, showrooms, branch offices and other establishments necessary for the Company's purposes.
- (4) To manufacture, import, export, buy, sell, exchange, alter, improve, manipulate, prepare for market and otherwise, deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on any of the above specified businesses or proceedings or usually dealt in by persons engaged in the like business or required by any customers of or persons having dealings with the Company.
- (5) To carry on any other business, trade or manufacture which may seem to the Company capable of being conveniently carried in connection with any of the above business, trades or manufacturers or calculated directly or indirectly to enhance the value of and render profitable any of the property or rights to the Company and in particular to act as managing agents, agents, managers, representatives, distributors, or commissionaires for other Companies, individuals and associations either in India or abroad.

- (6) To carry on as a separate business any other trade or business of any kind whether manufacturing or otherwise in any part of India or abroad.
- (7) To construct, carry out, purchase, hire, import, export, acquire, plant, cultivate, plough, produce prepare, treat, maintain, alter, enlarge, pull down, remove or replace, improve, develop, manage work control, superintend, lease, let or hire and sell any lands, buildings, premises, shed, factories foundries, works, workshops, warehouses, godowns, offices, yards, garages, mines, fields, dairies jungles, docks, railways, roads, engines, steamers, ships, launches, boats, bridges, carts animals lorries, cars, buses, tractors, ploughs, goods, machinery, moulds, plant, dyes, tools, instruments fixtures, furniture, mills, sprayers, etc. and all other requisites and articles of all descriptions fo any of the businesses which are Company is expressly or by implication authorised by the MEMORANDUM to carry on which are commonly supplied or dealt in by persons engaged in any such businesses or which may seem capable of being profitably dealt with in connection with any of the said businesses.
- (8) To apply for, purchase, or by other means, acquire and protect, prolong and renew whether in India or elsewhere from any Government, State or Authority any patents, patent rights, trade marks, charters, brevets, inventions, licences, mining rights and concessions, royalties, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and to manufacture under or grant licence or privileges in respect of same and to spend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (9) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm, or company or to acquire interest in, amalgamate with or enter into any arrangements for sharing profits or for co-operation or for limiting competition or for mutual assistance with any such person, firm or company and to give or accept by way of consideration any of the act or things aforesaid or property, shares, debentures, debenture-stock or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture-stock or securities so received.
- (10) To acquire by purchase, amalgamation, grant, concession, lease, licence, barter or otherwise either absolutely or conditionally and either solely or jointly with others or subscribe for or otherwise acquire and to hold and deal with any immovable or movable property, rights or privileges, including any land, estates, plantations, jungles, mines, fisheries, structures, buildings, rights of way, easement, licences, concessions, patents, patent rights, trade marks, machineries, stock plant, utensils, accessories and stock-in-trade and shares, stocks, debentures or obligation of any kind.
- (11) To transact and carry on all kinds of agency businesses.
- (12) To improve, manage, cultivate, develop, exchange, let or lease or otherwise mortgage, charge, sell, dispose of, turn to account, grant rights and privileges in respect of or otherwise deal with all or any part of the property and rights of the Company.
- (13) To enter into partnership or enter into any agreement for sharing profits, union of interest, co-operation, joint ad-venture, reciprocal concession or otherwise with any person firm or company carrying on or engaged in or about to carry on or engage in any business undertaking so as directly or indirectly to benefit the Company and generally to carry on the business as traders, merchants, brokers, agents and dealers in any concern.
- (14) Generally to carry on any other trade or business whether manufacturing or otherwise subsidiary or auxiliary to or which can be conveniently carried on in connection with any of the Company's objects and to establish and to maintain any of the agencies in any part of the world for the conduct of the business of the Company or for the sale of any materials or things for the time being at the disposal of the Company for sale and to advertise and adopt means of making known all or any of the manufacturers, products or goods of the Company or any articles or goods traded or dealt in by the Company in any way that may be

though advisable including the posting of the bills in relation thereto and the issue of circulars, samples, pamphlets and price-lists and the conducting of competition and giving the prizes, rewards and donations.

- (15) To act as Agents or brokers for any person, firm, or company and to undertake and perform sub-contracts and also to act in any of the businesses of the Company through or by means of agents, brokers or sub-contractors.
- (16) To appoint agents and constitute branches and agencies of the Company in India, Burma, Ceylone or elsewhere in any part of the world.
- (17) To receive money in deposit, loan or current accounts and to-borrow or raise money in such manner as the Directors shall think fit in particular by the issue of debentures or debenture-stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the Company's Property, assets or revenue whether present or future, including its uncalled capital and also by mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake and to purchase redeem or payoff any such securities.
- (18) To draw, make, accept, endorse, discount, execute or issue promissory notes, hundies, bills of exchange, bill of lading, warrants, debenture and other negotiable instruments.
- (19) To purchase or sell any goods, articles or other movable property for ready or forward delivery.
- (20) To invest, lend or otherwise employ moneys belonging to or entrusted to the Company upon securities or shares or without securities upon such terms and in such manner as may be thought proper and from time to time to vary such transactions and investments in such manner as may be thought fit.
- (21) To lend and advance money or give credit to any persons, firms or companies on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to give guarantees or become sureties for performance of contracts.
- (22) To set aside and accumulate out of profits or capital realizations, funds for depreciation of plant, machinery, buildings, tools, furniture, dead stock, live stock, investments, mines, royalties, licences, concessions, etc., for bad and doubtful debts, for equalization of dividends and for reserve or sinking fund and to utilize or invest such funds in the Company or outside the Company in such manner or securities as may be thought proper.
- (23) To subscribe for take, purchase or otherwise, acquire and hold, shares, debentures, securities or other interest in any other Company having objects altogether or in part similar to those of the Company or carrying on any business capable of being carried on so as directly or indirectly to benefit the Company.
- (24) To establish and support or aid in the establishment and support of associations, institutions, provident and benefit funds, trusts and conveyances calculated to benefit employees of the Company or the dependents or relatives of such persons and to grant pensions and allowances and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public general or useful object.
- (25) To remunerate any person, firm or Company rendering services to this Company either by cash payment or by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- (26) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company or to contract with any person, firm or company to pay the same.
- (27) To undertake, subscribe or otherwise aid undertakings for the purpose of opening out trade, commerce or making experiments, Investigations or researches in connection with any of the objects of the Company or affecting any class or departments of its business directly or indirectly.

- (28) To promote any other Company or Companies for the purpose of acquiring the whole or any part of the business, property or liabilities of this Company or for undertaking any business or operations which may enhance the value of any property or business of the Company and to place or guarantee the placing of underwrite, subscribe for or otherwise acquire all or any of the shares, debentures or securities of any such Company as aforesaid.
- (29) To sell, exchange, let or develop, dispose of or deal with, the whole or any part of the business undertaking or property of the Company either together or in portions upon such terms and for such price or consideration as the Company may think fit and in particular for cash in installments or otherwise or for shares, debentures or securities of any Company purchasing the same.
- (30) To amalgamate with any company.
- (31) To distribute among the members of the Company in any kind any property of the Company in specie or kind or otherwise and in particular any shares, debentures or securities of other companies belonging to this Company.
- (32) To do all or any of the above things in any part of the world and either as principals, agents, contractors, trustees or otherwise and either alone or in partnership or in conjunction with any other person, firm, association or company and by or through agents, sub-contractors, trustees or otherwise.
- (33) To do all such things as may be deemed incidental or conducive to the attainment of the objects or any of them.

Following sub-clause no. 34 to 38 were inserted vide special resolution passed on 14-08-2008 by means of postal ballot by members.

- (34) To carry on in India or elsewhere the business of foundry for manufacturing, producing, processing, converting, mixing, treating, melting, handling, buying, selling, importing, exporting, and to act as agent, broker, stockiest, distributor, engineer, metallurgist, contractor, supplier, or otherwise to deal in ferrous and non ferrous castings in all its branches including precision castings, continuous castings, grey iron castings, chilled and malleable castings, special alloy castings, steel castings, ductile iron castings, mile-castings, aluminum castings, brass castings, copper castings, gun-metal castings, cast sections and other allied items used in industries, plants, machine, transportation, water supply, tools, railways, navy, agriculture, aviation, defense and to do such incidental acts and things for the attainment of foregoing objects.
- (35) To carry on the business of manufacturing, producing, processing, generating, accumulating, distributing, transferring, preserving, mixing, supplying, contracting, consultant, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, merchandising, marketing, managing, leasing, renting, utilizing, generating electricity, using wind, steam, coal, and or other non-conventional energy source such as through wind energy, solar energy, biomass energy, geothermal energy, hydel, energy, tidal and wave energy, to install wind mill and other energy sources and equipments thereof in India and outside of India.
- (36) To design machines using software for self use as well as for meeting requirement of others, to carry on the business of design engineers, software developers, for self purpose or as agents, and to develop all kinds of software for whatever purposes/uses, including but without limiting the generality of the foregoing, networking, telecommunication, audio/video transmission, animation industry, space, satellite, Internet connection or any other purposes/uses and to maintain, run, alter amend, modify, to substitute, software's and hardware's and to promote, encourage, establish, develop, maintain, organize, undertake, manage, operate, conduct scanning / bar coding solutions, data processing, j call centers, business process outsourcing (BPO), knowledge process outsourcing (KPO), up-linking, transmission of information, data and knowledge, telecommunication centers, computer consultancy, business in software and hardware, audio/video transmission centers, e-commerce, online payments, telemarketing, satellite links, and use of information system for monitoring and recording information for others and to maintain and repair programs and distributors or agents in software, information technology, e-commerce, e-mail, internet,

multimedia, data processing, data management, web paging, telecommunication, application software, enterprise resource planning and other business application including peripherals, computer data processing machine, telecom, digital, electronic equipment or syatermaad components thereof and operations for Industrial, commercial, public utility, government and piible at large.

- (37) To make and/or receive donations, gifts or income to or from such persons, institution or trusts and in such cases and whether of cash or any other assets as may be thought directly or indirectly to benefit the Company or any of the objects of the Company and also to remunerate any person or corporation introducing or assisting in any manner the business of the Company, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions in their objects or purposes or for any exhibitions but not for political objects.
- (38) To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licenses and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake execute, carry out dispose of or otherwise turn to account the same, open account or accounts with any firm or company or with any bank or banks or bankers or shroffs, to pay into, withdraw money from such account or accounts, to insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect this Company.

And it is hereby declared that the word "Company" except when used in reference to this Company, shall be deemed to include any partnership or other body or persons, whether incorporated or not and wherever domiciled and that the objects specified in each such paragraph hereof shall except where otherwise expressed in such paragraph be in nowise limited by reference to or inference from any other paragraph.

Liability of Share holders

- IV. The liability of the members is limited.

Capital

- V. The Share Capital of the Company is Rs. 50,00,00,000/- (Rupees Fifty Crores only) divided into 5,00,00,000 (Five Crore only) Equity Shares of Rs. 10- each.

Above capital clause V was amended vide ordinary resolution passed by members on 08-02-2010.

We, the several persons, whose names and addresses are subscribed hereto 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, description and Addresses of Subscribers	Number of Shares taken by each Subscriber	Witness
<p>Chhotalal Bhalaalbai Patel "Kalyan", Alkapuri, baroda. Business</p>	10	B. K. Patel
<p>Narsibhai Muljibhai Patel Alkapuri, Baroda. Business</p>	10	
<p>Indukumar Chhotalal Patel Alkapuri, Baroda. Business</p>	10	

Baroda

Dated this 16th day of October, 1943

THE COMPANIES ACT, 1956
ARTICLES OF ASSOCIATION
OF
McNALLY SAYAJI ENGINEERING LIMITED

Table 'A'

1. The Regulations of Table 'A' in the First Schedule to the Companies Act, 1956 shall not be applicable to this Company but the regulation for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the Statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by Special Resolutions, as prescribed by the Companies Act, 1956 be such as are contained in these Articles.

Company not to purchase its own Shares

2. Save as permitted by Section 77A of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of Shares in the Company and the Company shall not give directly, or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of security or otherwise, for the purpose of or in connection with any purchase of or subscription for Shares in the Company or any Company of which it may, for the time being, be a subsidiary.

This Article shall not be deemed to affect the power of the Company to enforce repayment of loans to Members or to exercise a lien.

Copies of Memorandum and Articles of Association to be furnished to Shareholders

3. Copies of the Memorandum and Articles of the Company shall be furnished by the Company to every Shareholder on request.

Interpretation

4. (a) In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context :

“**Act**” or “**the said Act**” means “the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force in India containing the provisions of the legislation in relation to the Company.

“**Actual Offer Price**” means actual price of the Investor Shares sold by way of offer for sale on the BSE or NSE pursuant to the provisions of Article 190.

“**Alternate Investor Director**” shall have the meaning ascribed to it in Article 139.

“**Applicable Law**” means any applicable national, provincial, local or other law, regulations, administrative orders, ordinance, constitution, decree, principles of common law, governmental policies, statute or treaty, and shall include notifications, regulations, policies, guidelines, circulars, directions, directives and orders of any Governmental Authority, statutory authority, board, court, tribunal or recognized stock exchange.

“**Affiliate**”, in relation to any Party,

- (i) being a corporate entity, shall mean any entity, which controls, is controlled by, or is under the common control of that Party. The term ‘control’ shall mean the beneficial ownership directly or indirectly of more than 50% of the voting securities of such entity or control of the majority

of the composition of the Board or power to direct the management or policies of such entity by contract or otherwise;

- (ii) being an individual, means a Relative or any entity which is controlled by such Party. The term 'control' shall have the meaning as stated in (i) above.

“Articles” means

articles of association of the Company.

“Assets” means all assets whether movable or immovable, rights and privileges of any nature and all goodwill associated therewith, including without limitation all rights in respect all contracts and Intellectual Property.

“Board of Directors” or **“Board”** means the Board of Directors for the time being of the Company.

“BSE” means Bombay Stock Exchange.

“Business” shall mean the business of the Company of, inter alia, manufacturing equipment used in crushing, screening, grinding, road-making, construction and material handling equipment.

“Business Day” means a day, not being a Saturday, Sunday or a public holiday, on which banks are open for business in Kolkata, India and, in the context of any payments being made to or from a bank in a place other than India, in such other place.

“Capital” means the Share capital for the time being raised or authorized to be raised for the purpose of the Company.

“Company” means MCNALLY SAYAJI ENGINEERING LIMITED, established under the Memorandum to which these Articles are annexed.

“Company’s regulations” means the regulations for the time being in force for the management of the Company.

“Counter-Offer Price” shall have the meaning ascribed to it under Article 76.

“Deed of Adherence” shall have the meaning ascribed to it in Article 68.

“Directors” mean the Directors for the time being of the Company.

“Drag Along Right” shall have the meaning ascribed to it under Article 84.

“Drag Sale Notice” shall have the meaning ascribed to it under Article 85.

“Drag Sale Price” shall have the meaning ascribed to it under Article 85.

“Drag Shares” shall have the meaning ascribed to it under Article 84.

“Drag Transferee” shall have the meaning ascribed to it under Article 84.

“Drag Transferor” shall have the meaning ascribed to it under Article 84.

“EBITDA” means earnings before interests, taxes, depreciation and amortisation.

“Encumbrance” means:

- (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law,

- (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favor of any Person, and
- (iii) any adverse claim as to title, possession or use.

The expressions “**Encumber**” shall be understood accordingly.

“**Executor**” or “**Administrator**” means a person who has obtained probate or letters of administration as the case may be from some competent court and shall include the holder of a certificate granted under the Indian Succession Act of 1925 or any other regulation for the time being in force and authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of certificate granted by the authority as per provisions of the Administrator General Act, 1963.

“**Extraordinary Resolution**” and “**Special Resolution**” have the same meaning as assigned to them respectively by the Act.

“**Financial Year**” means the period between 1 April of any year till 31 March of the succeeding year.

“**GAAP**” means generally accepted accounting principles in India, as in effect from time to time.

“**Governmental Authority**” means any governmental or statutory authority, government department, agency, commission, board, tribunal or court or other entity authorized to make or interpret or adjudicate upon laws, rules or regulations or pass directions having or purporting to have jurisdiction or any state, municipality, district or other subdivision thereof.

“**Intellectual Property**” means trade marks, service marks, trade and business names, rights in designs, patents, copyrights, database rights, moral rights and rights in know-how and other intellectual property rights in each case whether registered or unregistered and including applications for the grant of any of the foregoing and all rights or forms of protection having equivalent or similar effect to any of the foregoing which may subsist anywhere in the world.

“**Investor**” shall mean EIG (Mauritius) Limited , a Company incorporated under the laws of Mauritius and having its registered office at Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius.

“**Investor Directors**” shall have the meaning ascribed to in Article 121.

“**Investor Shares**” means all Shares held by the Investor (or its permitted assignees or transferees) from time to time.

“**In writing**” means written, printed, typewritten, litha-graphed or any substitute for writing.

“**IRR**” means internal rate of return.

“**Issuance Notice**” shall have the meaning ascribed to it in Article 9.

“**Managing Director**” means the Managing Director for the time being of the Company.

“**Memorandum**” means the memorandum of association of the Company.

“**Month**” and “**year**” means the calendar month and calendar year respectively.

“**NSE**” means the National Stock Exchange.

“**Offer Notice**” shall have the meaning ascribed to it under Article 75.

“Offer Period” shall have the meaning ascribed to it under Article 76.

“Offer Price” shall have the meaning ascribed to it under Article 75.

“Offered Securities” shall have the meaning ascribed to it under Article 75.

“Office” means the registered office of the Company for the time being.

“Person” shall include an individual, an association, a corporation, a partnership, a joint venture, a trust, an unincorporated organisation, a joint stock Company or other entity or organisation, including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity.

“Public Issue” means a public offering of Shares of the Company.

“Pre-emption Notice” shall have the meaning assigned to it in Article 11.

“Pre-emptive Shares” shall have the meaning assigned to it in Article 10.

“Promoter” shall mean McNally Bharat Engineering Company Limited, a Company incorporated under the Companies Act, 1956, having its registered office at 4 Mangoe Lane, Kolkata-700001.

“Promoter’s DP” shall mean IDBI Bank Ltd at Siddha Point, Ground Floor, 101 Park Street, Kolkata-700016.

“Promoter’s DP Account” shall mean the DP ID: IN 300450 and Client ID: 11191047 maintained with the Promoter’s DP where the Shares of the Company held by the Promoter, are credited.

“Proxy” includes Attorney duly constituted under a Power of Attorney.

“Rs.” or “Indian Rupees” or “INR” means the lawful currency of India.

“Register of Members” or means the Register of Shareholders or Members required to be maintained under the Act.

“Registrar” means the registrar of companies having jurisdiction over the Company.

“Relative” shall have the meaning ascribed to it under the Act.

“Sale” shall have the meaning ascribed to it under Article 75.

“Sale Notice” shall have the meaning ascribed to it under Article 70.

“Seal” means the common seal for the time being of the Company.

“SEBI” means the Securities and Exchange Board of India.

“Second Offer Notice” shall have the meaning ascribed to it under Article 77.

“Second Offer Price” shall have the meaning ascribed to it under Article 77.

“Second Offer Period” shall have the meaning ascribed to it under Article 79.

“Second Offer Response” shall have the meaning ascribed to it under Article 78.

“Share Capital” means the issued and paid up equity Share capital of the Company.

“Shareholder” or “Member” means the duly registered holder from time to time of one or more Shares of the Company.

“Shares” shall mean the equity Share of the Company having a par value of Rs. 10 each.

“Secretary” includes any person appointed for the time being to perform the duties of Secretary.

“**Statute**” means “**the said Act**” or the Act or Acts for the time being in force to the provisions of which the Company shall for the time being be subject.

“**Strategic Investors**” shall have the meaning ascribed to it in Article 68.

“**Subsidiary**” or “**Subsidiaries**” shall have the meaning ascribed to it in the Act.

“**Tag-Along Notice**” shall have the meaning ascribed to it in Article 71.

“**Tag-Along Notice Period**” shall have the meaning ascribed to it in Article 73.

“**Tag-Along Right**” shall have the meaning ascribed to it in Article 73.

“**Tag-Along Response Notice**” shall have the meaning ascribed to it in Article 73.

“**Tag-Along Sale**” shall have the meaning ascribed to it in Article 71.

“**Tag-Along Seller**” shall have the meaning ascribed to it in Article 71.

“**Tag-Along Offer**” shall have the meaning ascribed to it in Article 72.

“**Takeover Regulations**” means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

“**Third Party**” means any Person other than any of the Parties and any of their respective Affiliates.

“**Third Party Sale Period**” shall have the meaning ascribed to it under Article 77.

“**These Presents**” means and includes the Memorandum and the Articles and regulations of the Company from time to time in force.

“**Transfer**” means the sale, gift, exchange, assignment, transfer, transfer in trust, alienation, Encumbrance or disposition of any Shares, or any rights therein or afforded thereby, in any manner whatsoever, or entering into any contract or agreement to do any of the foregoing, voluntarily or involuntarily, including, without limitation, any transfer by operation of law or otherwise.

- (b) (i) Words importing the masculine gender also include the feminine gender.
- (ii) The marginal notes and other headings given in these Articles shall not affect the construction thereof.
- (iii) Words importing persons shall include corporations.
- (iv) Words importing the singular number include where the context admits or requires the plural number and vice versa.
- (v) Subject as aforesaid any words and expressions defined in the statute shall except when the subject or context forbids, bear the same meaning as in these Articles.

CAPITAL

Amount of the capital

- 5. The Authorised Capital of the Company is same as mentioned in Clause V of the “**Memorandum of Association of the Company**”.

Increase of Capital

- 6. Without prejudice to any special rights previously conferred on the holders of existing Shares in the Company, and subject to the provisions of these Articles and the Act, the Company may from time to time in general meetings with the sanction of the ordinary resolution increase its Share capital to any amount by the creation of the new Shares to be divided in to such classes and to be of such respective amounts and with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend,

voting, return of Share Capital or otherwise as the Company, by a resolution authorizing such increase, directs.

Redeemable preference shares

7. Subject to the provisions of these Articles and of the Act, the Company shall have power to issue Preference shares which may at the option of the Company be liable to be redeemed out of profits or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption. The Board may subject to the provisions of Section 80 of the Act, exercise such power in such manner as it may think fit.

Further issue of Shares

8. Subject to the provisions of these Articles and Section 81 of the Act, the Shares shall be under control of the Board who may allot or otherwise dispose off the same to such persons, on such terms and conditions at such times, either at par or at a premium and for such consideration as the Board thinks fit. Provided that, where at any time (after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier) it is proposed to increase the subscribed capital of the Company by the allotment of further Shares, subject to the provisions of these Articles and Section 81 of the Act, the Board shall issue such Shares in the manner set out in Section 81 of the Act.

Pre-emptive Rights

9. If the Company proposes to issue any Shares on a preferential basis in accordance with Section 81 of the Act, the Company shall give the Investor notice ("**Issuance Notice**") of such proposed preferential allotment of Shares by the Company at least thirty (30) Business Days prior to the proposed issuance date. The Issuance Notice shall specify the price at which such Shares are to be issued and the other material terms of the issuance.
10. Upon receipt of an Issuance Notice the Investor shall be entitled to purchase all or any portion of the preferential allotment of Shares proposed to be issued ("**Pre-emptive Shares**"), at the price and on the terms specified in the Issuance Notice.
11. If the Investor elects to purchase all or any portion of the Pre-emptive Shares, it shall deliver a notice to the Company ("**Pre-emption Notice**") of its election to purchase such Shares within twenty one (21) Business Days of receipt of the Issuance Notice. The Pre-emption Notice shall specify the number of Shares to be purchased by the Investor and shall constitute exercise by the Investor of its rights under this Article 11 and a binding agreement of the Investor to purchase, at the price and on the terms specified in the Issuance Notice, the number of Shares specified in the Pre-emption Notice.
12. If, at the termination of such twenty one (21) Business Day period, the Investor shall not have delivered a Pre-emption Notice to the Company, the Investor shall be deemed to have waived all of its rights under Article 9 to Article 11 with respect to the purchase of the Pre-emptive Shares.

New Capital same as existing

13. Except as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

Reduction of capital

14. Subject to Applicable Law, the Company may from time to time by Special Resolution reduce its Share Capital and Capital Redemption Reserve Account or Share Premium Account in any manner with and subject to consents required under the Act.

Power to modify rights

15. Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class, may subject to the provisions of Section 106 and 107 of the Act, be modified commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions herein after contained as to general meeting shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power the Company would have if this article was omitted.

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of Shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation of issue of further Shares ranking pari passu therewith.

To allot Shares at premium

16. Subject to the provisions of these Articles and the Act, the Board may without the sanction of the Shareholders, at their sole discretion, allot any Shares in the Share Capital of the Company either at par or at premium.

Shares at a discount

17. With the previous authority of the Company in general meeting and sanction of the Court and upon otherwise complying with Section 79 of the Act and other applicable provisions of the Act, the Board may issue at discount, Shares of a class already issued.

Surrender of Shares

18. Subject to the provisions of Section 100 to 105 (inclusive) of the Act, the Board may accept from any Member, the surrender of all or any of his Shares, on such terms and conditions as shall be agreed.

SHARES

Register of Members

19. The Company shall cause to be kept a Register of Members in accordance with the Act.

Shares to be numbered progressively

20. The Shares in the capital shall be numbered progressively according to their several denominations.

Shares under control of Directors

21. Subject to the provisions of these Articles and of the Act, the Shares (including any Shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such person on such terms and conditions and at such time, as they think fit, with full power, subject to the sanction of the Shareholders in a general meeting, to give any person the option to call for or be allotted Shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of sections 78 and 79 of the Act and such option being excisable for such time and for such consideration as the Directors think fit.

Only absolute ownership recognized

22. The Company shall not be bound to recognize or take notice of any interest or claim in or to any Share other than the ownership of the registered holder for time being and the Company shall be entitled to treat such ownership absolute, notwithstanding notice to the Company.

Directors may allot Shares as partly or fully paid up

23. Subject to the provisions to the Act and the Articles, the Directors may allot and issue Shares in the Share Capital of the Company as payment or part payment for any property sold or transferred for goods or

machinery supplied or for services rendered to the Company in or about the formation and promotion of the Company or in the conduct of its business or for any other consideration and Shares which may be so allotted may be issued as fully or partly paid up Shares.

The first name of joint holders deemed sole holder

24. If any Shares stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meeting and transfer of Shares, be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's regulations.

Trusts not recognized

25. (a) Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required under a statute, be bound to recognize any benami, trust, equitable or other claim to or interest in such Share on the part of any other person.
- (b) Share may be registered in the name of an incorporated Company or other body corporate but not in the name of the minor (except in case where they are fully paid up) or in the name of any firm or partnership.

Declaration by person not holding beneficial interest in any Shares

26. (1) Notwithstanding anything herein contained a person whose name is at any time entered in the Register of Members of the Company as the holder of a Share in the Company but who does not hold the beneficial interest in such Shares shall if so required by the Act within such time and in such forms as may be prescribed make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.
- (2) A person who holds a beneficial interest in a Share or a class of Share of the Company shall if so required by the Act within the time prescribed after his becoming such beneficial owner make a declaration to the Company specifying the nature of his interest particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed and provided in the Act.
- (3) Whenever there is a change in the beneficial interest in a Share referred to above the beneficial owner shall if so required by the Act within the time prescribed from the date of such change make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.
- (4) Notwithstanding anything contain in the Act, where any declaration referred to above is made to the Company than it shall, if so required by the act, make a note of such declaration in the registration of Members and file within the time prescribed from the date of receipts of the declaration a return in the prescribed form with the Registrar of Companies with regard to such declaration.

CERTIFICATE

Member's right to certificate of Shares

27. Subject to the provisions of the Companies (Issue of Shares Certificates) Rules, 1960, every Member or allottee of Shares shall be entitled without payment to receive a certificate as nearly as possible in marketable lot, under the common seal of the Company in such form as the directors shall prescribe or approve, specifying the number and denoting the number or numbers of Shares allotted to him and the amount paid up thereon; such certificate shall be signed in conformity with the above rules.

Delivery to any one of joint holders

28. Any two or more joint allottees of Shares shall for the purpose of the last preceding article, be treated as a single Member, and the certificate of any Share which may be the subject of joint ownership may unless otherwise specified (by them in writing), be delivered to any one of them on behalf of all of them.

New certificate in place of defaced, lost or destroyed

29. If a certificate being worn out or defaced then upon production thereof to the Directors they may order the same to be cancelled and may issue a new certificate in lieu thereof. If any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Directors and such indemnity as they deem adequate being given a new certificate in lieu thereof shall be given to party entitled to such lost or destroyed certificate.

No fee shall be charged for issue of new certificates in, replacement of those which are old defaced torn or worn out or where the pages on the reverse for recording transfer have been utilized.

Endorsement on certificate by whom to be signed

30. Every endorsement upon the certificate of any Share in favour of any transferee thereof shall be signed by the Managing Director or some person for time being duly authorized by the Directors in that behalf.

UNDERWRITING AND BROKERAGE

Underwriting Commission

31. Subject to the Provisions of Section 76 of the Act, the Company may at any time pay commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Share or debentures of the Company but so that the commission shall not exceed in the case of Shares five per cent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debentures are issued. Such commission maybe satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case maybe or partly in one way and partly in the other.

Brokerage

32. The Company may on any issue of Shares or debentures or on deposits pay such brokerage as may be reasonable and lawful.

INTEREST OUT OF CAPITAL

33. Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provisions of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that Share capital as is for the time being paid up for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.

DEBENTURES

Debentures with voting rights not to be issued

34. a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business. Debenture stock, bonds or other securities with the right of allotment of or conversion into Shares shall not be issued except with the sanction of the Company in general meeting.
- b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

- c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.
- d) Certain charges (Which expression includes mortgages) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditors unless registered as provided in section 125 of the Act.
- e) A contract with the Company to take up and pay for any debenture of the Company may be enforced by a decree for specific performance.
- f) Subject to the provisions of the Act, unless the conditions of issue thereof otherwise provide, the Company shall, within three months from the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debenture-stock, have completed and prepared for delivery, the certificate of all debenture-stock allotted or transferred.
- g) The Company shall comply with the provision of Section 118 of the Act, as regards supply of copies of Debenture Trust deed and inspection thereof.
- h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

CALLS

Directors may make calls

35. The Directors may from time to time make such calls as they think fit upon the Members in respect of all the moneys unpaid on the Shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each Member shall pay the amount of every call so made on him to the person and at the time and place appointed by the directors.

A call may be made payable by installments and shall be deemed to have been made when the resolution of the board authorizing such call was passed.

Notice of calls

36. Fourteen days notice at the least of every call made payable otherwise than on allotment shall be given by the Company either by letter addressed to the Members of their respective registered address or by advertisement. Specifying the time and place of payment and to who such call shall be paid.

Directors may extend time for payment

37. The Directors may, from time to time, at their discretion, extend the time fixed for payment of any call and may extend such time as to all or any of the Members.

Payment of calls in advance

38. The Board may, if it thinks 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, provided that money so paid in advance of call on any Share may carry interest but shall not confer right to dividend or the right to participate in profits of the Company. The Board may at any time repay amount so advanced by the Member upon giving such Member a notice in writing of not less than three months.

Revocation of Calls

39. A call may be revoked or postponed at the discretion of the Board.

Money due to Members from the Company may be applied in payment of calls or installments

40. Any money due from the Company to a Member may, without consent and notwithstanding the objection of such Members, be applied by the Company in or towards the payment of any money due from such Member to the Company for calls, installments or otherwise.

Part payment on account of call not to preclude forfeiture

41. The receipt by the Company of a portion of any money, which shall, from time to time, be due from any Member to the Company in respect of his Shares, either by way of principal or interest or any indulgence granted by the Company in respect of payment of any such money, shall preclude the Company from proceeding to enforce the forfeiture of such Shares as hereinafter provided.

SHARE WARRANTS

Power to issue share warrant

42. The Company may issue warrants subject to, and in accordance with the provisions of sections 114 & 115 of the Act and accordingly, the Board may in its discretion with respect to any Shares which is fully paid up, on application in writing signed by the person registered as holder of the Share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the Share and the amount of the stamp duty on the warrant and such fee as the board may from time to time require, issue a share warrant.

Deposit of share warrants

43. a) The bearer of a share warrant may, at any time deposit the warrant at the office of the Company and so long as the warrants remain so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending, voting and exercising the other privileges of Members at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holders of the Shares included in the Share warrants.
- b) Not more than one person shall be recognized as a depositor of the share warrant.
- c) The Company shall on two day's written notice, return the deposited share warrant to the depositor.

Privileges and disabilities of the holders of share warrant

44. a) Subject as herein otherwise expressly provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company or be entitled to receive any notice from the Company.
- b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if his name was included in the Register of Members as the holder of the Shares included in the warrant and he shall be a Member of the Company.

Issue of new share warrant or coupon

45. The Board may, from time to time, make bye-laws as to the terms on which a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

LIEN

Company lien on Shares

46. The Company shall have a first and paramount lien on every Share not being fully paid-up, registered in the name of any Member (whether alone or jointly with others) and on all dividends and bonuses payable or declared in respect thereof for all his debts engagements and liabilities solely or jointly with any person to the Company. But the directors may waive the provisions of this clause. In the event the Company registers any transfer of a Share on which it has a right of lien, such right of lien shall thereupon cease to exist in respect of such Share, unless otherwise agreed with the transferees.

Lien enforced by sale

47. The Directors may sell, in such manner as they think fit, any Shares on which the Company has a lien or in respect of which any money is presently payable to the Company, provided that, no sale shall be made

until the expiration of thirty days after service on the registered holder for the time being of the said Shares or on the person entitled thereto by reason of his death or bankruptcy of a notice in writing stating the amount payable to the Company demanding payment thereof and intimating that unless such amount is paid within the period of thirty days, the Shares will be sold.

FORFEITURE

Notice requiring payment

48. If a Member fails to pay any call or installment of a call, on or before the day appointed for payment thereof, the Directors may at any time thereafter, during such time as any part of such call or installment remains unpaid, serve a notice on the Member requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all other expenses occasioned to the Company by such non-payment.

Terms of notice

49. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) and a place on or before and at which, the call or installment and interest and expenses occasioned as aforesaid are to be paid and shall state that in the event of non-payment at or before the time and at the place appointed the Shares in respect of which the call, installment interest of expenses are owing will be liable to be forfeited.

Forfeiture

50. If the requirements of any such notice are not complied with, at any time thereafter, any Share in respect of which the notice has been given, before the payment of all calls or installments interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

Forfeited Share may be sold

51. A forfeited Share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed off in such manner and on such terms and either free from or subject to calls or installments of calls made or due prior to the forfeiture as the Directors think fit provided that the Directors may before a sale or disposition, cancel the forfeiture on such terms as they shall think fit.

Notice after forfeiture

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

Member's liability after forfeiture

53. A Member whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares but shall remain liable to pay to the Company all calls and installments of calls, interest and expenses owing in respect of such Shares at the date of forfeiture together with interest thereon from the date of forfeiture until payment, at the rate as may be decided by the Board and the Directors may enforce or forgive payment of the whole or any part thereof. The forfeiture of a Share involves extinction at the time of the forfeiture of all interest in, and claims and demands against the Company in respect of the Share and all other rights incidental to the Share except those rights as by these Articles are expressly saved.

Power to annul forfeiture

54. The Board may, at any time before any Share is so forfeited shall have been sold re-allotted or otherwise disposed off annul the forfeiture thereof upon such conditions as it thinks fit.

Evidence of forfeiture

55. A declaration in writing that the declarant is a Director or secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to such Share.

Application of sale proceeds

56. The proceeds of the sale shall be applied in payment or satisfaction of all the said debts and liabilities of the Member to the Company.

Validity of sale of forfeited Shares

57. A declaration in writing, stating that the declarant is a Director of the Company and that Share in the Company has been duly forfeited and sold to satisfy a lien of the Company shall be conclusive evidence against all persons claiming to be entitled to the Share that was forfeited and sold and, that declaration and the receipt of the Company for the consideration, if any, shall constitute a good title to the Share and the person to whom the Share is sold or disposed of shall not be affected by any irregularity or invalidity in the proceedings relating to the forfeiture sale or disposal of the Share nor shall be bound to see to the application of the purchase money and the remedy of any person claiming to be aggrieved by the forfeiture or shall be in damages only against the Company exclusively.

Board may issue new certificate

58. Where any Shares under the powers in that behalf herein contained is sold by the Board 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 in such manner as it may think fit from the certificate not so delivered.

TRANSFER AND TRANSMISSION

Registry of transfer

59. The Company shall maintain a Register of Transfers and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any Share in the Company.

Form of transfer

60. The instrument of transfer shall, be in the form prescribed by the Act or the rules made thereunder or, where no such form is prescribed, in the usual common form or any other form approved by the stock exchanges in India or as near thereto as circumstance may permit.

Instrument of transfer to be in writing

61. The instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and the registration thereof.

Instrument of transfer to be executed b transferor and transferee

62. Every such instrument of transfer shall be signed both by the transferor and transferee and in the case of a Share held by two or more joint holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees as the case may be, and the transferee or the transferee as the case may be is or are entered in the register of Members in respect thereof.

Application by transferor

63. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee provided that where such application is made by the transferor no registration shall, in the case of the partly paid Share be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the section 110 of the Act, and subject to the provisions of the Articles, the

Company shall unless objection is made by the transferee within two weeks from the date or receipt of the notice in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

Transfer to be left at office

64. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the Share to be transferred or if no such certificate is in existence by the letter of allotment of the Shares and such other evidence as the board may require to satisfy itself of the title of the transferor or his right to transfer the Shares. Every instruments of transfer shall be retained by the Company but any instrument of which the board may refuse to register shall be returned to the person depositing the same.

Transfer of Shares to insane, minor, deceased or bankrupt Members

65. Subject to provision of these Articles, any person entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or the marriage of any female Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under the Articles or office title as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder. If such person shall elect to have his nominee registered, he shall testify, his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares.

Restriction on transfer of Shares

66. Subject to the provisions of section 111 of the act, and section 22A of the Securities Contract (Regulations) Act, 1956, the Board may at it's on absolute and uncontrolled discretion at without assigning any reason decline to register or acknowledge any transfer of Shares, whether fully paid or not notwithstanding the proposed transferee be already a Member), provided that the Board shall not have any such rights in respect of Transfers in compliance with the provisions of the Articles. In cases where the Board declines to register or acknowledge any Transfer of Shares, it 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 notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the Transferor being alone or jointly with any person or persons indebted to the Company on any account whatsoever except where the Company has a lien on the Shares.

Notwithstanding anything in these Articles, there shall be no restriction on any Transfer of Shares between the Investor and its Affiliates on the one hand (collectively "**Investor Parties**"), and the Promoter, its Affiliates on the other hand (collectively "**Promoter Parties**"). The Company shall take all actions including, but not limited to, convening Board or Shareholders' meetings to give effect to any Transfer of Shares between the Investor Parties on the one hand, and Promoter Parties on the other hand.

67. Subject to the provisions of Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any other amendments made therein from time to time relating to preferential allotment, the Promoter and the Investor shall be permitted to Transfer the Shares held by them only in accordance with the provisions of these Articles.
68. The Promoter shall obtain a prior written consent of the Investor for any Transfer of the Shares (including creation of any Encumbrance over the Shares) held by it, except Transfers to investors who are in the same business as the Company ("**Strategic Investors**"), provided that such transfer shall be subject to the provisions of Article 71 to Article 82, and provided further that such Strategic Investor shall execute a deed of adherence agreeing to be bound by the obligations under the Articles and any agreement entered into between the Investor, the Promoter and the Company, in the form previously agreed by such parties ("**deed of adherence**"). Notwithstanding the foregoing the Promoter shall not Transfer any Shares held by it which will result in the Promoter holding less than 51% of the Share Capital, for as long as the

Investor continues to hold at least 5% of the Shares of the Company. For this purpose, the Promoter shall file all necessary forms with the relevant depository and the Promoter's DP for freezing and/ or blocking all debits from the Promoter's DP Account and the Promoter shall provide the Investor with certified copies of such forms and proof that the same have been filed with the relevant depository and the Promoter's DP. The Promoter shall not give any instruction for unfreezing or for debit of the Promoter's DP Account without the prior written approval of the Investor. At the Promoter's request, the Promoter and the Investor shall discuss whether to unfreeze the Promoter's DP Account.

69. Subject to the provisions of SSecurities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and any other amendments made therein from time to time and the provisions of Article 70, the Shares held by the Investor shall be freely transferable. Where the Investor transfers all or part of the Investor Shares to a Third Party(ies), the rights of the Investor under the Articles shall stand transferred to such Third Party(ies) upon the Investor electing to transfer such rights to such Third Party(ies) and intimating the fact of such election to the Company, provided such transferee executes a Deed of Adherence.
70. As long as the Investor holds 5% or more of the Shares of the Company and the Investor intends to transfer any Shares to any Person who is a competitor of the Company and/or the Promoter, the Investor shall give a written notice ("**Sale Notice**") to the Promoter stating its desire to make such a transfer and setting forth the number and the price of Shares proposed to be transferred by the Investor. The Promoter shall have a 10 day period after receiving the Sale Notice, to respond to the Investor and pay the purchase price, set out in the Sale Notice, within 5 days thereafter. If the Promoter fails to notify the Investor of its intention to purchase the Shares specified in the Sale Notice prior to the expiration of the abovementioned 10 day period or if the Promoter declines to purchase the Shares specified in the Sale Notice, the Promoter shall be deemed to have declined such offer and the Investor shall be entitled to sell the offered Shares to any Person, including any Person who is a competitor of the Company and/or the Promoter at a price not lower than as set out in the Sale Notice. Provided, however if there is a breach of any covenant or any representation or warranty provided by the Promoter and/or the Company to the Investor or breach of any provision of any agreements entered into between the Investor Promoter and/or the Company then the foregoing provisions of this Article 70 shall not be applicable.

Tag-Along Rights

71. Subject to the provisions of Article 70 above, if the Promoter ("**Tag-Along Seller**") proposes to Transfer all or a portion of the Shares held by it to a Third Party ("**Tag-Along Sale**") after due compliance with the provisions of Article 75 to Article 82 of these Articles, the Tag-Along Seller shall provide the Investor with a written notice of the terms and conditions of such proposed Transfer ("**Tag-Along Notice**") and offer the Investor the opportunity to participate in such Transfer in accordance with the provisions of these Articles. The Investor may elect, at its option, to participate in the proposed Transfer in accordance with this Article.
72. The Tag-Along Notice shall identify the number of Shares proposed to be sold by the Tag-Along Seller ("**Tag-Along Offer**"), the consideration for which the Transfer is proposed to be made, and all other material terms and conditions of the Tag-Along Offer.
73. From the date of its receipt of the Tag-Along Notice, the Investor shall have the right ("**Tag-Along Right**"), exercisable by notice ("**Tag-Along Response Notice**") given to the Tag-Along Seller within 30 Business Days after its receipt of the Tag-Along Notice ("**Tag-Along Notice Period**"), to request that the Tag-Along Seller include in the proposed Transfer all or part of the Investor Shares. The Tag-Along Seller shall be unable to Transfer any Shares to the Third Party unless the Shares offered by the Investor under the Tag-Along Response Notice are also being transferred contemporaneously to such Third Party on the same terms and conditions as the Tag-Along Seller.
74. If at the termination of the Tag-Along Notice Period, the Investor shall not have elected to participate in the Tag-Along Sale, it would be deemed that the Investor has waived its Tag-Along Right.

Right of First Offer

75. Subject to the provisions of Article 68, as long as the Investor remains a Shareholder, if the Promoter intends to Transfer any Shares to any Third Party, the Promoter shall give a written notice ("**Offer Notice**") to the Investor stating its desire to make such a Transfer ("**Sale**") and setting forth the number of Shares proposed to be transferred by the Promoter ("**Offered Securities**") and any other material terms sought by the Promoter, including the price ("**Offer Price**").
76. The Investor shall have a 30 day period ("**Offer Period**") after receiving such Offer Notice, to respond to the Promoter and either (i) accept the Offer Price or (ii) state the price the Investor is willing to pay for the Offered Securities ("**Counter-Offer Price**"). If the Investor fails to notify the Promoter prior to the expiration of the Offer Period, it shall be deemed to have declined such Offer and the Promoter shall be entitled to sell the Offered Securities to any Third Party on such terms and at such price as it deems fit.
77. Subject to the rights of the Investor under Article 71 to Article 82 as applicable, the Promoter has the right to sell the Offered Securities to any Third Party on the same terms as set out in the Offer Notice and at a price which is not lower than the Offer Price, within 30 days from the expiry of the Offer Period ("**Third Party Sale Period**"); for the avoidance of doubt, if Investor has responded to the Offer Notice and indicated its willingness to purchase the Offered Securities at the Offer Price, Promoter shall be required to complete the Sale to the Investor. If the Investor has indicated a Counter- Offer Price that is below the Offer Price, the Promoter shall be at liberty to sell the Offered Securities to a Third Party on the same terms as set out in the Offer Notice and at a price which is not lower than the Offer Price, failing which the Promoter may propose to sell the Offered Securities to any Third Parties at a price which is lower than the Offer Price, in which event the Promoter shall give a written notice ("**Second Offer Notice**") to the Investor stating the price at which the Offered Securities are proposed to be transferred ("**Second Offer Price**") to such Third Party.
78. Upon receipt of the Second Offer Notice, the Investor shall have the right, exercisable at its sole discretion to purchase all or part of the Offered Securities at the Second Offer Price, by serving upon the Promoter a written notice ("**Second Offer Response**") in that regard within 10 Business Days of receipt of the Second Offer Notice by the Investor, on the terms and conditions mentioned in the Second Offer Notice.
79. The Parties agree that the Investor may, at its sole discretion, choose not to purchase the Offered Securities. In the event that the Investor does not wish to purchase the Offered Securities, then the Investor shall inform the Promoter of the same within 10 Business Days of receipt of the Second Offer Notice ("**Second Offer Period**"). The Promoter may then proceed with the sale of the Offered Securities to any Third Party at the Second Offer Price within a period of 30 days from the expiry of the Second Offer Period.
80. If the Investor elects to purchase all or any portion of the Offered Securities in accordance with Article 76 or Article 78 above, the Investor shall purchase and pay, by bank or certified check (in immediately available funds), for such Offered Securities within twenty one (21) Business Days after the date on which such Offered Securities have been accepted failing which the Promoter shall be at liberty to sell the Offered Securities in the market without any further reference to the Investor.
81. If the Promoter does not consummate the Transfer of the Offered Securities in accordance with the foregoing time limitations, then the right of the Promoter to effect the Transfer of such Offered Securities pursuant to the provisions of Article 75 to Article 82 shall terminate and the Promoter shall again comply with the procedures set forth in Article 75 to Article 82 with respect to any proposed Transfer of Shares to a Third Party.
82. If any Transfer of Shares under the provisions of the Articles is subject to any prior regulatory approval or subject to compliance with the provisions of the Takeover Regulations, the time period during which such Transfer may be consummated shall be extended until the expiration of five (5) Business Days after all such approvals shall have been received and/ or after all the relevant provisions of the Takeover Regulations have been complied with, but in no event shall such period be extended for more than an additional 45 days, provided that if such transfer is subject to compliance with open offer requirements under the Takeover Regulations, then such period shall be extended for no more than hundred and fifty (150) days.

Permitted Transfers

83. Notwithstanding anything contained in the Articles, any Shareholder shall be entitled to Transfer all or part of the Shares held by it to any of its Affiliates at any time, subject to such transferee Affiliate executing a Deed of Adherence.

Drag Right

84. If the Promoter fails to purchase any Shares held by the Investor pursuant to any agreement entered into between the Investor and the Promoter, within a period of 12 months from the date on which the Promoter is required to purchase such Shares, the Investor shall have the right (“**Drag Along Right**”) to require the Promoter (“**Drag Transferor**”) to transfer any or all of the Shares held by the Drag Transferor (“**Drag Shares**”) to any transferee to whom the Investor proposes to sell its Shares (“**Drag Transferee**”) and at the same price that the Drag Transferee has agreed to pay to the Investor for the Transfer of its Shares.
85. The Investor shall provide notice of exercise of its Drag-Along Right to the Drag Transferor (a “**Drag Sale Notice**”) specifying the Drag Transferee, the number of Drag Shares, the consideration for which a Transfer is proposed to be made (the “**Drag Sale Price**”) and all other material terms and conditions of such Transfer. The Drag Transferor shall be required to transfer the Drag Shares to the Drag Transferee along with the Shares proposed to be transferred by the Investor to the Drag Transferee, on the terms and conditions set forth in the Drag Sale Notice and to Transfer the Drag Shares to the Drag Transferee in accordance with Applicable Law and subject to the Drag Transferee complying with the provisions of the Takeover Regulations, if applicable.

Register of Members etc. may be closed

86. The Company after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the office 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 aggregate forty five days in each year, but not exceeding thirty days at any one time.

Company not liable for disregard of any notice prohibiting registration of transfer

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

Transmission of Registered Shares

88. In the case of death of anyone or more of persons named in the register as the joint holders of any Shares the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such Share but nothing herein contained shall be taken to release the estate of the deceased joint holder from any liability on the Shares held by him jointly with any other person. The heirs, executors or administrators of a deceased, lunatic or insolvent Member(not being the joint holders) shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such deceased Member and the Company shall not be bound to recognize such heirs executors or administrators unless they have first obtained probate or letter of administration or other legal representation as the case may be from a duly competent Court provided nevertheless the directors in any case where they in their absolute discretion think fit may dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity or to otherwise as may deem fit and may register the name person who claims to be absolutely entitled to the Shares standing in the name of the deceased lunatic or insolvent Member, as a Member in respect of such Shares.

Rights of persons entitled to Shares otherwise than by transfer

89. A person becoming entitled to a Share by transmission may until the directors otherwise determine, receive and give discharge for any dividends, bonuses or other moneys payable in respect of the Shares but he shall not be entitled to receive notice of or save as provided in these Articles to attend or vote at a meeting of the Company or save as aforesaid, to any of the rights and privileges of a Member unless and until he shall have registered himself as Member in respect of the Share.

Fees on transfer or transmission

90. There shall be no fee payable to the Company in respect of the Company or transmission of Shares.

GENERAL MEETING

Annual general meeting

91. The first annual general meeting of the Company shall be held in the next calendar year but not later than 18 months after the incorporation of the Company and every subsequent Annual general meeting shall be held once in every calendar year at such time and place as the Directors may decide but so that not more than fifteen months shall be allowed to elapse between any two Annual general meetings.

Extraordinary general meeting

92. Any general meeting other than those referred to in last preceding Article shall be called extraordinary general meeting.

Meeting where to be held

93. All general meeting whether annual and extraordinary shall be held at the registered office of the Company or at such place within the city as the directors may think fit.

Power to convene Extra Ordinary general meeting

94. The Directors may convene an extra ordinary general meeting of the Company whenever they think fit.

Requisition for extraordinary general meeting

95. The Directors shall convene an extra ordinary general meeting upon any requisition of Members under the provision in the act and in default the requisition may convene such meeting as provided in the act, but no business other than that specified in requisition as the object of the meeting shall be transacted at any meeting convened under these Articles or under provisions of the Act, unless such meeting be convene by the Directors and they include notice of other business in the notice of meeting.

Notice of meeting

96. Save as provided in the Act, a notice of not less than twenty one days shall be given for every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that proxy need not be a Member of the Company. Whether any such business consists of "Special Business" as hereinafter defined there shall be annexed to the notice an Explanatory statement as per the provision of the Act. Notice of every meeting of the Company shall be given to every Member of the Company to the auditors of the Company and to person or persons or persons entitled to a Share in consequence of the death or insolvency of a Member in any manner hereinafter authorized for the giving of notice to such persons. Provided that where the notice of general meeting is given by advertising the same in a newspaper circulating in the neighborhood of the office the statement of the material facts as given in Explanatory statement need not be annexed to the notice but it shall be mentioned in advertisement that the statement has been forwarded to the Members of the Company. The accidental omission to give any such Notice to or its non-receipt by any Member or other person to whom it should be given shall; not invalidate the proceedings of the meeting.

PROCEEDING AT GENERAL MEETING

Business of Meetings

97. The ordinary business of an Annual general meeting shall be to receive and consider the Profit and Loss Account the Balance Sheet and the Reports of the Directors and of the Auditors to elect Directors in the place of those retiring by rotation to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at an Annual general meeting and all business transacted at any other general meeting shall be deemed special business. No general meeting, Annual or Extraordinary shall be competent to enter upon discuss or transact any business which has not been specially mentioned in the notice or notices upon which such meeting was convened.
98. No matter shall be placed before the Shareholders in a general meeting unless approved by the Board in writing, in accordance with provisions of Article 143.

Members may submit resolution to meeting on giving notice to Company

99. Any Member entitled to be present and vote at meeting may submit any resolution to any general meeting provided that at least in the prescribed time before the day appointed for the meeting, he shall have served upon the Company a notice in writing signed by him containing the proposed resolution and stating his intention to submit the same. The prescribed time above mentioned shall be such that between the date on which the notice is served or deemed to be served and the date appointed for the meeting shall be not less than fourteen days excluding of the day on which the notice is served and the day of the meeting.

Company to give notice to Members

100. Upon receiving any such notice as in the last preceding Article mentioned "The Board" shall in any case where the notice of intention is received before the notice of the meeting is issued include in the notice of the meeting and shall in any other case issue as early as possible to the Members entitled to notice of the meeting notice that such resolution will be proposed.

Quorum

101. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business for all purpose the requisite quorum shall be Members present not being less than five Members present in person.

No business to be transacted without quorum

102. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon requisition of Members shall be dissolved in any other case it shall stand adjourned to same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present shall be a quorum.

Chairman

103. The Chairman if any of the Board of Directors shall preside as Chairman at every general meeting but if there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman, the Members present shall choose another Director to be Chairman or if there is no other Director present and willing to act, the Members shall choose one of them to be Chairman.

Power to adjourn meeting

104. The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn any meeting from time to time and from place to 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 When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting save as aforesaid it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.

Restriction on voting

105. No Member shall be entitled to exercise any voting rights 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 exercised any right of lien but the Board of Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.

Voting by poll

106. Unless otherwise agreed by the Shareholders, at any and every general meeting of the Shareholders, all questions arising at a meeting of the Shareholders shall be decided through a poll in accordance with the provisions of the Act.

Time of taking poll

107. A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty eight hours from the time when the demand was made and in such manner and place as the Chairman of the meeting may direct and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

Vote of Members

108. (I) Save as hereinafter provided, on a poll, the voting rights of a holder of Shares shall be as specified in the Act.
- (II) The holders of preference shares have a right to vote on a resolution placed before the Company which directly affects the rights attached to their preference shares and subject as aforesaid the holders of preference shares shall in respect of such capital be entitled to vote on every resolution placed before the Company at a meeting if the dividend due on such capital or any part of such dividend remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and where the holders of any preference shares have a right to vote as aforesaid on any resolution every such Member personally present shall have one vote and on a poll his voting right in respect of such preference share bears to the total of the capital paid up on Shares.

Provided that body corporate shall vote by proxy so long as resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

Chairman not to have casting vote

109. In a case of equality of votes in any general meeting, the Chairman shall not have any second or casting vote in addition to the vote or votes to which he may be entitled as a Member.

Voting by joint holders

110. In the case of joint holders of any Share, only the one whose name stands first in the Register of Members shall be entitled to vote (personally or by proxy) in respect of each Share, provided that, the holder named first in the Register of Members may appoint any of the other joint holders to be his proxy to attend and vote and the holder appointed may attend and vote accordingly.

Vote in respect of deceased, insane and insolvent Members

111. Any person entitled to transfer any Shares may vote at any general meeting, in respect thereof, in the same manner as if he were the registered holder 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 if any Member be a lunatic idiot or non compositions he may vote at a poll by his committee curator bonis or other legal curator and such last mentioned persons may give their by proxy.

Instrument of proxy

112. The instrument appointing a proxy shall be writing signed by the appointer or his attorney duly authorized in writing or if the appointer is a corporation either under common seal or under the hand of an official or attorney so authorized or by a resolution of Directors. Every instrument of proxy shall be attested by at least one witness. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Deposit of instrument of proxy & power of attorney

113. The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or materially certified copy of that power or authority shall be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.

No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. Any such instrument deposited with the Company as aforesaid shall remain permanently or for such time as the Director may determine in the custody of the Company. Every instrument appointing a special proxy shall be retained by the Company and shall be as nearly as circumstances will admit be in any of the Form set up in Schedule IX to the Act or as near thereto as possible.

Registration of instrument of proxy

114. Any instrument appointing a proxy or an attorney permanently or for certain period may be registered with the Company once for all and need not be again registered before each successive meeting and shall be in force until the same shall be revoked.

Whether vote by proxy valid though authority revoked

115. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument, or transfer of Share in respect of which the vote is given provided no intimation in writing of the death insanity, revocation or transfer of Shares shall have been received by the Company at the office before the vote is given. Provide 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.

Admission or rejection of votes

116. (I) Any objection as to the admission or rejection of a vote either on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.
- (ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote disallowed at such meeting shall be valid for all purpose.

Form of instrument appointing a proxy

117. Every instrument appointing a proxy shall be retained by the Company and shall, as nearly as; circumstances will admit be in any of the forms set out in Schedule IX to the Act or as near thereto as possible or in any other form which the Board may accept.

DIRECTORS

Director

118. Until otherwise determined by special resolution, the number of Directors shall not be less than five nor more than eleven including Managing Directors.

The first Directors of the Company shall be:

1. MR. CHHOTALAL BHAILALBHAI PATEL
2. MR. HARSHADRAY CHHOTALAL PATEL
3. MR. NARSHIBHAI MULJIBHAI PATERL
4. MR. INDUKUMAR CHHOTALAL PATEL
5. MRS. SAMJUBEN CHHOTALAL BHAILALBHAI PATEL

Increase or Reduction in number of Directors

119. The Company in general meeting may, from time to time increase or reduce the number of Directors as specified in the proceeding Article.

Nominee Directors

120. (I) Any Director appointed by any Government Central State or Local any Bank of Financial Institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or any technical or financial collaboration or assistance or for underwriting or entering into any other arrangement whatsoever or in terms of the Trust Deed securing or otherwise in connection with the issue of debentures of the Company shall be ;known as "Nominee Director".
- (II) Subject to the provisions of the Act and these Articles, whenever the Directors enter into a contract with any Government (Central, State or Local), any bank or financial institution or any person or persons (hereinafter referred to as "the Appointer", for borrowing any money or for providing any guarantee or security or any technical or financial collaboration or assistance or for underwriting or entering into any other arrangement, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon terms and conditions as may be mentioned in the agreement. Such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification Shares. The Directors; may also agree that any such Director or Directors may be removed from time to time by the Appointer entitled to appoint or nominate them and the Appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever.
- (iii) If it is provided by the Trust Deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have the power to nominate a Director of the Company then in the, case of any and every such issue of debentures the person or persons having such power may exercise such powers from time to time and appoint a Director accordingly. Any Director so appointed is hereinafter referred to as "the Debenture Director". A Debenture Director may be re-moved from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification Shares.
- (iv) The Directors so appointed or nominated under this Article shall be entitled, save as otherwise provided in the Articles, to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company and in addition, payment of remuneration and expenses to such Directors as may be agreed to by the Company with the Appointer.
- (v) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately upon the money owing by the Company to the Corporation being paid off.
- (vi) The Nominee Director/s appointed under the Article shall be entitled to receive all notices of and attend all general meetings, Board meetings and all the meetings of the committee of which the

nominee director is a member as also the minutes of such meetings. The corporation shall also be entitled to receive all such notices and minutes.

121. **Investor Director**

- (a) The Investor shall have the right to nominate one (1) Director (“**Investor Director**”) on the Board. Upon the Investor subscribing to or acquiring any further Shares, the Investor shall have the right to appoint one more Investor Director (collectively referred to as “**Investor Directors**”) on the Board. The Promoter shall ensure that the Investor Directors nominated by the Investor are appointed to the Board, provided that the Investor Directors nominated by the Investor are not directors on the board of directors of any competitor of the Company.
- (b) The Investor Directors shall not be liable to retire by rotation. However, in the event an Investor Director becomes liable to retire by rotation, the Promoter shall vote in favour of reappointment of the retiring Investor Director or the appointment of the nominee of the Investor as the succeeding Investor Director, as the case may be.
- (c) The Investor Director shall be a Member of each such committee and such other committee which the Board may constitute from time to time, unless, otherwise agreed by the Investor in writing.
- (d) The Promoter shall consult with the Investor Directors regarding matters incidental to the Board meetings, such as date of the Board meetings etc.

122. **Alternate Investor Director**

- (a) The Board may appoint an alternate director nominated by the Investor, in accordance with the Act (“**Alternate Investor Director**”) to act as an alternative for the Investor Director during his absence. The Promoter shall ensure that the Board appoints only such persons to act as the Alternate Investor Directors as are nominated by the Investor, provided that the Alternate Investor Director is not a director on the board of directors of any competitor of the Company.
- (b) In case any casual vacancy is caused in the office of the Investor Director, by reason of such individual’s resignation, death, removal or otherwise, then the Investor shall have the right to nominate a suitable person to fill such casual vacancy.

Qualification Share

123. A Director need not hold any qualification Shares.

Directors’ sitting fees

124. The fees payable to a Director for attending Meetings of the Board or a committee of the Board shall be such amount as may be fixed by the Board subject to maximum limit as may be prescribed by the Central Government from time to time.

Remuneration of Directors

125. The remuneration of any Director for the time being shall be such sum as the Board of Directors may from time to time fix, subject to the provisions of Section 198, 309 and Schedule XIII to the Act, as may be modified from time to time. The Directors shall also be entitled to be paid their travelling, hotel and other expenses incurred in connection with their attendance at Board Meetings and otherwise in the execution of their duties as Directors.

Special remuneration of Directors

126. If any Director or Directors shall be called to go on the Company’s business or otherwise perform extra services he or they may be paid such special remuneration for such services either by way of salary or commission or by a percentage of profits or the payment of a fixed sum of money as may be determined by the Board of Directors and such remuneration may be either in addition to or in substitution of his remuneration above provided.

Board may act notwithstanding vacancy

127. The continuing Directors may act notwithstanding any vacancy in their body. If the number falls below the minimum fixed above, the Directors shall not, except in emergencies or for the purpose of filling vacancies or for summoning a general meeting, act, so long as the number is below the minimum.

Vacation of Office of Director

128. The Office of a Director shall ipso facto become vacant if at any time he commits any of the acts set out in Section 283 of the Act.

Office of profit

129. No Director or other referred to in Section 314 of the Act shall hold an office or place of profit save as permitted by that Section.

Conditions under which Directors may contract with Company

130. Subject to the provisions of section 297 of the Act, neither shall a Director be disqualified from contracting with the Company whether as vendor, purchaser or otherwise for goods materials or services or for underwriting the subscription of any Shares or debentures of the Company nor shall any such contract or agreement entered in to by or on behalf of the Company with the relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company of which such Director is a Member of Director be void nor shall any Director so contracting or being such Member or interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

Directors may be Directors of companies promoted by the Company

131. A Director of this Company may be or become a Director of any Company promoted by this Company or in which he may be interested as a vendor, Shareholder or otherwise and no such Director shall be accountable for any benefits received as Director or Member of such Company.

Disclosure of a Director's interest

132. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into, by or on behalf of the Company not being a contract or arrangement entered into or to be entered into between the Company and any other Company where any of the Directors of the Company or two or more of them together holds or hold in the other Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act, A general notice, renewable in the last month of each financial year of the Company that a Director is a Director or a Member of any specified body corporate or is a Member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and after such general notice it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm provided such general notice is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every Director shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is Director or Member and; of all firms of which he is a partner.

ROTATION OF DIRECTORS

Rotation and retirement of Director

133. At every Annual General Meeting of the Company two-thirds of the Directors exclusive of Managing Director shall retire from office by rotation. The Directors to retire from office shall be those who have been longest in office. A retiring Director shall be eligible for re-election.

Retiring Director deemed to be elected if no successor appointed

134. If, at any general meeting at which an election of Directors ought to take place and the places of retiring Director or Directors; are not filled up, the retiring Directors or such of them as have not had their places filled up shall, if willing to continue in office, be deemed to have been re-elected at such meeting, unless it shall be determined at such meeting on due notice to reduce the number of Directors or to have any vacancy unfilled.

Power to remove Director by ordinary resolution on Special Notice

135. The Members may remove any Director before the expiration of his period of office, in accordance with the provisions of section 284 of the Act and may, subject to the provisions of Section 262 of the Act, appoint another person in his stead if the Director so removed was appointed by the Company in general meeting or by the Board under the Articles.

Additional Directors

136. The Directors shall at any time and from time, appoint any other person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum fixed. Any person so appointed as an addition to the Board shall hold his office only up to the date of the next annual general meeting but shall be eligible for election at such meeting.

Power to fill up vacancy

137. The Directors have power at any time may appoint any qualified person as a Director, either to fill a vacancy, but any Director so appointed shall hold office only until the next following Annual general meeting of the Company and shall then be eligible for re-election.

Directors may act notwithstanding vacancy

138. The continuing Directors may act, notwithstanding any vacancy in their Body, but so that if the number falls below the minimum fixed above, the Directors shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

Notice of the candidature for office of Director to be given

139. No person, not being a retiring Director, shall unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting unless he or some other Member intending to propose him, has at least fourteen days before the Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or for the intention of such Member to propose him.

Appointment of Director to be voted on individually

140. Save as permitted by Section 263 of the Act, every resolution of a general meeting for the appointment of a Director shall relate to one named individual only.

Power to appoint Alternate Director

141. The Board may, in accordance with and subject to the provisions of the Act, appoint any person to act as Alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

PROCEEDINGS OF MEETINGS OF DIRECTORS

Meeting of Directors

142. The Directors may meet together as a Board for dispatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that a meeting of Board of Directors shall be held at least once in every three calendar months.

Quorum

143. (a) No meeting of the Board is held unless at least 15 days prior written notice, or a shorter written notice (if the majority of Directors and the Investor Directors accord their consent thereto), is given and a quorum is present. The Board shall not be entitled to take up any other business for consideration, other than such business as is specified in the agenda for such Board meeting. Subject to Section 287 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that an Investor Director is present at such Board meeting or where prior to the Board meeting, the Investor Director provides intimation in writing of his/ her inability to attend such Board meeting, a leave of absence is granted to such Investor Director. Where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say the number of remaining who are not interested) present at the meeting being not less than two shall; be the quorum during such time.
- (b) For the purpose of Article 143 (a) above :
- (i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act, after deducting; there from number of the Directors if any whose places may be vacant at the time; and
- (ii) "Interested Directors" means any Director whose presence cannot by reason of any provision in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.
- (c) In the event that a Board meeting is adjourned for lack of quorum due to the absence of an Investor Director or his/her Alternate Investor Director (physically or remotely), the meeting shall be adjourned for seven (7) Business Days and the Investor Director(s) or their Alternate Investor Director(s) shall be given prompt notice of such adjournment ("**First Adjourned Meeting**"). If neither an Investor Director nor his/her Alternate Investor Director is present (physically or remotely) at the First Adjourned Meeting, such meeting will be further adjourned for seven (7) Business Days and the Investor Director(s) or their Alternate Investor Director(s) shall be given prompt notice of such adjournment ("**Second Adjourned Meeting**"). In the event that an Investor Director(s) or his/her Alternate Investor Director(s) is not present (physically or remotely) at the Second Adjourned Meeting then the Board meeting so convened shall take decisions on all matters, including those listed in Article 145, provided that the adjourned Board meeting does not discuss any matter listed in Article 145 not included in the agenda of the original Board meeting.

Questions at Board meeting how decided

144. Questions arising at any meeting of; the Directors shall be decided by a majority of votes and in case of an equality of votes the chairman shall not have a second or casting vote.
145. The affirmative vote of at least one (1) Investor Director or an Alternate Investor Director, as the case may be, shall be required in a meeting of the Board (or any committee thereof) in respect of any decision on any of the following matters and that the Board or committee thereof, as the case may be, shall not pass any resolution or take any action whatsoever in respect of any of the following matters without such affirmative vote:
- (a) any amendment to the Memorandum and Articles;
- (b) any consolidation, subdivision or alteration of any rights attached to the Share Capital or any capital calls on the Shareholders of the Company;
- (c) any direct or indirect purchase, buy back, redemption, retirement, or other acquisition of any Share Capital of the Company or any obligation or security convertible or exchangeable into any such Share Capital;

- (d) approval of any business plans in respect of its operations, capital expenditure, projected cash flows, funding requirements, means of financing, tax and contingency planning and any deviation, revisions therefrom;
- (e) the sale or disposition by the Company of any of its Assets, except for sales of Assets which are in the ordinary course of business;
- (f) the making of any loan or advance by the Company to any Shareholder or any third party, or the entry by the Company into any guarantee, indemnity, or surety contract or any contract of a similar nature in favour of or for the benefit of any Shareholder or any third party, of a value in excess of Rs. 4,000,000 per transaction;
- (g) the acquisition by the Company through subscription, purchase or otherwise, of the securities of any other body corporate, including incorporation of any subsidiaries;
- (h) to create any Encumbrance on any Assets or Intellectual Property of the Company valued in excess of Rs. 4,000,000;
- (i) the conduct by the Company of any business other than the Business, entry into any new line of business or any exit from any line of business being currently carried on by the Company;
- (j) any merger, de-merger, consolidation, reorganisation (including conversion) or other material business combination;
- (k) the winding up, liquidation or dissolution of the Company;
- (l) incurrence of indebtedness by the Company in excess of Rs. 4,000,000 other than as approved by the Investor under any business plan in respect of the Company;
- (m) any capital expenditures in excess of Rs. 4,000,000 other than as approved under any business plans in respect of the Company;
- (n) any authorization, creation, grant, issue, allotment, redemption of any securities of the Company or convertible instruments of any class, debentures or warrants, grants, options over securities, or approval or disapproval of any transfers thereof, except for as provided under the Articles;
- (o) any strategic alliance/joint venture proposal to be entered into by the Company;
- (p) approval of the annual financial statements and distribution of profits of the Company;
- (q) any change in the accounting policies, practices and procedures and accounting reference period of the Company;
- (r) enter into any arrangement, contract or agreement with an Affiliate with a value of more than Rs. 4,000,000 or which are not on arms length.

Director may summon meeting

146. A Director may at any time and the Manager or Secretary shall, upon the request of a Director (made at any time), convene a meeting of the Board.

Chairman

147. The Board shall appoint a chairman of its meetings and determine the period for which he is to hold office. If no such chairman is appointed or if at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall, choose one of their member to be chairman of such meeting.

Committee

148. The Directors may delegate any of their powers to a committee consisting of such member or members of their Body as they think fit. Any Committee so formed shall in the exercise of the powers so delegated

conform to any regulations that may be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations; and in fulfillment of the purposes of its appointment but not otherwise shall have the like force and effect as if done by the board itself.

Meeting of Committee

149. The provisions of the Articles governing the meeting of Directors and the proceedings thereat shall mutatis mutandis apply to meetings and proceedings of any committee except so far as altered by regulations made by the Directors.

Validity of acts of Directors

150. All acts done by any meeting of Directors or a Committee of Directors or by any person acting as a Director notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Director or person acting as aforesaid or that they or any of them were or was disqualified, be as valid as if such person had been duly appointed and was qualified to be a Director.

Circular Resolutions without Board meeting

151. (a) Save in those cases where a resolution is required under Section 262, 292, 297, 316, 312(5) and 386 of the Act, be passed at a meeting of the Board a resolution shall be as valid and effectual as if it had been passed at meeting of the Board or committee of the Board as the case may be duly called and constituted together with the necessary papers if any to all the Directors or to all the Members of the Committee of the Board as the case may be 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 Director or Members of the Committee at their usual address in India and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.
- (b) No resolution in relation to matters listed under Article 145 shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to the Investor Directors or Alternate Investor Directors, as the case may be and has been approved in writing by the Investor Director or the Alternate Investor Director, as the case may be.

How questions to be decided

152. Subject to the provisions of Section 316, 372 (5) and 386 of the Act, question arising at any meeting shall be decided by a majority of votes and in case of equality of votes, chairman shall not have a second or casting vote.

Discussions and voting by interested Director

153. No Director shall, as a Director, take any part in the discussion of or vote on any contract or arrangement in which he is in any way whether directly or indirectly concerned nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote.

This prohibition shall not apply to –

- a) Any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety for the Company, or
- b) Any contract or arrangement entered into or to be entered into by the Company with a public Company which is a subsidiary of a public Company in which the interest of the Director consist solely in his being a Director of such Company and the holder of Shares not exceeding a number of value the amount requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a Member of the Company holding not more than two percent of the paid up Share Capital of the Company.

POWERS OF THE BOARD

General Powers of Company vested in the Board

154. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such Acts and things as the Company is authorized to exercise, provided that the Board shall not exercise any power or do any Act or thing which is directed or required by the Act or any other statute by the Memorandum of the Company or by the Articles or otherwise to be exercised or done by the Members in a general meeting. Provided further that in exercising any such power or doing any such Act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in the Articles, or in any regulations not inconsistent therewith and duly made there under including regulation made by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior Act of the Board which would have been valid if that regulation had not been made.

Power to appoint Managing Directors and whole time Directors

155. Subject to the provision of Section 269, 319 and 317 of the Act, the Board may from time to time appoint one or more Directors to be Managing Directors and/ or whole time Directors of the Company either for a fixed term or without any limitation as to the period for which he and or they is to hold such office and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him and or them from office and appoint another in his place.

Delegation of Powers

156. Subject to the provisions of the Act, the Board may from time to time, as it may think fit, delegate all or any of the powers hereby conferred upon the Board, other than the power to make calls on Members in respect of money unpaid on their Shares and the power to issue debentures.

Managing Director not to retire by rotation

157. Managing Director or Managing Directors shall not be liable to retire by rotation so long as he/they continue to hold office of a "Managing Director".

Remuneration of Managing Director

158. Subject to the provision of Section 309 and 310 of the Act, a managing director/ Whole time Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under the Articles, receive such remuneration as may from time to time be approved by the Shareholders in general meeting.

Power of Managing Director

159. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may from time to time entrust to and confer upon the Managing Director, for the time being, such powers exercisable, under these presents by the Board as it may think fit, and may confer such powers for such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with restrictions as it thinks fit and the Board may confer such powers either collaterally with, or to the exclusion of, and 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 of such powers.

Managing Director to have power to sub-delegate

160. The managing Director shall have authority to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him and in particular from time to time provide, by the appointment of attorney or attorneys, for the management and transactions of the affairs of the Company in such manner as he may think fit.

BORROWING POWERS

161. Subject to the provisions of Section 58A, 292 and 270 of the Act and these Articles, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow, accept deposits from Members (either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such of sums of money for the purpose of the Company from any source, provided that where the moneys to be borrowed together with the moneys already borrowed, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the sanction of the Members in a general meeting. No debt incurred by the Company in excess of the limit imposed by the Articles shall be valid or effectual unless the tender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.

Payment or repayment of money borrowed

162. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board deems fit and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution), by the issue of bonds, debentures or debentures stock of the Company charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of debenture

163. Any debentures, debenture stock or other securities may be issued at a discount, premium on redemption or other-wise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption surrender drawing allotment of Shares attending (but not voting) at general meeting appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in general meeting by a Special Resolution.

Mortgage of uncalled capital

164. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may subject to the provisions of the Act and the Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed.

Minutes

165. The Directors and any Committee appointed by the Directors shall respectively cause minutes to be duly entered in a book or books to be provided for the purpose of recording:
- (a) the names of the Directors present at each meeting of the Directors and any Committee of Directors.
 - (b) all orders made by the Directors and Committee of Directors, and
 - (c) all resolutions and proceedings of general meeting and of Directors and Committees.

And such minutes of any meeting of the Board or of any Committee of the Board, signed by the Chairman of such meeting or by the Chairman of the next meeting shall be conclusive evidence of the matter stated in such minutes.

AUTHENTICATION OF DOCUMENTS

Power to authenticate documents

166. Any Director or the Secretary or any officer appointed by the Board for such purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents

and accounts relating to the business of the Company and to certify copies thereof or extracts there from as the copies or extracts and where any books, records, documents or accounts are elsewhere than at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

Certified copies or resolution of the Board.

167. A document purporting to be a copy of resolution of the Board or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provision of the last proceeding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

The Seal, its custody and use

168. (a) The Board of Directors shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being, under such regulations as the Board may prescribe.
- (b) The Seal shall not be affixed to any instrument except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of at least two Directors of the Company or at least one Director and Secretary or any other person duly authorized by the Board both of whom shall sign every instrument to which the Seal is affixed provided further that the certificates of Shares of debentures shall be sealed in the manner and in conformity with the provisions of the Companies (Issue of Share Certificates) Rules, 1960, and their statutory modifications for the time being in force.

DIVIDENDS

Dividends out of profits and interim Dividend

169. Subject to the provisions of Section 205 and these presents, the Directors may with the sanction of a general meeting from time to time, declare a dividend but no such dividend shall be payable except out of the profits arising from the business of the Company and no larger dividend shall be declared than is recommended by the Directors, provided that when in the opinion of the Directors the profits of the Company permit they may in their discretion declare and pay any interim dividends.

Limitation of Amount of Dividends

170. No larger dividend shall be payable than is recommended by the Directors as recommended by as aforesaid but the Company in general meeting may declare a smaller dividend.

Dividend how payable

171. Subject to the special rights and interest of the Members in the profits of the Company, all dividend shall be declared and paid to the Members according to the amounts paid on a Share held by them respectively, but no amount paid on a Share in advance of calls while carrying interest be treated for the purpose of this Article as paid on the Share.

Dividend to be paid within forty-two days

172. The Company shall pay the dividend or send the warrant in respect thereof to the Shareholder entitled to the payment of the dividend, within thirty days from the date of the declaration of the dividend unless:
- (a) Where the dividend could not be paid by reason of the operation of any law.
- (b) Where a Shareholder has given direction to the Company regarding the payment of the dividend and these directions cannot be complied with.
- (c) Where there is a dispute regarding the right to receive the dividend.

- (d) Where the dividend has been lawfully adjusted by the Company against any sum due to it from the Shareholders or
- (e) Where, for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

No Interest on dividends

173. No dividend shall bear interest as against the Company.

Dividends set off against debts due

174. The Directors may, if they think fit, deduct from the dividend payable to any Member, all such sums of money as actually due from him, either, solely or jointly to the Company, whether on account of calls or otherwise, without prejudice to the right of the Company to sue for the balance of such money or to forfeit any Share as hereinbefore provided.

Effect of transfer

175. A transfer of Shares shall not pass the right to any dividend declared thereof before the registration of the transfer.

Notice of dividend

176. Notice of any dividend whether interim or otherwise that may have been declared shall be given to each Member in the manner in which notices are given to Members.

Dividends to joint holders

177. Anyone of several persons who are registered as the joint holders of any Shares may give effectual receipts for all dividends or payments on account of dividends in respect of such Shares.

Payment by post

178. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto, and in case of joint-holders, to the registered address of that one whose name stands first on the Register, in respect of the joint-holding and every such cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the payment by the Company of any such cheque or warrant if purporting to be endorsed by the person to whom it is made payable shall be good discharge to the Company. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

Unclaimed dividend

179. Any general meeting declaring a dividend may make a call on the Members of such amount as the meeting may fix, but so that the call on each Member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.

Dividend and call to gathers

180. Any general meeting declaring a dividend may make a call on the Members of such amount as the meeting may fix, but so that the call on each Member shall not exceed the dividend payable to the Member and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.

Dividend in cash

181. No dividend shall be payable except in cash, provided that nothing in the forgoing shall be deemed to prohibit the capitalization of 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 the Members of the Company.

Power to retain dividend until transmission is effected

182. The Directors may retain the dividend payable upon Shares in respect of which any person is entitled to, under the relevant Article dealing with transmission of Shares, which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such Shares or shall duly transfer the same.

Payment of Dividend to Member or mandate

183. No dividend shall be paid in respect any Share except to the registered holder of such Share or to his order or to his bankers but nothing contained in these Articles shall be deemed to require the bankers of the registered Shareholder to make a separate application to the Company for the payment of the dividend.

ACCOUNTS

Account to be kept

184. The Directors shall cause full and true accounts to be kept:
- (a) Of the sums of money received and expended by the Company and of the matter in respect of which such receipt and expenditure take place, and
 - (b) Of the assets and liabilities of the Company, the books of accounts shall be kept at the registered office of the Company or at such other place or places as the Directors think fit and shall always be open to inspection of Directors.

Inspection to Members when allowed

185. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions and regulations, the accounts and books of the Company or any of the Company or any of them shall be open to the inspection of the Members and no Member shall have any right of inspecting any account or book or document of the Company, except as conferred by law or authorized by the Directors.
186. The Company shall give the Investor (i) the right to inspect the facilities, records and books of the Company at any time during the regular working hours on reasonable prior notice to the Company, and (ii) the right to discuss the business, operations and conditions of the Company with its Directors, key officers, relevant employees and statutory auditors of the Company provided the Investor gives a prior reasonable notice of not less than 24 hours.

Profit & Loss account and the Balance Sheet to be placed before Members

187. At the annual general meeting of the Company, the Directors shall lay before the Members, a profit and loss Account containing under appropriate heads all the receipts and expenses regarding the affairs of the Company pertaining to the period covered by the accounts, and a balance sheet containing a true summary of all the property, assets, capital, debts, liabilities and funds of the Company as on the date of the Balance Sheet for a period of one year or more than one year since the preceding accounts or in the case of the first accounts since the date of incorporation of the Company, made up to a date not more than six months before each meeting.

Report of Director

188. Every such balance sheet and accounts shall be accompanied by a report of the Director complying with Section 217 of the Act.

Copies to be sent to Members and others

189. A copy of every Balance Sheet (including the Profit and Loss account the Auditors Report and every document required by law to be annexed or attached to the Balance Sheet) shall as provided by Section 219 of the Act, not less than twenty-one days before the meeting be sent to every such Member, debenture-holder, trustee and other person to whom the same is required to be sent by the said section.

AUDIT

Account to be audited annually

190. Once at least in every year, the Books of Account of the Company shall be audited by one or more Auditor or Auditors.

Appointment, remuneration, right and duties of Auditors

191. The appointment, remuneration and duties of the Auditors shall be regulated by Section 224 to 231 of the Act.

When accounts deemed finally settled

192. Every account when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approved thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and thenceforth shall be conclusive.

193. The Company shall furnish to the Investor:

- (a) as soon as practicable and, in any event, within 30 days after the end of each quarter, the unaudited balance sheets of the Company as at the end of such quarter and the related unaudited profit and loss account and cash flows for such quarter and for the portion of the Financial Year then ended, in each case prepared in accordance with GAAP;
- (b) as soon as practicable and, in any event, within 90 days after the end of each Financial Year, (i) the audited balance sheet of the Company as at the end of such Financial Year and the related audited profit and loss account and cash flows for such financial year, in each case prepared in accordance with GAAP and (ii) any management letters;
- (c) promptly upon their becoming available, copies of (i) all financial statements, reports, notices sent and made generally available by the Company to any of its security holders, and (ii) all press releases and other statements made generally available by the Company to the public;
- (d) as soon as practicable and, in any event, within 5 Business Days after any officer of the Company obtains knowledge thereof, notice (with a description in reasonable detail, and stating the action that the Company is taking or proposes to take with respect thereto) of (i) the commencement of any material litigation, investigation or proceeding to which the Company is party before any court or arbitrator or any governmental body agency or official or (ii) the existence of any material default or breach under the Articles or any agreement entered into between the Investor, the Promoter and the Company or any other material contract or agreement to which the Company is a party;
- (e) as soon as practicable and, in any event, within 30 days from the end of each Financial Year, the Company's business plans and other financial plans promptly following the preparation thereof;
- (f) promptly following the preparation thereof, a copy of any material revisions to the financial plans delivered pursuant to (e) above;
- (g) as soon as practicable, such other information with respect to the Company as may reasonably be requested by the Investor; and
- (h) prior to taking any action that would change Investor's Shareholding (regardless of Investor's consent for such action), a statement delivered to Investor in writing showing the pro forma effect of such action on such Investor Shareholding.

CAPITALISATION

Capitalization

194. (1) The Company is general meeting may, upon the recommendation of the Board, resolve;
- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and
 - (b) that such sum be accordingly set free for distribution in the manner specified in (2) below amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum of aforesaid shall not be paid in cash by shall be applied subject to the provision contained in clause (3) either in or towards ;
- (i) Paying up any amount for the time being unpaid on any Shares held by such Members respectively.
 - (ii) Paying up in full unissued Shared of the Company to be allocated and distributed credited as fully paid up to and amongst Members in the proportions aforesaid, or
 - (iii) Partly in the way specified in such clause (1) and partly in that specified in sub-clause (ii).
- (3) A Share premium account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.
195. The Board shall give effect to the resolution passed by the Company in pursuance of above regulation.

Fractional Certificates

196. (1) Whenever such a resolution as aforesaid shall have been passed the Board shall :
- (a) Make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares, and
 - (b) Generally do all acts and things required to give effect thereto
- (2) The Board shall have full power:
- a) to make such provision by the issue of fractional cash certificates or by payment in cash or otherwise as it thinks fit in the case of Shares becoming distributable in fractions also.
 - b) to authorize any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application there of their respective proportions of the profits resolved to be capitalized of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be binding and effective on all such Members.
- (4) That for the purpose of giving effect to any resolution under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they deem fit.

NOTICES

Notice how served

197. Notices may be served by the Company on any Member personally or by sending the same through the post in the prepaid cover to the Member's registered address as appearing in the Register of Members or (if he has no registered address in India) to any address within India which he has notified in writing to the Company for service of notices upon him. Notices may be served upon any Member who has no registered address in India and who has not notified an address under the preceding Article by giving advertisement addressed to him in a Newspaper circulating in the neighborhood of the registered office of the Company, where a notice is sent by post it shall be deemed to have been served on the day following that on which the cover containing it was posted and service thereof shall for all purpose be sufficiently proved by proof that the cover contained the same and was properly addressed, prepaid and posted.

Transferee, etc. bound by prior notices

198. 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 have been duly given to the person from whom he derives his title to such Share.

Notices in case of death or bankruptcy

199. A notice may be given by the Company to the persons entitled to any Share in consequence of the death or insolvency of a Member, by sending it through the post in a prepaid cover addressed to them by name or by the title, or to representative or assignee of such deceased or insolvent Member at the address (if any) in India supplied for the purposes by such persons as aforesaid of (until such address has been supplied) by giving the notice in the manner in which the same would have been given if the death or insolvency has not occurred.

Service of documents on the Company

200. A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by post under a certificate of posting or by registered post or by leaving it at its registered office.

Notice to Joint holders

201. All notice shall with respect to any registered Shares in which persons are jointly entitled be given to whoever or such person as is named first in the Register in respect of such Shares and notice so given shall be sufficient notice to all the holders of such Shares.

SECURITY CLAUSE

Secrecy

202. No Member shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of any information with respect to any detail of the Company's trading or any matter which is or may be in the nature of trade or secret process which may relate to the conduct of the business of the Company and, which in the opinion of the Directors will be inexpedient in the interest of the Members of the Company to communicate to the Company.

Secrecy undertaking of servants etc.

203. Every manager, auditor, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy with respect to all transaction of the Company with the customers and state of accounts with individuals and in matters relating thereto, and shall by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or the Manager Director or by any meeting of the Shareholders or by a court of Law or by the person to whom

such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

REGISTERS AND INSPECTION

Registers, etc. to be maintained by the Company

204. The Company shall duly keep and maintain registers and documents at the registered office, in accordance with Section 49(7), 143, 150, 151, 152(2), 301, 303, 307, 370 and 372 of the Act and rule 7(2) of the Companies (Issue of Share Certificates) Rules 1960.

Supply of copies of Registers

205. The Company shall comply with the provisions of Sections 39, 118, 163, 192, 196, 219, 301, 302, 304, 307, 370, and 372 of the Act as to the supplying copies of the registers, deeds, documents, instruments, returns, certificates and books herein mentioned to the persons therein specified when so required by such persons, on payment of the charges, if any prescribed under the said sections.

Inspection of Registers etc.

206. Where, under any provision of the Act, a person (whether a Member of the Company or not) is entitled to inspect any register, return, certificate, deed, instrument 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 hours between 10 A.M. and 4 P.M. on such business days as the Act requires them to be open for inspection.

RECONSTRUCTION

Reconstruction

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

WINDING UP

Division of assets

208. The Liquidator in any winding up (whether voluntarily, under supervision or compulsory) may with the sanction of a special resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and with the like sanction, vest any part of the assets of the Company in trustee upon such trusts, for the benefit of the contributories as the liquidators, with the like sanction, may consider fit.

Liquidator may sell the assets of the Company

209. The liquidator may, irrespective of the powers conferred upon him by the Act and as an additional power with the authority of a special resolution, sell the undertaking of the Company either in whole or any part of its assets, for shares fully paid or partly paid up, or the obligations of or other assets in any other Company, and may by the contract of sale, agree for the allotment to the Members direct of the proceeds of sale in

proportion to their respective interest in the Company and in case the shares of the Company shall be of different classes, may arrange for the allotment in respect of preference shares of the Company, of obligation of the purchase in Company or of Shares of the purchasing company with preference or priority over or with a larger amount paid up than the shares allotted in respect of the Shares Company and may further, by the contract, limit a time at the expiration of which, shares, obligations or other interest not accepted or required to be sold shall be deemed to have been refused and be at the disposal of the liquidator.

Right of dissenting Members

210. Upon any sale under the provisions of Article 209, or under the powers provided under the Act, no Member shall be entitled to require the liquidator either to abstain from carrying into effect the sale or the resolution authorizing the same or to purchase such Member's interest in the Company, but in case any Member shall be unwilling to accept the Shares, obligations or interests to which under / such sale he would be entitled, he may, within fourteen days of the passing of the resolution authorizing the sale, by notice in writing to the liquidator, require him to sell such Shares, obligation or interests and thereupon the same shall be sold in such manner as the liquidator may think fit and the net proceeds shall be paid over to the Member requiring such sale.

INDEMNITY

211. Indemnity to Directors and other officers

- a) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company and everyone of them and/or their heirs successors, executors and administrators shall be indemnified and secured harmless out of the funds and assets of the Company, to pay all costs, losses and expenses (including travelling expenses) which any such Director, Manager, Secretary, Officer or employee may incur or become liable for, by reason of any contract entered into or act or deed done by him as Director, managers, Secretary, officer or employee or in any way in the discharge of his duties.
- b) Subject to as aforesaid, every Director, manager, secretary or other officer or employee of the Company shall be indemnified against any liability incurred by them in defending any proceedings, whether civil or criminal, in which the judgment is given in their or his favor, in which he is acquitted or discharged or, in connection with any application under Section 633 of the Act, in which relief is given to him by the court.
- c) Subject to the provisions of Section 201 of the Act, no Director or other officer of the Company shall be liable to the Company for acts, receipts, neglects or defaults of any other Director or for joining in any receipts or other act for conformity, or for any loss or expenses, happening to the Company through insufficiency or deficiency or any security in or upon which any of the moneys of the Company of little to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency or any security in or upon which any of the moneys of the Company or for the insufficiency or deficiency or any security in or upon which any of the moneys of the Company shall be invested or for any loss, or damage arising from the bankruptcy, insolvency or tortuous act of any person, Company or corporation with whom any moneys securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or ever-sight on his part or for other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

LIABILITY OF INVESTOR DIRECTOR

212. (a) The Investor Director shall not be responsible for the day to day management or affairs of the Company and shall not be liable for any default or failure of the Company in complying with the provisions of any Applicable Laws, including but not limited to, defaults under the Act, taxation, capital markets and labour laws of India.

- (b) The Investor Director shall not be identified as ‘officer in default’ of the Company, or ‘occupier’ of any premises used by the Company or ‘employer’ under any Applicable Law including but not limited to the Act, taxation, capital markets and labour laws of India. It shall be ensured that the other Directors or suitable persons are nominated, in accordance with the Applicable Laws as ‘officers in default’, ‘occupiers’ and/or ‘employers’, as the case may be, in order to ensure that the Investor Directors do not incur any liability under Applicable Laws.
- (c) The Company shall procure suitable Director and Officers Liability insurance in favour of the Investor Director from a reputable insurance Company acceptable to the Investor in respect of claims or liabilities resulting from all actions or omissions of the Investor Director as Director of the Company for an amount acceptable to the Investor.

TRADING ON BSE/ NSE

213. (a) The Company shall ensure that:
- (i) the Shares of the Company are listed and admitted to trade on BSE or NSE; or
 - (ii) a Public Issue by way of offer for sale for Investor Shares is made on BSE or NSE with the Actual Offer Price per Share being above 22% IRR on the aggregate investment made by the Investor (in INR) for the acquisition or subscription of Shares up to the date of listing (“**Listing Price**”); as soon as possible, but no later than 31 March, 2012.
- (b) Notwithstanding anything contained in Article 213 (a) above, if, after consultation with an independent and reputable merchant banker of the Board’s choice, provided that the appointment of such merchant banker shall have been made with the prior approval of the Investor, the Investor is of the reasonable opinion that the Public Issue by way of offer for sale for Investor Shares on the BSE or NSE with the Actual Offer Price above the Listing Price, is not possible due to any reason, then upon the Investor intimating the Company and the Promoter of such opinion, the Company shall forthwith cease to pursue the Public Issue by way of offer for sale for Investor Shares, and shall not take any further steps (including preparation of any offer document or filing of any such offer document with any Governmental Authority) in this regard.
- (c) The Investor shall not be named as or be deemed to be a ‘promoter’ in the prospectus or any other documents related to the public issue and the Investor shall not be required to offer or make available any Shares held by it for the purposes of any lock-in requirements as applicable to ‘promoters’ under the Applicable Law in respect of public offerings.

NO CONFLICT

214. The Investor and its Affiliates may invest in numerous companies, some of which may compete with the Company, and that the Investor and its Affiliates will not be liable for any claim arising out of, or based upon: (i) the fact that they hold or propose to hold an investment in any entity that competes with the Company, or (ii) any action taken by any of their officers or representatives to assist any such competing Company, whether or not such action was taken as a board Member of such competing company, or otherwise, and whether or not such action has a detrimental effect on the Company. The Promoter and the Company shall have no objection whatsoever to the Investor or any of its Affiliates investing from time to time in the equity of any company engaged in the same or a similar business as the Business or entering into agreements with any companies or persons in India engaged in the same or a similar business as the Business. This Article 215 shall constitute the “conflict of interest” clause envisaged in paragraph 2(iii) of Press Note 1 of 2005 dated 12 January, 2005 issued by the Ministry of Commerce and Industry, Government of India.
215. Powers under the Act

Wherever in the Act it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case by virtue of these Articles, the Company (subject to Articles 143, 145 and 151) is hereby

specifically authorised, empowered and entitled to have such right, privilege or authority, to carry out such transactions as have been permitted by the Act without there being any separate Articles in that behalf herein provided.

GENERAL

216. The Investor is only a financial investor of the Company and will not be considered to be a 'promoter' (as defined under Applicable Law) of the Company for any reason whatsoever. The control and management of the Company shall continue to vest in the Promoter and the Investor shall not acquire control and management of the Company for any reason whatsoever. The Company shall not name the Investor as a 'promoter' in connection with any public offering, and accordingly, various requirements and regulations applicable to 'promoters' (including requirements in connection with 'lock in' period applicable to the Shares) prescribed by Applicable Law in connection with public offerings shall not apply to the Investor Shares.

217 Each Member of the Company, present and future, is to be deemed to join the Company with full knowledge of the contents of the Company's Memorandum and the Articles.

218. Passing of resolution by Postal ballot

Notwithstanding anything contained in the Articles of Association of the company, the Company do adopt the mode of passing a resolution by the members of the company by means of a postal ballot and / or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters:

- Instead of transacting such business in a general meeting of the Company.
- Any business that can be transacted by the Company in general meeting and
- Particularly, resolutions relating to such business as the Central Government may be notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and / or other ways prescribed by the Central Government in this regard.

219. Dematerialisation of Securities

(1) For the purpose of this article: "Beneficial Owner" means a person or persons whose name is recorded as such with a Depository;

"Registered Owner" means a depository whose name is entered as such in the register of the issuer;

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

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

"Security" means such Security as may be specified by SEBI from time to time.

(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.

(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 Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificates of Securities.

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

- (4) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956, shall apply to a Depository in respect of the Securities held by it on behalf of the 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 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.
- (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.
- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of Securities effected by a transferor and transferee, both of whom are entered as Beneficial Owners in the records of a Depository.
- (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.
- (9) Notwithstanding anything 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.
- (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.

We, the several persons, whose names and address are subscribed hereto are desirous of being formed into a Company in pursuance of these Articles of Association and we respectively agree to take the number of Shares in the capital of the Company set opposite our respective names :

Names, description and Addresses of Subscribers	Number of Shares taken by each Subscriber	Witness
<p>Chhotalal Bhalaalbai Patel "Kalyan", Alkapuri, baroda. Business</p>	10	<p>B. K. Patel</p>
<p>Narsibhai Muljibhai Patel Alkapuri, Baroda. Business</p>	10	
<p>Indukumar Chhotalal Patel Alkapuri, Baroda. Business</p>	10	

Baroda

Dated this 16th day of October, 1943

MEMORANDUM OF AGREEMENT made this 10th day of September 1943.

BETWEEN Chhotalal Bhallalbai Patel, Harshadray Chhotalal Patel, Narshibhai Muljibhai Patel and Indukumar Chhotalal Patel, all of Alkapuri, Baroda, (hereinafter called the Vendors) of the one part and Chhotalal Bhailalbai Patel and Narshibhai Muljibhai Patel, both of Alkapuri, Baroda, as prompters of the Company "Sayaji Iron Engineering Co. Pvt. Ltd.." to be formed (hereinafter called the Company)of the other part.

WHEREAS the Vendors are partners of the firm Sayaji Iron Works and are desirous of selling and transferring the same to the Company.

AND WHEREAS by the Draft MEMORANDUM AND ARTICLES of the Company. It is provided that the Company shall in due course after the incorporation duly execute the agreement and shall give affect to it.

AND IT IS HEREBY AGREED AS FOLLOWS –

The Vendors shall, sell and the Company shall purchase the business, goodwill, buildings, lands, machinery, plants, tools, implements, furniture, dead-stock, trade marks, pending contracts, stock, stock in proceession, stores, books debts, liabilities, etc. of Sayaji Iron Works, Baroda at the price of Rs. FOUR LAKHS payable in 100 fully paid up Shares of he Company to be issued in the name of each of the four vendors Mr. Chhotalal Bhallalbai Patel, Mr. Harshadray Chhotalal Patel, Mr. Narshibhai Mujlibhai Patel and Mr. Indukumar Chhotalal Patel.

AS WITNESS the hands of the parties therto.

(sd.) Chhotala B. Patel

(Sd.) Harshadray C. patel

(sd) Narshibhai M. Patell

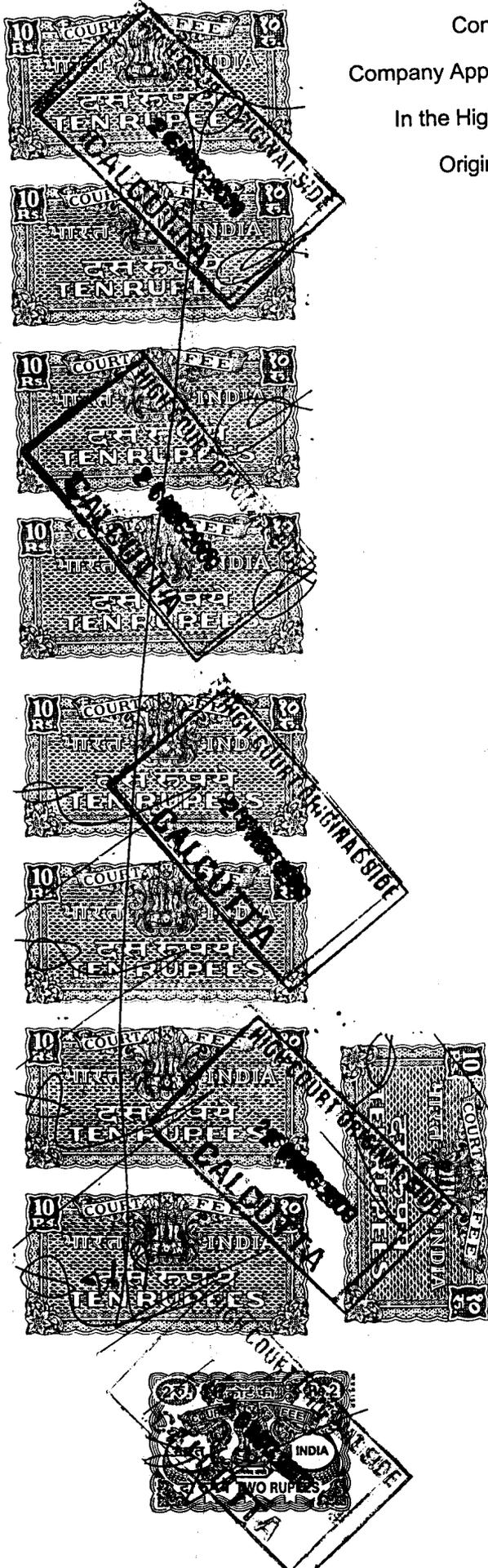
(sd.) Indukumar C. Patel

(Sd.) Chhotalal B. Patel

(Sd.) Narshibhai M. Patel

11-26⁸/₂₀₀₉

Company Petition No.124 of 2009
Connected With
Company Application No.720 of 2008
In the High Court at Calcutta
Original Jurisdiction



In the Matter of :
The Companies Act, 1956.

And

In the Matter of :

An application under Sections 391(2) and 394 of the said Act.

And

In the Matter of :

McNally Bharat Engineering Company Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 4, Mangoe Lane, 7th Floor, Kolkata 700 001, within the aforesaid jurisdiction.

And

McNally Sayaji Engineering Limited, a Company incorporated under the provisions of the Companies Act, 1956, having its registered office at 4, Mangoe Lane, Kolkata 700 001 within the aforesaid jurisdiction.

1. McNally Bharat Engineering Company Limited
 2. McNally Sayaji Engineering Limited
- Petitioners.

Company Petition 124. No. of 2009
connected with
Company Application 720 No. of 2008

IN THE HIGH COURT AT CALCUTTA

Original Jurisdiction

President of the Union of India

In the Matter of
The Companies Act 1956.

And.

In the Matter of:-

No application under Section 391(2) and
394 of the said Act.

- And -

In the Matter of:-

McNally Bharat Engineering Company Limited
a company incorporated under the provisions
of the Companies Act 1956, having its registered
office at 4 Mangoe Lane, The Park, Kolkata
700001, within the aforesaid jurisdiction.

- And -

In the Matter of:-

McNally Sayaji Engineering Limited, a company
incorporated under the provisions of the
Companies Act 1956, having its registered
office at 4 Mangoe Lane, Kolkata-700001
within the aforesaid jurisdiction.

1. McNally Bharat Engineering Company
Limited.

2. McNally Sayaji Engineering Limited

Petitioners

The above petition coming on for hearing on this day upon reading
the said petition, the order dated Twenty-second day of December in the
year of Two thousand and eight whereby the abovenamed petitioner Company
NO. 1 McNally Bharat Engineering Company Limited (hereinafter referred



561
28-7-09

78-258
2009

The Honourable Mr. Justice
Srinuddha Bose

69

10

Handwritten signature/initials

to as the said MBEL) was ordered to convene meeting of the equity shareholders of the said 'MBEL' for the purpose of considering and if thought fit, approving with or without modifications the Scheme of Arrangement proposed to be made between the said MBEL and the abovesaid petitioner Company NO 2. McNally Sayaji Engineering Limited (hereinafter referred to as the said MSEL) and their respective shareholders and annexed to the affidavit of Debakar Chatterjee filed on Nineteenth day of December in the year of two thousand and eight and since the registered office of the said 'MSEL' before Twenty-seventh day of February in the year of two thousand and Nine was situated at Vadodara in the State of Gujrat and the said 'MSEL' was also directed by the Honble Court of Gujrat at Ahmedabad by an order dated Twenty-Ninth day of December in the year of two thousand and Eight to convene a separate meeting of its equity - shareholders, unsecured creditors and secured creditors for the purpose of considering and if thought fit, approving with or without modification of the Scheme of Arrangement, "The Economic Times" and "Hajka" both dated the Tenth day of January in the year of two thousand and Nine each containing the Advertisement of the notices containing the said meeting directed to be held by the said order dated Twenty-second day of December in the year of two thousand and eight, the affidavit of Debakar Chatterjee filed on the Twenty-first day of January in the year of two thousand and Nine showing the publication and despatch of the said notices convening the said meetings, the report, of the Chairperson of the said meeting dated the Sixteenth day of February in the year of two thousand and Nine as to the result of the said meeting and upon the notices of the said meetings of the equity shareholders, unsecured creditors and secured creditors of the said 'MSEL' being also advertised in terms of the said order dated Twenty-Ninth day of December in the year of two thousand and eight of the Honble Court of Gujrat at Ahmedabad once in 'The Times of India' and once in the 'Gujrat Samachar'.

Gujrat Samachar
 [Signature]

Gujrat Samachar in their respective issues dated fourteenth day of January in the year of two thousand and Nine and the said meetings being duly convened on Sixth day of February in the year of two thousand and Nine and as to the result of the said meetings and upon reading on the part of the said petitioner Companies, an affidavit of Sisapan Kumar Roy filed Third day of April in the year of two thousand and Nine and the exhibits therein referred to and upon reading the Order made herein and dated the Twenty-third day of March in the year of Two thousand and Nine And a supplementary affidavit of Dibakar Chatterjee affirmed on the Sixteenth day of July in the year of Two thousand and Nine and the exhibits annexed thereto, all filed on the Twenty-second day of July in the year of two thousand and Nine And upon reading the orders dated 22.4.2009 and 20.5.2009 and 21.01.2009, 21.5.2009 as modified by an order dated Twenty-third day of June in the year of two thousand and Nine and upon reading an affidavit of Mr. H.C. Halder, The Regional Director (Eastern Region), Ministry of Company Affairs, Kolkata, filed on the Twenty-second day of April in the year of Two thousand and Nine on behalf of the Central Government and upon hearing Mr. Ratnanku Banerjee, Advocate (Mr. D.N. Sharma and Mr. Aniket Agarwal, Advocates appearing with him) for the said petitioner Companies and Mr. S.S. Sarkar, Advocate for the Central Government And it appearing from the said report of the Chairpersons of the said 'MBECL' and the said 'MSEL' that the said proposed Scheme of Arrangement has been approved by the requisite majority of the equity shareholders of the said 'MBECL' and approved unanimously by the said equity shareholders, unsecured creditors and the secured creditors of the said 'MSEL' in accordance with law and in view of the fact that the said petitioner Companies have furnished a Bank Guarantee of Rs. 1,05,00,000/- (One crore five lacs only) with the Learned Registrar, Original Side of this Honble Court for which a certificate has been issued by the said Registrar - in Insolvency of this Honble Court in favour of the said petitioner Companies And in view of the submissions made by the Learned Advocate appearing for the said petitioner Companies that they have already taken care of the observation made by the Central Government through their affidavit as to with regards to maintaining the Accounting Entries/Adjustments as per the Accounting Standard - 14 notified by the Central Government under section 211(3)(A) of the Companies Act 1956.

And upon further

[Signature]

And upon further submission that the said petitioners Companies shall comply with the said requirements.

This Court doth hereby sanction the proposed Scheme of Arrangement set forth in Annexure 'A' of the petition herein and specifies in the Schedule 'A' hereto and doth hereby declare the same to be binding with effect from First day of April in the year of Two thousand and Eight (hereinafter referred to as the said Appointed Date) on the said MBEL and the said MSEL and their shareholders and all concerned.

This Court doth Order.

1. That all the property, rights and powers of the said MBEL relating to the Products Division including those described in the first, second and third parts of the Schedule B hereto but excluding those specified in the clause 4.2 of Part II of the said Scheme be transferred from the said Appointed date and vest without further act or deed in the said MSEL and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and vest in the said MSEL for all the estate and interest of the said MBEL therein but subject nevertheless to all the charges now affecting the same as provided in the said Scheme, and.
2. That all the debts, liabilities, duties and obligations of the said MBEL in or relating to the Products Division be transferred from the said Appointed Date without further Act or deed to the said MSEL and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities, duties and obligations of the said MSEL, and.
3. That all the proceedings and/or suits and/or appeals now pending by or against the said MBEL in respect of the Products Division shall be continued by or against the said MSEL as provided in the said Scheme, and.

18/19

A. That leave be...
 (Signature)

4. That leave be and the same is hereby granted to the said petitioner Companies to file the Schedule of Assets as stated in paragraph-28 of the petition herein of the said Products Division of the said MBECL within a period of three weeks from the date hereof, and.
5. That the said MBECL and the said MSEL each do within a period of thirty days after the date hereof cause the certified copy of this order to be delivered to the Registrar of Companies, West Bengal for registration, and.
6. That any person interested shall be at liberty to apply to this Honble Court in the above matter for such direction as may be necessary, and.
7. That in the event, the said petitioner Companies supply a computerised print out of the said scheme and the Schedule of Assets relating thereto, in acceptable form to the department, the concerned department is hereby directed to append such computerised print out, upon verification to the certified copy of this order sanctioning the scheme without insisting on a hard written copy thereof, and.
8. That the said petitioner Companies do pay to the Central Government its costs of and incidental to this application assessed at one hundred rupees within a period of two weeks from the date hereof, and.
9. That the affidavit filed by the Central Government shall be kept as on records herein, and.
10. That all parties concerned do act on a photostatic copy of this order duly signed by an officer of this Court being served on them.

Witness Mr. Surinder Singh Hijjar, the Chief Justice at Calcutta aforesaid the Twenty-eighth day of July in the year of two thousand and Nine.

Khatun & Co ... Advocates

S.S. Sarkar ... Advocate for the Central Government.

FD
S. B. 19

[Signature]
for Registrar
PS 8/09

Schedule A above ----

Schedule "A" above referred to

**SCHEME OF ARRANGEMENT
(UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956)**

**OF
McNALLY BHARAT ENGINEERING COMPANY LIMITED
AND
McNALLY SAYAJI ENGINEERING LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

**FOR
RECONSTRUCTION BY TRANSFER OF PRODUCTS DIVISION OF McNALLY BHARAT
ENGINEERING COMPANY LIMITED TO McNALLY SAYAJI ENGINEERING LIMITED**

PART - I

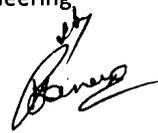
(Preliminary)

1. DEFINITIONS:

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1 "Act" means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 1.2 "Appointed Date" means the 1st day of April, 2008.
- 1.3 "MBECL" means McNally Bharat Engineering Company Limited, a Company incorporated under the provisions of the Act and having its registered office at 4, Mangoe Lane, 7th Floor, Kolkata 700 001 in the State of West Bengal.
- 1.4 "MSEL" means McNally Sayaji Engineering Limited, an existing Company within the meaning of the Act and having its registered office at 4, Mangoe Lane, Kolkata 700 001 in the State of West Bengal.
- 1.5 "Products Division" means the Products Division of MBECL engaged in the business of manufacturing and/or procuring equipment for various engineering

23/09



and infrastructure projects having its units at Kumardhubi in the State of Jharkhand, Asansol in the State of West Bengal and Bangalore in the State of Karnataka and shall mean and include all assets, liabilities, rights and powers of MBECL comprised in and/or pertaining to the Products Division, including:

- i. all properties and assets, movable and immovable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Products Division, including all lands, buildings, plant and machinery, electrical installations, vehicles, equipment, furniture, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances, technical and engineering drawings, designs, diagrams and blueprints and other assets as appearing in the books of account of MBECL in relation to the Products Division, leases and agency of MBECL pertaining to the Products Division, and all other interests or rights in or arising out of or relating to the Products Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, patents, copyrights, liberties, easements and advantages, appertaining to the Products Division and/or to which MBECL is entitled to in respect of the Products Division of whatsoever kind, nature or description held, applied for or as may be obtained hereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Products Division;
- ii. all debts, liabilities, duties and obligations of MBECL in relation to the Products Division, including liabilities on account of secured and unsecured loans, sundry creditors, sales-tax, excise, bonus, gratuity and other taxation and contingent liabilities of MBECL pertaining to the Products Division; and
- iii. all permanent employees of MBECL engaged in or in relation with the Products Division .

1.6 "Effective Date" means the date or last of the dates on which certified copies of the order sanctioning this Scheme are filed by MBECL and MSEL with the respective Registrar of Companies.

SB

SB

SB



1.7 "High Court" or "Court" means the respective High Court or High Courts having jurisdictions over MBECL and MSEL under Section 10 of the Act.

1.8 "Scheme" means this Scheme of Arrangement under Section 391 of the Act in the present form or with such modifications as sanctioned by the High Court.

2. SHARE CAPITAL:

The Authorised, Issued, Subscribed and Paid-up Share Capital of MBECL and MSEL is as under:

i. MBECL

<u>Authorised Share Capital:</u>	<u>(Amount in Rs.)</u>
4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000

Issued, Subscribed and Paid up Share Capital:

3,10,93,818 Equity Shares of Rs. 10/- each fully paid up	31,09,38,180
--	--------------

ii. MSEL

<u>Authorised Share Capital:</u>	
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000

Issued Share Capital:

39,00,400 Equity Shares of Rs.10/- each	3,90,04,000
---	-------------

3. OBJECTS AND REASONS:

- i. MBECL is engaged in the business of Engineering and Turnkey Projects and provides turnkey solutions in plant layout and design, basic and detailed engineering, project management, sourcing and procurement, equipment, fabrication and construction, erection, installation and commissioning to various coal, power, steel, cement, iron ore, fertilizer and mining industries. The said business of MBECL includes the activity of manufacture and/or procurement of various equipment required for execution of the engineering and turnkey projects undertaken by MBECL as also supply of equipment and spares to operating units. Such products business has good potential for growth and

SB
19



development as a separate operation, i.e. separate from the projects business. MSEL is engaged only in the products business, i.e., manufacturing wide range of equipment used in crushing, grinding, screening, road making, construction and material handling equipment, customised equipment for steel, cement, power and coal plants and complex turnkey projects. There is considerable technological synergy between the products business of MBECL and MSEL.

- ii. In the circumstances, it is considered desirable and expedient to reorganise and reconstruct MBECL and MSEL by transferring the Products Division of MBECL to MSEL for the consideration and in the manner and on the terms and conditions stated in this Scheme of Arrangement.
- iii. On the one hand, the reconstruction will enable suitable combination and running of the activities of MSEL and the said Products Division of MBECL with greater focus and specialisation, pooling and more efficient utilisation of the combined resources, greater economies of scale, reduction in overheads and other expenses and improvement in various other operating parameters. On the other hand, the reconstruction will enable MBECL to concentrate and increase its focus on running and developing its Projects business while reaping the rewards of the products business being carried on more conveniently and advantageously through MSEL. The reconstruction will have beneficial results for the said Companies, their shareholders, employees and all concerned. The Scheme is proposed accordingly.

PART - II

(The Scheme)

4. TRANSFER OF UNDERTAKINGS:

- 4.1 With effect from the Appointed Date, the Products Division shall be transferred from MBECL to MSEL as a going concern for all the estate and interest of MBECL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 4.2 In respect of such of the assets of the Products Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so transferred by MBECL, without

8/3




requiring any deed or instrument of conveyance for the same and shall become the property of MSEL accordingly and as an integral part of the Products Division transferred to MSEL.

- 4.3 In respect of such of the assets belonging to the Products Division other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in MSEL pursuant to an order passed under the provisions of Section 394 of the Act.
- 4.4 All debts, liabilities, duties and obligations of MBECL relating to the Products Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of MBECL relating to the Products Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to MSEL, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of MSEL.
- 4.5 The transfer and vesting of the Products Division of MBECL, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over the assets or any part thereof, provided however that such charges, mortgages and/or encumbrances shall be confined only to the assets of MBECL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in MSEL and no such charges, mortgages, and/or encumbrances shall extend over or apply to any other asset(s) of MSEL. Any reference in any security documents or arrangements (to which MBECL is a party) to any assets of MBECL shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of MSEL. Similarly, MSEL shall not be required to create any additional security over assets of Products Division of MBECL acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/or encumbrances in respect of such indebtedness of MSEL shall not extend or be deemed to extend or apply to the assets so acquired by MSEL.
- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by MBECL for the operations of the Products Division and/or to which MBECL is

SB
10



entitled to in relation to the Products Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in MSEL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of MSEL. Since the Products Division will be transferred to and vested in MSEL as a going concern without any break or interruption in the operations thereof, MSEL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objection certificates and to carry on and continue the operations of the Products Division on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which MBECL is entitled to in relation to the Products Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in MSEL upon this Scheme becoming effective. Accordingly, the experience, track record and credentials of the Products Division in providing various products and related services to various authorities, agencies and clients prior to its transfer to MSEL shall be taken into account and treated and recognised as the experience, track record and credentials of such Products Division even after its transfer to MSEL, including for the purpose of eligibility, standing, evaluation and participation of MSEL in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

5. LEGAL PROCEEDINGS:

All legal or other proceedings by or against MBECL and relating to the Products Division shall be continued and enforced by or against MSEL only. If proceedings are taken against MBECL, MBECL will defend on notice or as per advice of MSEL at the costs of MSEL and MSEL will indemnify and keep indemnified MBECL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

6. CONTRACTS AND DEEDS:

Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Products Division to which MBECL is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of MSEL and may be enforced as fully and effectually as if instead of MBECL, MSEL had been a party thereto.

SB
A

[Handwritten Signature]

7. SAVING OF CONCLUDED TRANSACTIONS:

The transfer and vesting of the properties and liabilities of the Products Division and the continuance of the proceedings by or against MSEL as per the provisions hereof shall not affect any transaction or proceeding relating to the Products Division already completed by MBECL on or before the Effective Date to the end and intent that MSEL accepts all acts, deeds and things relating to the Products Division done and executed by and/or on behalf of MBECL as acts deeds and things done and executed by and on behalf of MSEL.

8. EMPLOYEES:

8.1 MSEL undertakes to engage on and from the Effective Date all the employees of MBECL engaged in the Products Division on the same terms and conditions on which they are engaged by MBECL without any interruption of service as a result of the transfer of the Products Division to MSEL. MSEL agrees that the services of all such employees with MBECL upto the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

8.2 The accumulated balances, if any, standing to the credit of the employees of the Products Division in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by MSEL and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by MSEL. Pending the transfer as aforesaid, the dues of the employees of the Products Division relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

9. BUSINESS IN TRUST FOR MSEL:

With effect from the Appointed Date and upto and including the Effective Date:

9.1 MBECL undertakes to carry on the business of the Products Division in the ordinary course of business and MBECL shall be deemed to have carried on and to be carrying on all business and activities relating to the Products Division for and on account of and in trust for MSEL.

SB

Signature

9.2 All profits accruing to MBECL or losses arising or incurred by it and all taxes paid in relation to such profits relating to the Products Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits or losses and taxes, as the case may be of MSEL .

9.3 MBECL shall be deemed to have held and stood possessed of the properties to be transferred to MSEL for and on account of and in trust for MSEL and, accordingly, MBECL shall not (without the prior written consent of MSEL) alienate, charge or otherwise deal with or dispose of the Products Division or any part thereof except in the usual course of business.

10. CONSIDERATION:

10.1 Fixed Assets of the Products Division valued by DBD Business Solutions Private Limited shall be transferred to MSEL at their fair values as given in the Valuation Report dated June 29, 2008 of such valuers. All other assets and liabilities of the Products Division will be transferred to MSEL and taken at their book values as on the Appointed Date. Such values of assets and liabilities of the Products Division are as under:-

		<u>(Rs. Crores)</u>	
A.	Assets		
	Fixed Assets		
	Land	9.15	
	Buildings	1.00	
	Plant & Machinery	23.18	
	Furniture & Fixture	0.21	
	Motor Car	0.16	
	Intangible Assets	0.21	
	Knowhow	22.50	
	Other Fixed Assets	0.26	56.67
	Capital work in Progress		17.57
	Investments		0.42
	Net Current Assets		
	Current Assets	56.27	
	Current Liabilities and Provisions	31.42	24.85
	Total		99.51
B.	Liabilities		
	Secured Loans		17.51
	Net Asset Value (A-B)		82.00

68 109

19


10.2 Upon the Scheme becoming effective and in discharge of the aforesaid consideration for transfer of the Products Division, MSEL will issue and allot to MBECL 34,55,529 Equity Shares of Rs.10/- each credited as fully paid up in MSEL.

10.3 All the Equity Shares to be issued and allotted by MSEL to MBECL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of MSEL. Further such Equity Shares shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of MSEL are listed and/or admitted to trading.

11. APPLICATIONS:

MBECL and MSEL shall, with all reasonable dispatch, make necessary applications to the High Court pursuant to Section 391 of the Act for sanction and carrying out of the Scheme. Any such application shall, upon constitution of the National Company Law Tribunal under Section 10FB of the Act, be made and/or pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the High Court shall be construed as references to the National Company Law Tribunal and/or the appropriate Benches thereof as the context may require. MBECL and MSEL shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme, including issue and allotment of Equity Shares.

12. APPROVALS AND MODIFICATIONS:

MBECL and MSEL (by their respective Board of Directors or Committee thereof or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

12.1 to assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the High Court and / or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and

12.2 to settle all doubts or difficulties that may arise in carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

SB 189



Without prejudice to the generality of the foregoing MBECL and MSEL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

13. SCHEME CONDITIONAL UPON:

The Scheme is conditional upon and subject to:

- 13.1 Approval of the Scheme by the requisite majority of the members of MBECL and MSEL; and
- 13.2 Sanction of the Scheme by the High Court pursuant to Section 391 of the Act.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which the orders sanctioning the Scheme as aforesaid are filed with the respective Registrar of Companies by MBECL and MSEL.

14. REMAINING BUSINESS:

Save and except the Products Division of MBECL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the other business, undertaking, assets, and liabilities of MBECL which shall continue to belong to and be vested in and be managed by MBECL.

15. COSTS:

All costs, charges and expenses incurred in carrying out and implementing the terms and provisions of this Scheme and incidentals thereto shall be borne by MSEL.

16. RESIDUAL PROVISIONS:

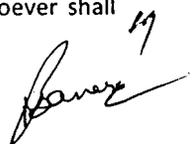
- 16.1 Even after this Scheme becomes operative, MSEL shall be entitled to operate all Bank Accounts relating to the Products Division and realise all monies and complete and enforce all pending contracts and transactions in respect of the Products Division in the name of MBECL in so far as may be necessary until the transfer of rights and obligations of MBECL to MSEL under this Scheme is formally accepted by the parties concerned.

SB

[Signature]

- 16.2 Notwithstanding transfer of Products Division of MBECL to MSEL pursuant to this Scheme, it is clarified and provided that to the extent existing and future contracts in the Projects Division of MBECL require use of facilities of Products Division for sourcing of products and spares therefrom, MBECL shall be entitled to have such facilities put to such use and such products and spares sourced and supplied by MSEL to MBECL therefrom on mutually agreed terms. MSEL shall similarly be entitled to require use of engineering facilities and credentials of the Projects Division of MBECL on mutually agreed terms to the extent required by MSEL for meeting commitments for supply of any systems to their customers.
- 16.3 On the approval of the Scheme by the members of MBECL and MSEL pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Section 81(1A) or any other provisions of the Act to the extent the same may be considered applicable.
- 16.4 An account shall be taken of the Assets and Liabilities of MBECL and MSEL consequent to the Scheme and transfer of the Products Division of MBECL to MSEL thereunder. Such statement of account shall be taken and drawn up as on the Appointed Date of the Assets and Liabilities of MBECL and MSEL appearing in the respective books of account and such other Assets and Liabilities of MBECL and MSEL as may be determined by the Board of Directors of the companies. In the books of account of MSEL assets and liabilities of the Products Division shall be recorded at their respective values as specified in clause 10.1 above and the difference between such assets and liabilities as reduced by the aggregate face value of Equity Shares to be issued and allotted by MSEL in terms of clause 10.2 above shall be credited to capital reserves. Such of the assets and liabilities of the said companies including investments and loans and advances but excluding the assets and liabilities of the Products Division transferred to MSEL at the values specified in clause 10.1 above shall be restated and/or revised as the Board of Directors of the companies may determine. The net effect thereof shall be adjusted from the resultant surplus/reserves arising upon implementation of the scheme.
- 16.5 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall

SB
19



accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person.

- 16.6 If any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or any other person as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Mr. Padam Kumar Khaitan, Advocate of 1B, Old Post Office Street, Kolkata 700 001 whose decision shall be final and binding on all concerned.

SB

Padam
25/8/09
For Registrar
SB

Schedule "B" above referred to

SCHEDULE OF ASSETS

Of

Products Division Of McNally Bharat Engineering Company Limited ("MBECL")
To Be Transferred To McNally Sayaji Engineering Limited -

PART - I

(Short Description of Freehold Property of Products Division of MBECL)

Kumardhubi

(a) Land

- i. Plot No 83, Khatian No. 72 : 1.07 Acres
Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad
Plot no: 143, Khatian No. 72 : 3.4 Acres
Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad
- ii. Plot No 83, Khatian No. 72 : 1.33 acres

SB
SB

SB

Padam

Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad
 Plot no: 143, Khatian No. 72 : 1.15 Acres
 Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

- iii. Plot No 83, Khatian No. 72 : 0.75 Acres
 Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad
 Plot no: 143, Khatian No. 72 : 2.5 Acres
 Mouza Panchmahali, P.S- Chirkunda, Dist: Dhanbad

The aggregate of aforesaid three pieces of land which are continuous and form one plot, is 10.20 acres together with a single storied building standing thereon and butted and bounded as follows:

On the North: by portion of Plot No. 83

On the South: by portion of Plot No. 143

On the East: by portion of Plot No. 472

On the west: by portion of Plot Nos. 102, 103, 112, 119 to 122, 140, 141

- (b) All factory and other buildings owned by MBECL.

PART – II

(Short description of Leasehold Property of Products Division of MBECL)

Land

A. Kumardhubi

- i. All that pieces or parcels of land containing in total an area 8.04 acres more or less comprised in C.S.Plots Nos. 4 (part), 7 (part), 8 (part) and 11 (part) in Mouza Kumardhubi Pergunnah Pendra Thana Nirsha Sub-registry and District Dhanbad in the State of Bihar.
- ii. C.S Plot Nos. 83,143,471,472 containing in total an area of 5.03 Acres under Khatian No. 72 and Plot No. 88 under Khatian No. 73 in Mouza Panchmahali, P,S- Chirkunda, District Dhanbad in the State of Bihar.

SB




- iii. Land area of **3.85 Acres** acquired by way of adverse possession in Mouza Kumardhubi and Panchmahali.

B. Asansol:

All that piece of land known as R.S. Plot No: 1535 to 1554, 1736,1556 to 1575,1578(P), 1580(P), 1589 to 1591,1592(P),1593(P), 1594, 1595(P), 1596(P), 1490(P), 1491(P), 1492 to 1495, 1496(P), 1497 to 1514,1515(P),1516, 1517(P), 1518(P), 1524(P), 1528(P), 1973(P),1974,1945 (P), 1443(P), 1444, 1445,1446(P), 1447 to 1451, 1452(P), 1453 to 1460, 1461(P), 1462(P), 1463(P),1418(P), 1461/1946(P), 1958, 1526 in Survey Plot No. M-16, Touzi No.19 Mouza: Garrui, Asansol, District: Burdwan containing by admeasurements 25 Acres or thereabouts and bounded as follows that is to say:

On or towards North by: 60 Feet wide IOC Corridor
 On or towards South by: 60 Feet wide ADDA Road
 On or towards East by: Vamsi Chemicals Private Limited
 On or towards West by: Land of ADDA

C. Factory Land at Malur (Karnataka):

All that piece of Land known as Plot No. 313 in Sy Nos. 72 and 76 in the Malur III Phase Industrial Area within the limits of Nosigere Villegge, Kasaba Hobli, Malur Taluk, Kolar District, containing by admeasurements 16179.00 Smtrs or thereabouts and bounded as follows that is to say:-

On or towards North by: III Main Road
 On or towards South by: Private Land
 On or towards East by: Plot No. 312
 On or towards West by: Plot No. 87-D

SB/19

8/11


PART III

(Short description of stocks, shares, debentures and other choses in action
of Products Division of MBECL)

- A. Movables are transferable to MSEL as per clause 4.2 of Part II of the Scheme.

- B. All licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by MBECL for the operations of the Products Division and/or to which MBECL is entitled to in relation to the Products Division in terms of the various Statutes and / or Schemes of Union and State Governments.

*For
L. Amin K. Khan
25.08.2009
Exd.
26/8/09*

[Signature]
25/8/09
For Registrar
[Signature]

COPIES TO BE A TRUE COPY

[Signature] 26/8/09
Subscribed & Under Seal
In the Evidence Act, 1872 (Act No. 1 of 1872)

C. P. No. 124
connected with 2009
C. A. No. 720 of 2008

Recd. a copy of the order
dt. 28.7.2009
Swapna Roy.
For Khaitan & Co. Advocates.

IN THE HIGH COURT AT CALCUTTA
Original Jurisdiction

In the Matter of Companies Act, 1956
and

Received a copy
of the order
for S.S. Sarkar, Addl.
Govt. Advocate

In the Matter of
Mtchally Bharat Engineering Co. Ltd. v. Pur

Order

of the 28th day of July 2009
Filed this 26th day of August 2009

~~28.7.09~~
~~27.7.09~~
~~26.7.09~~
~~26.8.09~~
26.8.09

16

[Signature]
for Superintendent,
Company Matters Department.

26/08/2009
Company Matters Department
High Court, Calcutta

26/8/09

Khaitan & Co.

Attorney.

Con

[Signature]