

THE COMPANIES ACT, 2013  
[COMPANY LIMITED BY SHARES]

**ARTICLES OF ASSOCIATION**

**OF**

**SADBHAV INFRASTRUCTURE PROJECT LIMITED**

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the Extra Ordinary General Meeting of the Company held on 22nd October 2014, in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

**PRELIMINARY AND INTERPRETATION**

1. [1] The Regulations contained in Table in Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
- [2] (a) The marginal notes used in these Articles shall not affect the construction thereof.
- (b) In the the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context
  - "**Act**" means the Companies Act, 1956 and Companies Act, 2013, as applicable.
  - "**Articles**" means these articles of association of the Company, as amended.
  - "**Board of Directors**" or "**Board**" means the board of directors of the Company or a duly constituted committee thereof.
  - "**Company**" means Sadbhav Infrastructure Project Limited.
  - "**Companies Act, 1956**" means the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
  - "**Companies Act, 2013**" means the Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the "relevant rules made thereunder.
  - "**Depository**" means and includes a Company as defined in the Depositories Act 1996.
  - "**Persons**" include corporations and firms as well as individuals.
  - "**Seal**" means common seal of the Company.
  - "**Securities**" means such security as may be specified by the Securities and Exchange Board of India from time to time.
  - "**Share**" means a share in the capital of the Company, and includes stock.

- (c) Words importing the masculine gender also include, where the context requires or admits, the feminine and neuter gender.
- (d) importing the singular number also include, where the context requires or admits, the plural number and vice-versa.
- (e) Unless the context otherwise requires, words or expression contained in these Articles ar the same meaning as in the Act, as the case may be.

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

### **Capital**

- 2. The authorised capital of the Company shall be such amount as is given in Clause V of the memorandum of association with power to increase and reduce the capital for the time being of the Company, into several classes and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being provided by the Company.

## **SHARES UNDER CONTROL OF BOARD AND KINDS OF SHARE CAPITAL**

### **Shares at the Disposal of the Directors**

- 3. Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium, subject to compliance with the applicable provisions of the Act, as they think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares, and if so issued, shall be deemed to be fully paid up Shares. Provided that right to call on Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
- 4. The Company may issue equity Shares with and/or voting rights with differential rights as to dividend, voting or otherwise in accordance with the Act and preference Shares.

### **Directors may allot Shares otherwise than for cash**

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

### **Issue of certificate**

- 6. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided -
  - (a) one certificate for all his Shares without payment of any charges; or
  - (b) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.

- (ii) Every certificate shall be under the seal and shall specify the Shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

**Option to receive share certificate or hold Shares with depository**

- 7. Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.

**Issue of new certificate in place of one defaced, lost or destroyed**

- 8. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of fees (not exceeding Rs. 50 for each certificate) as may be fixed by the Board.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any recognised stock exchange or the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

- 9. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE issued in lieu of Share Certificate No. ....". The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share certificate.
- 10. The provisions of the foregoing article relating to issue of certificates shall mutatis mutandis apply to debentures of the Company.

**Limitation of time for issue of certificates**

- 11. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate in case of several joint holders and delivery of a certificate to one of several joint holders shall be sufficient delivery to all such holders.

**Holding of share upon trust**

- 12. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share,

or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

**Power to pay commission in connection with securities issued**

13. The Company may exercise the powers of paying commissions conferred under the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act.

**Rate of commission in accordance with Act**

14. The rate or amount of the commission shall not exceed the rate or amount prescribed under the Act.

**Mode of payment of commission**

15. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

**Variation of members' rights**

16. (i) If at any time, the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of such number of holders of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class, as prescribed by the Act.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply.

**Issue of further shares not to affect rights of existing members**

17. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**Power to issue redeemable preference shares**

18. Subject to the provisions of the Act, any preference shares may be issued on the terms that they are to be redeemed or converted into equity shares on such terms and in such manner as the Company before the issue of the shares may, determine.

**Further issue of share capital**

19. (i) The Board or the Company, as the case may be, may, in accordance with the Act, issue further shares to
- (a) persons who, at the date of offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
- (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- (ii) such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Clause (i) above shall contain a statement of this right;

- (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Members and the Company; or
- (b) employees under any scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Act and such other conditions, as may be prescribed under applicable law; or
- (c) any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Act.
20. The notice referred to in clause (i) of sub-article (a) of Article 19 shall be dispatched through registered post or speed post or through electronic mode to all the existing Members at least three days before the opening of the issue.
21. Nothing in Articles 19 and 20 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

**Mode of further issue of shares**

22. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

**LIEN**

**Company's lien on shares**

23. The Company shall have a first and paramount lien -
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company.

Provided that the Board of directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this clause.

**Lien to extend to dividends, etc.**

24. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be payable and bonuses declared from time to time in respect of such shares.
25. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up Shares shall be free from all lien.

**Validity of sale**

26. The Company may sell, in such manner the Board thinks fit, any shares on which Company has a lien;
- (i) Provided that no sale shall be
- (a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

(ii) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

**Purchaser to be registered holder**

(iii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

**Purchaser not affected**

(iv) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

**Application of proceeds of sale**

27. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

**Payment of residual money**

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

**Provisions as to lien to apply mutatis mutandis to debentures, etc.**

28. The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of Company.

**CALLS ON SHARES**

**Board may make calls**

29. (i) Subject to the provisions of the Act, The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

**Notice of call**

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

**Revocation or postponement of call**

(iii) A call may be revoked or postponed at the discretion of the Board.

**Call to take effect from date of resolution**

30. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

**Liability of joint holders of shares**

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

**When interest on call or instalment payable**

32. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day

appointed for payment thereof to the time of actual payment at 10% per annum or at such lower rate, if any, as the Board may determine.

**Board may waive interest**

- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

**Sums deemed to be calls**

- 33. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, the date on which by the terms of issue such sum becomes payable.

**Effect of non-payment of sums**

- (ii) In case of of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**Payment in anticipation of calls may carry interest**

- 34. The Board may, if it thinks fit, subject to the applicable provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the monies remaining unpaid or any Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% per annum, as may be agreed upon between the Board and the member paying the sum in advance, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

**Provisions as to calls to apply mutatis mutandis to debentures, etc.**

- 35. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of Company.

**TRANSFER OF SHARES**

**Instrument of transfer to be executed by transferor and transferee**

- 36. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**Board may refuse to register transfer**

- 37. Subject to the applicable provisions of the Act, including the right of appeal conferred under Section 58 of the Act and Section 22A of the Securities Contracts (Regulations) Act, 1956, the Directors may, by reason, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstance that the proposed transferee is already a Member of the Company but in such cases, the Board shall within one 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 transfer shall not be refused on the ground of the transferor being alone or jointly with any other person or persons indebted to the Company or any account whatsoever except when the Company has a lien on the Shares. However, no transfer of Shares shall be refused on the ground of them not being held in marketable lots.

38. No transfer shall be registered, unless a proper instrument of transfer has been delivered to the Company. The instrument of transfer of any Share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use a common form of transfer in all cases. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. Every instrument of transfer shall be stamped, under the relevant provisions of the law, for the time being, in force, and shall be executed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more 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 transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased Member, proposing to transfer the Share registered in the name of such deceased Member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 43, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share. The instrument of transfer shall be in respect of same class of Shares and should be in the form prescribed under the Act.

**Board may decline to recognise instrument of transfer unless**

39. The Board may decline to recognise any instrument of transfer
- (a) the instrument of transfer is in the form as prescribed under the Act;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.

**Transfer of shares when suspended**

40. On giving not less than seven days' previous notice in accordance with the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

**Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.**

41. The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.
42. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters administration, certificate of death or marriage, power of attorney or similar other document.

## **TRANSMISSION OF SHARES**

**Title to shares on death of a member**

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

**Estate of deceased member liable**



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

**Transmission Clause**

- 44. (i) Any person' becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect either -
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.

**Board's right unaffected**

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

**Right to election of holder of share**

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

**Manner of testifying election**

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

**Limitations applicable to notice**

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

**Claimant to be entitled to same advantage**

- 46. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:  
Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

**The Company not liable for disregard of a notice prohibiting registration of transfer**

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

**Provisions as to transmission to apply mutatis mutandis to debentures, etc.**

48. The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of Company.

## **FORFEITURE OF SHARES**

### **If call or instalment not paid notice must be given**

49. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have incurred by the Company by reason of such non-payment.

### **Form of notice**

50. The notice aforesaid shall -
- (a) name the place or places at which, a further day (not being earlier than the expiry of 30 days from the date of service of the notice) on or before which the payment required by the notice is to be made;
  - (b) the notice shall detail the amount which is due and payable on the Shares as well as such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, and shall state that in the event of non-payment at or before the time appointed the Shares will be liable to be forfeited; and
  - (c) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

### **In default of payment of shares to be forfeited**

51. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

### **Forfeited shares may be sold etc.**

52. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- ### **Cancellation of forfeiture**
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

### **Members still liable to pay money owing at the time of forfeiture**

53. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

### **Cesser of liability**

- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

### **Certificate of forfeiture**

54. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

**Title of purchaser and transferee of forfeited shares**

- (ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

**Transferee to be registered as holder**

- (iii) The transferee shall thereupon be registered as the holder of the share; and

**Transferee not affected**

- (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

**Sums deemed to be calls**

- 55. The provisions of these Articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc.**

- 56. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other including debentures of Company

**ALTERATION OF CAPITAL**

**Power to alter share capital**

- 57. Subject to provisions of the Act the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- 58. Subject to the provisions of the Act , the Company may, by ordinary resolution,-
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**Shares may be converted in to stock**

- 59. Company may, by ordinary resolution -
  - (a) convert any fully paid-up shares into stock; and
  - (b) re-convert any stock into fully paid-up shares of any denomination.
- 60. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

#### **Right of stockholders**

61. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
62. Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those Articles shall include "stock" and "stock-holder" respectively.

#### **Reduction of capital**

63. Subject to applicable provisions of the Act, the Company may from time to time by special resolution reduce its share capital in any way and in particular and without prejudice to the generally of the foregoing powers:
- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or
  - (b) either with or without extinguishing or reducing liability on any of its shares cancel any paid-up share capital which is lost or is unrepresented by available assets, or
  - (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the Company.
  - (d) and may, if so far as is necessary, alter its Memorandum by reducing the amount of its share and of its shares accordingly.

The Company may, subject to the applicable provisions of the Act from time to time, reduce capital redemption reserve account and the securities premium account in any manner for the time being authorized by law.

### **JOINT HOLDERS**

#### **Joint-holders**

64. Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

#### **Liability of Joint-holders**

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

#### **Death of one or more joint-holders**

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

#### **Receipt of one sufficient**

- (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.

**Delivery of certificate and giving of notice to first named holder**

- (d) Only the person whose name stands first in the register of members as one of the joint-holders of any shares shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the holders.

**Vote of joint-holders**

- (e) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled to and more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.

**Executors or administrators as joint holders**

- (f) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.

**Provisions as to joint holders as to shares to apply to debentures, etc.**

65. The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

**BORROWING POWERS**

66. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have power from time to time at their discretion to accept deposits from members of the Company either in advance of calls or otherwise and generally to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company provided that the total amount raised, borrowed or secured and outstanding at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid-up capital of the Company and its free reserves that is reserves, which, as per latest audited balance sheet of the Company, are available for distribution as dividend.
67. Subject to the provisions of these Articles, 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 Company in General Meeting shall prescribe including the issue of bonds, debentures, debenture-stock of the Company charge 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 bonds, debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
68. Subject to the provisions of the Act and these Articles any bonds, debentures, stock or other securities may be issued at a discount, premium or otherwise, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with right of allotment of or conversion into shares shall be issued only with the consent of the Company in General Meeting by a special resolution.

## CAPITALISATION OF PROFITS

### Capitalisation

69. (i) The Company in general meeting may, upon the recommendation of the Board,
- (a) that it is -desirable to capitalise any part of the amount for the time being standing to the credit of any 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 clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

### Sum how applied

- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or
- (a) paying up amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause
  - (d) A securities premium account and a capital redemption reserve account or any other funds as may be required, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

### Powers of the Board for capitalization

70. (i) Whenever such a resolution as aforesaid shall have been passed, the Board
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.

### Board's power to issue fractional certificate/coupon etc.

- (ii) The Board shall have power
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise 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 or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

### Agreement binding on members

- (iii) Any agreement made under such authority shall be effective and binding on such members.

## BUY-BACK OF SHARES

### Buy-back of Shares

71. Notwithstanding anything contained in these Articles but subject to the provisions of the Act or any other law for the time being in force, the Company may purchase its own Shares or other specified securities, as may be specified by the Ministry of Corporate Affairs, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Companies Act, 2013 and subject to compliance with law. When the Company buys back its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to the securities premium account, in accordance with the provisions of the Act.

## GENERAL MEETINGS

72. (i) The Company shall, in each year, hold in addition to any other meetings, a General Meeting (herein called an "Annual General Meeting") at the intervals and in accordance with the provision herein specified. The Annual General Meeting of the Company shall be held within six months after the expiry of each financial year; provided however, that if the Registrar of Companies shall have for any special reason extend the time within which any Annual General Meeting shall be held by a further period not exceeding three months, the Annual General Meeting may be held within the additional time fixed by the Registrar. Except in the cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting not more fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
- (ii) Every Annual General Meeting shall be called for a time during business hours, that is between 9 a.m. and 6 p.m. and on such day (not being a national holiday, as defined in the Act) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated. The notice calling the meeting shall specify it as the Annual General Meeting.
73. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

### **Powers of Board to call extra ordinary general meeting**

74. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
75. (i) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extra ordinary General Meeting of the Company and the applicable provisions of the Act (including the provisions below) shall be applicable.
- (ii) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (iii) The requisition may consist of several documents in like form, each signed by one or more
- (iv) Where two or more distinct matters are specified in the requisition, the provisions of clause (i) above shall apply separately in regard to each such matter; and the requisition shall

accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.

- (v) If the Board of Directors does not within twenty-one days or such other lesser period, as may be prescribed, from time to time, under the Companies Act, 2013 from the date of the deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of requisition or such other period, as may be prescribed, from time to time, under the Companies Act, 2013.
  - (vi) A meeting called under sub-clause (v) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meeting is to be called by the Board.
  - (vii) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
76. (i) A General Meeting of the Company may be called by giving not less than 21 days' notice in writing.
- (ii) A General meeting may be called after giving shorter notice than 21 days, if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting.
77. (i) Every notice of a meeting of the Company shall specify the place, the date, day and the hour of meeting, and shall contain a statement of the business to be transacted thereat.
- (ii) No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.
- (iii) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.
78. (i) In case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:-
- (a) the consideration of the Financial Statements and the Report of the Board of Directors and of the Auditors;
  - (b) the declaration of a dividend;
  - (c) the appointment of Directors in the place of those retiring;
  - (d) the appointment of, and the fixing of the remuneration of the Auditors;
- (ii) In the case of any other meeting all business shall be deemed special.
- (iii) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the



concern or interest if any, therein of every Director and Manager, every other key managerial personnel and relatives of the aforementioned persons.

- (iv) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document the time and place where the document can be inspected shall be specified in the explanatory statement. Provided that where any item of special business as aforesaid to be transacted at a meeting of to or affects any other company the extent of shareholding interest in that other company of every promoter, Director, Manager (if any) and of every other key managerial personnel shall also be set out in the explanatory statement if the extent of such share holding interest is not less than two percent of the paid-up share capital of that company.
79. Notice of every meeting shall be given to every member of the Company in the manner authorised by the Act. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it as envisaged under the Act.
80. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company and the Directors, in any manner authorised by the Act, in the case of any member or members of the Company.
81. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.
82. (i) Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
- (ii) The Company shall immediately after notice of intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting not less than seven days before the meeting or if that is not practicable, shall give them notice thereof, either by way of advertisement in an English language newspaper and in a newspaper in vernacular language both having circulation in the state where the registered office of the Company is situate and such notice shall also be posted on the of the Company (if any). The notice shall be published at least seven days before the meeting, exclusive of the day of publication of the notice and the day of the meeting.
83. The Directors shall prepare the Annual list of members and summary and file the same with the Registrar of Companies, in accordance with the applicable provisions of the Act, within such time as may be prescribed under the provisions of the Companies Act, 2013.

## PROCEEDINGS AT GENERAL MEETINGS

### **Presence of Quorum**

84. (i) 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.

### **Quorum for general meeting**

- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.

### **Chairperson of the meetings**

85. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

### **Directors to elect a Chairperson**

86. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

**Members to elect a Chairperson**

87. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting. If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provision of the Act and these Articles the Chairman elected on show of hands exercising all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be Chairman for the rest of the meeting.

88. No business will be discussed at any General Meeting except the election of a Chairman whilst the chair is vacant.

**Casting vote of Chairperson at general meeting**

89. On any business at any general meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the meeting shall have second or casting vote.

**Minutes of proceedings of meetings and resolutions passed by postal ballot**

90. (i) The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Act and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.

**Certain matters not to be included in Minutes**

- (ii) There shall not be included in the minutes any matter which, in the opinion of the Chair person of the
- (a) is, or could reasonably be regarded, as defamatory of any person; or
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the Company.

**Discretion of Chair person in relation to Minutes**

- (iii) The Chair person shall exercise an absolute discretion in regard to the inclusion or inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

**Minutes to be evidence**

- (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

**Inspection of minute books of general meeting**

91. (i) The books containing the minutes of the proceedings of any general meeting of the Company or a passed by postal ballot shall:
- (a) be kept at the registered office of the Company; and
  - (b) be open to inspection of any member without charge, during business hours to the inspection of any members without any change subject to such reasonable restriction mat the Company may imposed in terms of Section 118 of the Companies Act, 2013.

**Members may obtain copy of minutes**

- (ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above, provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

**Powers to arrange security at meetings**

- 92. The Board, and also any authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

**ADJOURNMENT OF MEETING**

**Chairperson may adjourn the meeting**

- 93. (i) The Chairperson may, suo moto and, in the absence of quorum shall adjourn the meeting from time to time and from place to place.

**Business at adjourned meeting**

- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished meeting from which the adjournment took place.

**Notice of adjourned meeting**

- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting in the case of an original meeting.

**Notice of adjourned meeting not required**

- (iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**VOTING RIGHTS**

**Entitlement to vote on show of hands and on poll**

- 94. Subject to the provisions of the Act, at any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands or voting is carried out electronically. A declaration by the Chairman that on a show of hands a resolution has or has not been carried or has or has not been carried unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

- 95. Subject to the provisions of the Act, before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 109 of the Companies Act, 2013, for the time being in force. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Voting through electronic means**

- 96. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

**Vote of joint-holders**

97. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

**Seniority of names**

- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

**How members non compos mentis and minor may vote**

98. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

**Business may proceed pending poll**

99. Any business other than that upon which a poll has been demanded may be proceeded with, pending taking of the poll.

**Restriction on voting rights**

100. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

**No Objection raised to the qualification of any voter**

101. (i) 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 not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

**PROXY**

**Proxies when to be deposited**

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

**Form of proxy**

103. An instrument appointing a proxy shall be in the form as prescribed in the under the Act.

**Proxy to be valid notwithstanding death of the principal**

104. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

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

**BOARD OF DIRECTORS**

**Board of Directors**

105. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

106. Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three nor more than 15.

**Directors not liable to retire by rotation**

107. Subject to provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation,

**Qualification Share**

108. The Directors of the Company are not required to hold any share in the Company as qualification share.

**Same individual may be Chairperson and Managing Director/Chief Executive Officer**

109. The same individual may, at the same time, be appointed as Chairman as well as Managing Director or Officer of the Company.

**Remuneration of directors**

110. (i) Subject to the provisions of the Act, the remuneration of a Director for his services shall be such sum as may be determined by the Board of Directors, but not exceeding the sum as may be prescribed from time to time under the Act without approval of the Central Government under the applicable provisions of the Act for each meeting attended by him and subject to the limitations provided by the Act such additional remuneration as may be fixed by the Company, may be paid to any one or more of their numbers for services rendered by him or them and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be among the Directors in proportion and manner as the Directors may from time to time determine, and in default of such determination within the year equally.

(ii) Subject to the limitations provided by the Act the Board of Directors may allow and pay to any Director for the purpose of attending a Meeting, such a sum as the Board may consider fair compensation for stay and traveling expenses properly incurred by him, in addition to his fee for attending such Meetings and subject as aforesaid the Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Board of Directors in terms of these Articles and may pay the same.

111. Subject to the limitations provided by the Act and these Articles if any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out of Mumbai or otherwise for any of the purposes of the Company, the Company shall remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.

**Keeping of a foreign register**

112. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of under the Act) make and vary such Articles as it may think fit respecting the keeping of any such register.

**Execution of negotiable instruments**

113. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

**Signature of director for present in Board or committee meeting**

114. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

**Appointment of additional directors**

115. (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

**Duration of office of additional director**

- (ii) Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

**Appointment of alternate director**

116. (i) The Board may appoint an alternate director to act for a Director (hereinafter in this Article called the "Original Director") during his absence for a period not less than three months from India. No person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

**Duration of office of alternate director**

- (ii) An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.

**Re-appointment provisions applicable to Original Director**

- (iii) If the term of office of the Original Director is determined before he return to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not the alternate director.

**Appointment of director to fill a casual vacancy**

117. (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.

**Duration of office or Director appointed to fill casual vacancy**

- (ii) The director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.

**Retirement, Rotation, Removal and Disqualification of Directors**

118. The retirement, rotation, removal and disqualification of directors shall be in accordance with the provisions of the Act.

**INCREASE OR REDUCTION-IN THE OF DIRECTORS**

119. Subject to the provisions of the Act and these Articles the Company may by Ordinary Resolution from time to time increase or reduce the number of Directors.

**NOMINEE DIRECTOR**

**Appointment of Nominee Director**

120. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding then in that event any of the said financial institutions or such other financing. entities shall, subject to an agreement in that

behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as on the Board of Director as their nominee on the Board of Company. The aforesaid financial the Nominee Director appointed by it and may in the event of such removal and also in case of the Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company shall have no power to remove the Nominee Director from office. Each such Nominee shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings. The Nominee Directors shall be paid such fees, allowances, expenses and other moneys to which other Directors are entitled.

## **MANAGEMENT UNDER GENERAL CONTROL OF DIRECTORS**

### **General powers of the Company vested in Board**

121. (i) The general control, management and supervision of the Company shall vest in the Board and the Board may exercise all such powers and do all such acts and things as the Company is by its Memorandum of Association or otherwise authorised except as are required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act, and of these presents and to any regulations not being inconsistent with these presents from time to time made by the Company in General Meeting, provided that no such regulation shall invalidate any prior acts of the Directors which would have been valid if such regulation had not been made.

### **Condition on which money may be borrowed**

- (ii) Subject to the provisions of the Act, the Director may borrow, raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they may fit and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture-stock or any mortgage or charge or other security on the undertaking of the whole of any part of the property of the Company (both present and future) including its uncalled capital for the time being.

### **Directors may contract with the Company**

- (iii) Subject to the provisions of the Act, the Company may enter into any contract, arrangement or agreement in which a Director or Directors of the Company are, in any manner, Interested.

### **Directors may be directors of companies promoted by the Company**

- (iv) A Director, Managing Director, officer or employee of the Company may be or become a Director, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such Company except to the extent and under the circumstances as may be provided in the Act.

## **PROCEEDINGS OF THE BOARD**

### **When meeting to be convened**

122. (i) Subject to the applicable provisions of the Companies Act, 2013, a minimum number of four meetings of the Board of Directors shall be held every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board of Directors. The Directors may adjourn and otherwise regulate their Meetings and proceedings as they may deem fit.

### **Who may summon Board meeting**

- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

**Quorum for Board meetings**

- (iii) The quorum for a Board meeting shall be as provided in the Act.

**Participation' at Board meetings**

- (iv) The participation of directors in a meeting'of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by tted under law.

**Questions at Board meeting how decided**

123. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

**Casting vote of Chairperson at Board meeting**

- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

**Directors not to act when number falls be low minimum**

124. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

**Who to preside at meetings of the Board**

125. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

**Directors to elect a Chairperson**

- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

**Delegation of powers**

- . 126. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

**Committee to conform to Board regulations**

- (ii) 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 Board.

**Participation at Committee meetings**

- (iii) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or as may be prescribed by the Act or permitted under law.

**Chairperson of Committee**

127. (i) A committee may elect a Chairperson of its meetings.

**Who to preside at meetings of Committee**

- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

**Committee to meet**

128. (i) A committee may meet and adjourn as it thinks fit.



**Questions at Committee meeting how decided and Casting vote of Chairperson at Committee meeting**

- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

**Acts of Board or Committee valid notwithstanding defect of appointment**

129. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

**Passing of resolution by circulation**

130. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, whether manually or electronically, for the time being to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
131. Subject to the applicable provisions of the Companies Act, 2013, the Directors may delegate any of their powers to Committees consisting of such member or members of their body, as they think fit, and they from time to time revoke and discharge any such Committee, either wholly or in part, and either as to persons or purposes; but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such committee in conformity with such regulations and fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board of Directors.
132. The Company shall cause minutes of all proceedings of every meeting of the Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.

Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the said Meeting or the Chairman of the next succeeding Meeting.

The Minutes of each meeting shall contain a fair and correct summary of proceedings thereat including the following :-

- (a) The names of Directors present at the Meeting
- (b) All orders made by the Board of Directors and Committee of the Board and all appointments of Officers and Committee of Directors.
- (c) All resolutions and proceedings of the meeting of Board of Directors and the Committee of the Board.
- (d) In the case of each resolution passed at the Meeting of the Board of Directors or Committee of the Board, the names of Directors, if any, dissenting from or not concurring in the resolution.
133. All minutes purported to be signed by the Chairman shall for all be signed and the purposes whatsoever be prima facie evidence of the actual passing of the effect of minutes resolutions recorded, and the actual and regular transaction or concurrence of recorded. The proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place

## POWERS OF DIRECTORS

134. (i) Subject to the provisions of the these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things, as the Company's authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in 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 contained in that behalf in the Act or any other Act or In the Memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General
- (ii) No regulation made by the Company in General Meeting shall invalidate any prior act of the which would have been valid if that regulation had not been made.

## MANAGING DIRECTORS

### **Power to appoint Managing or Whole-time Directors**

135. (i) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors

Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions , including liability to retire by rotation, as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period such condition and subject to such restriction as it may determine, of such Directors may be way of monthly remuneration and/ or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

- (ii) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors" as the case may be.

### **Appointment and payment of remuneration to Managing or Whole-time Director**

- (iii) Subject to the provisions of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government, if required.

## CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

### **Chief Executive Officer, etc.**

136. Subject to the provisions of the Act, -

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

### **Director may be chief executive officer, etc.**

- (ii) A director may be appointed .as chief executive officer, manager, company secretary or chief financial officer.

## KEY MANAGERIAL PERSONNELIMANAGINGIWHOLE-TIME DIRECTOR

137. Subject to the provisions of the Act and with such sanction of the Central Government as may be required thereunder, and subject to the provisions of these Articles, the Board of Directors shall have power to appoint, from time to time to appoint one or more Key Managerial Personnel upon such terms and conditions as they may deem fit, in accordance with the applicable provisions of the Act and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

## MANAGER

138. Subject to the provisions of the Act, the Company may appoint an individual as the Manager subject to the superintendence, control and direction of the Board of Directors who has the management of the whole or substantially the whole of the affairs of the Company upon the terms and conditions as prescribed by the applicable provisions of the Act.

## THE SEAL

### **The seal, its custody and use**

139. (i) The Board shall provide for the safe custody of the seal.

### **Affixation of seal**

- (ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the Manager or secretary or such other person as the Board or Committee may appoint for the purpose, and the Director or Manager or Secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

## DIVIDENDS AND RESERVE

### **Company in general meeting may declare dividends**

140. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board, but the Company in a general meeting may declare a lesser dividend.

### **Interim dividends**

141. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of Shares as appear to it to be justified by the profits of the Company.

### **Dividends only to be paid out of profits**

142. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit.

### **Carry forward of profits**

- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### **Division of profits**

143. (i) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the

Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

**Payments in advance**

- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article. as paid on the share.

**Dividends to be apportioned**

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

**No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom**

- 144. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

**Dividend how remitted**

- 145. (i) Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

**Instrument of payment**

- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**Discharge to Company**

- (iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

**Receipt of one holder sufficient**

- 146. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

**Notice of dividend**

- 147. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein the manner mentioned in the Act.

**Waiver of dividends**

- 148. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such nt is signed by the member (or the person entitled to the share in consequence of death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

**No interest on dividends**

- 149. No dividend shall bear interest against the Company.

**Unpaid or unclaimed divided**

150. If the Company has declared a Dividend but which has not been paid or claimed within 30 days or such other period as may be prescribed, from time to time, under the Act, or Dividend warrant in respect thereof has not been posted within that time from the date of declaration, to any Members entitled to the payment of the Dividend, the Company shall, within seven days or such other period as may be prescribed, from time to time, under the Act, from the date of the expiry of the said period of 30 days or otherwise, open a Special Account in that behalf in any scheduled bank called "the Unpaid Dividend Account of Sadbhav Infrastructure Project Limited" and transfer to the said account, the total, amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted. No unclaimed Dividend shall be forfeited before the claim becomes barred by law and the Company shall comply with all applicable provisions of the Act in respect of unpaid or unclaimed Dividend.

Any money transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven years or such other period as may be prescribed, from time to time, under the Act, from the date of such transfer shall be transferred by the Company to the fund known as Investors Education And Protection Fund or any such other Fund in accordance with the applicable provisions of the Act or any other applicable provisions or by the Central Government. A claim to any money so transferred to the General Revenue Account or the Fund or the Authority may be preferred to the Central Government by the Members to whom the money is due.

**No unpaid dividend shall be forfeited by the Board.**

#### **TERMS OF ISSUE OF DEBENTURE**

151. Any bonds, debentures, debenture-stock or other securities may be issued, subject to the provisions of the Act, at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, to carry out consolidation and re-issuance of debt securities and with any special privileges as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meeting of the Company, appointment of Directors and otherwise.
- Provided that debentures with the right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution

#### **REGISTERS, BOOKS AND DOCUMENTS**

152. (i) The Company shall maintain Registers, Books and Documents as required by the Act or these Articles.
- (ii) Such Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act, or these Articles and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.
- (iii) The Company may keep a Foreign Register of Members in accordance with Section 88 of the Companies Act, 2013. Subject to the provisions of Sections 88 of the Companies Act, 2013, the Directors may from time to time make such provisions as they may think fit in respect of the keeping of such Branch Registers of Members and/or Debenture holders.

#### **ACCOUNTS**

##### **Inspection by Directors**

153. (i) The Directors shall cause true books of account and all such Financial Statements defined under the Companies Act, 2013 as required under the applicable provisions of the Act, to be

- kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets, credits and liabilities of the Company, and in respect of such other matters as may be prescribed by the Act.
- (ii) If the Company shall have a branch office whether in or outside India proper books of account and Financial Statements relating to the transactions effected at that office shall be kept at that office, and proper summarised returns shall be sent by the branch office periodically to the Company at its Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
  - (iii) All the aforesaid books and Financial Statements shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.
  - (iv) The books of account and other books and papers maintained by the Company shall be open to inspection in accordance with the provisions of Section 128 of the Companies Act, 2013.
154. The books of accounts shall be kept at the Registered Office of the Company provided that all or any of the books of accounts aforesaid may be kept at such other place in India as Board of Directors may decide and when the Board of Directors so decide, the Company shall within seven days of the decision file with the Registrar a notice in writing giving full address of that other place.
155. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.
156. The Board of Directors shall lay before each Annual General Meeting, Financial Statements for the financial of the Company in accordance with the provisions of section 129 of the Companies Act, 2013.
157. (i) Subject to the applicable provisions of the Act, all Financial Statements including every Balance Sheet and Profit and Loss Account of the Company shall be in the set out in Schedule of the Act and shall comply with the accounting standards as notified under Section 133 of the Companies Act, 2013.
- (ii) So long as the Company is holding Company having a subsidiary the Company shall conform to Section 129 of the Companies Act, 2013 and other applicable provisions of the Act.
  - (iii) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.
158. (i) Every Balance Sheet and every Profit & Loss Account of Balance Sheet Of the Company shall be signed by its Manager or Secretary, if any, and by not less than two Directors of the Company one of whom shall be Managing Director where there is one.
- (ii) Provided that when only one Director is for the time being in India the Balance Sheet and Profit & Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit & Loss Account a statement signed by him explaining the reason for noncompliance with the provisions sub-clause (i).

- (iii) The Balance Sheet and the Profit & Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
159. The Profit Loss Account shall be annexed to the Balance Sheet and the Auditors' Report shall be attached to every Financial Statement.
160. (i) Every Financial Statement laid before the Company in General Meeting shall have attached to it a report by the Board of Directors which shall include such matters as required in accordance with section 134 of the Companies Act, 2013.
- (ii) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with an changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the company has an interest.
- (iii) The Board shall also give the fullest Information and explanations in its report or in the cases falling under the provisions of Section 129 of the Companies Act, 2013 in an addendum to that report on every reservation, qualification or adverse remark contained in the Auditor's Report.
- (iv) The Board's Report and addendum (if any) thereto shall be signed by its Chairman he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Balance Sheet and Profit & Loss Account of the Company.
- (v) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (i) to (iii) of this Article are complied with.
161. The Company shall comply with the requirements of Section 136 of the Companies Act, 2013.
162. (i) The books of accounts and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act.
- Restriction on inspection by members**
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

## WINDING UP

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

member shall be compelled to accept any Shares or other securities whereon there is any liability.

## **INDEMNITY AND INSURANCE**

### **Directors and officers right to indemnity**

164. (i) Subject to the provisions of the Act, every Director, Managing Director, Whole time Director, Manager, Company Secretary, Key Managerial Person and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses, expenses (including travelling expenses) which such Director, Managing Director, Whole Time Director, Manager, Company Secretary, Key Managerial Person and other officer may incur or may become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director Managing Director, Whole Time Director, Manager, Company Secretary, Key Managerial Person or other officer or in anyway in discharge of his duties in such capacity including expenses.
- (ii) Subject as aforesaid every Director, Managing Director, Whole time Director, Manager, Company Secretary, Key Managerial Person and other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

### **Insurance**

- (iii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial person or indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **ANNUAL REPORTS**

165. The Company shall file with the Registrar of Companies copies of the Balance Sheet and Profit Loss Account, in addition to the Financial Statements, in accordance with Section 137 of the Companies Act, 2013 within 30 days from the date on which the Balance Sheet and Profit Loss Account so laid.

## **AUDIT**

166. Once at least in every year the accounts of the Company shall be balanced and audited and the correctness of the Profit
167. The Company at the Annual General Meeting shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the sixth Annual General Meeting therefrom. Provided that the Company shall place the matter relating to such appointment for ratification by the members at every Annual General Meeting. The manner and procedure for selection of auditors shall be as prescribed under the Act.
168. Subject to the applicable provisions of the Act, a retiring Auditor, by whatsoever authority appointed, may be re-appointed, unless:-
- (a) he is not qualified for re-appointment;
  - (b) he has given the Company notice in writing of his unwillingness to be re-appointed;
  - (c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or



169. Where at any Annual General Meeting no Auditors are appointed or re-appointed, the existing auditor shall continue to be the auditor of the Company.
170. The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting. Any Auditor appointed in a casual vacancy shall hold office until the conclusion of the next Annual General Meeting.
171. A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company in accordance with the provisions of Section 140 of the Companies Act, 2013 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 115 of the Companies Act, 2013 and all the other provisions of Section 140 of the Companies Act, 2013 shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring Auditor shall not be re-appointed.
172. The persons qualified for appointment as Auditors shall be only those referred to in the applicable provisions of the Act.
173. None of the persons mentioned under the applicable provisions of the Act as not qualified for appointment as Auditors shall be appointed as Auditors of the Company.
174. The Company shall comply with the provisions of Section 143 of the Companies Act, 2013 in relation to the audit of the accounts of branch offices of the Company.
175. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting.
176. (i) Every Auditor of the Company shall have the right of access at all times to the books and accounts and vouchers of the Company whether kept at the Registered Office or elsewhere and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditors.
- (ii) All notices of, and other communications relating to, any General Meeting of the Company, which any member of the Company is entitled to have sent to him, shall also be forwarded to the Auditor of the Company; and the Auditor shall be entitled to attend any Meeting and to be heard at any General Meeting which he attends on any business which concerns him as Auditor.
- (iii) The Auditor shall make a Report to the members of the Company, on the accounts examined by him and on every Balance Sheet and Profit Loss Account, and on every other document declared by this Act to be part of or annexed to the Balance Sheet or Profit Loss Account, which are laid before the Company in General Meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view :-
- (a) In the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year and
- (b) In the case of the Profit Loss Account, of the Profit or Loss for its financial year.
- (iv) The Auditor's Report shall also state matters that are required to be stated under sub-clause (3) of section 143 of the Companies Act, 2013.

- (v) Where any of the matters required to be included in the Auditor's report is answered in the negative or with a qualification, the Auditor's Report shall state the reason for the answer.
  - (vi) The Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
177. Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after that approval thereof. Whenever any such error is discovered within that period, the account shall forthwith be corrected and hence forth shall be conclusive.
178. Every auditor shall comply with the auditing standards as required under section 143 of the Companies Act, 2013. All Financial Statements are required to comply with the accounting standards as notified under section 133 of the Companies Act, 2013.

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

179. (i) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, order other legal process, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as prescribed under the Act. Provided that a Member may request for delivery of any document through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting.
- (ii) Where a document is sent by post :-
- (a) service thereof shall be deemed to be effected:
    - (i) In the case of a notice of a meeting, at the expiration of 48 hours after the letter containing the notice is posted, and
    - (ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post.
180. Each registered holder of shares from time to time notify in writing to the Company such place to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
181. Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:
- (i) to members of the Company so provided by Article 77 in any manner authorised by Articles 182 and 183 as the case may be or as authorised by the Act;
  - (ii) to legal representatives of any deceased member or the assignee of an insolvent member;
  - (iii) to the Auditor or Auditors for the time being of the Company, in any manner authorised by Article 182 in the case of any member or members of the Company.
  - (iv) to the directors of the Company
182. Subject to the provisions of the Act, any document required to be served or sent by the Company on or to the members or any of them, and not expressly provided for by these presents, shall be

deemed to be duly served or sent if advertised once in one daily English and one daily Vernacular newspaper circulating in Ahmedabad.

- 183. Every person, who by operation of law, transfer, or other means whatsoever, shall become entitled to any share shall be bound by every document in respect of such share which prior to his name and address being entered on the register, shall be duly served on or sent to the person from whom he derives his title to such share.
- 184. Any notice to be given by the Company shall be signed by the Managing Director or Manager or by a Director or by the secretary or by such officer as the Directors may appoint and such signature may be written or printed or lithographed.
- 185. All documents or notices to be served or given on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the registered office of the Company by registered post by speed post or by courier service or by leaving it at the registered office of the Company or by means of electronic or other modes as may be prescribed under the Act. Provided that where securities are held with a depository, the records of the ownership may be served by such depository on the Company by means of electronic or other mode.

### **AUTHENTICATION OF DOCUMENTS**

- 186. Save as otherwise expressly provided Act or these Articles, document or proceedings requiring authentication by the Company may be signed by any Key Managerial Personnel or an Officer duly authorised of the Board of Directors of the Company and need not be under its Seal.

### **GENERAL POWER**

#### **General Power**

- 187. 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 authorized by its articles, then and in that case this Article authorizes and empowers the to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

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

Sr No.	Names, addresses, descriptions occupation and signature of Subscribers	Signature, name, address description and occupation of the witness
1.	<p><b>Sadbhav Engineering Limited.</b>            "Sadbhav House"            Opp. Law Garden Police Chowki,            Ellisbridge,  <b>Ahmedabad 380 006</b>            Occupation : Business</p>	Sd/-
2.	<p><b>Shri Vishnubhai M. Patel</b>            S/o Mafatlal Patel            "Shashin", 11, Hindu Colony,            Opp. Sardar Patel Stadium,  <b>Ahmedabad 380 009</b>            Occupation : Business</p>	Sd/-
3.	<p><b>Shashin Vishnubhai Patel</b>            S/o Vishnubhai Patel            "Shashin", 11, Hindu Colony,            Opp. Sardar Patel Stadium,  <b>Ahmedabad - 380009</b>            Occupation : Business</p>	Sd/-
4.	<p><b>Chetankumar Nandubhai Patel</b>            S/o Nandubhai Patel            9, Vasudha Society,            Near Sardar Patel Colony, Naranpura,  <b>Ahmedabad 380 013</b>            Occupation : Business</p>	Sd/-
5.	<p><b>Narendrabhai Mavjibhai Patel</b>            S/o Mavjibhai Patel            M-1/1, Rupal Park, Near Vijay Nagar,            Naranpura, <b>Ahmedabad 380 013</b>            Occupation : Chartered Accountant</p>	<p><b>Mr. Vijay J. Kalyani</b>            S/o Jamnadas Kalyani            9, Divya Jyot Society,            Bhairavnath Road,            Kankaria,  <b>Ahmedabad 380 008</b>            Occupation : Service            Membership No. ACS 6492            Sd/-</p>
6.	<p><b>Nitin Rameshchandra Patel</b>            S/o Rameshchandra K. Patel            "Keshav Laxmi", Opp. Everbella Flats,            Nr. Jain Temple, Ankur Road,            Naranpura, <b>Ahmedabad 380 013</b>            Occupation : Service</p>	Sd/-
7.	<p><b>Girishbhai Dahyabhai Patel</b>            S/o Dahyabhai Patel            301, Shree Panchvilla Tower,            Nr. B. D. Rao Hall, Memnagar Road,  <b>Ahmedabad 380 052</b>            Occupation : Service</p>	Sd/-

Place : **Ahmedabad**

Dated this **10th** day of **January, 2007**