

## **ARTICLES OF ASSOCIATION**

**OF**

## **ESSAR PORTS LIMITED**

### **CONSTITUTION OF THE COMPANY**

1. The regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013, so far as the same may be applicable to a public company (as defined in the Companies Act, 2013) shall apply to the Company in the same manner as if all such regulations of Table 'F' are specifically contained in these Articles, subject to the modifications set out herein. In case of any conflict between the provisions of these Articles and the Act, the provisions of the Act shall prevail.

### **DEFINITIONS AND INTERPRETATION**

2. In interpreting the terms of these Articles, the words and expressions set out below shall have the following meaning unless specifically excluded by the subject or context.
  - (a) The 'Act' means the Companies Act, 2013 and the rules framed thereunder and every statutory modification thereof and "Section" shall mean a section of the Act.
  - (b) 'Alter' and 'Alteration' shall include the making of additions and omissions.
  - (c) 'Beneficial Owner' shall have the meaning assigned thereto by Section 2 of the Depositories Act.
  - (d) The 'Board' or 'The Board of Directors' means the Board of Directors of the Company.
  - (e) The 'Common Seal' shall mean the Common Seal of the Company approved by the Board of Directors from time to time.
  - (f) The 'Company' and 'This Company,' when used with reference to this Company shall mean ESSAR PORTS LIMITED.
  - (g) 'Depositories Act' shall mean the Depositories Act, 1996 or any statutory modification or re-enactment thereof.
  - (h) 'Depository' shall have the meaning assigned thereto by the Depositories Act.
  - (i) 'Financial Year' means in relation to the Company, the period ending on March 31<sup>st</sup> of every year in respect of which any profit and loss account of

the Company laid before it in Annual General Meeting is prepared.

- (j) 'In writing' includes printing, lithography, typewriting and any other usual substitutes for writing.
  - (k) 'Member' shall mean member of the Company holding a share or shares in the Capital of the Company.
  - (l) 'Month' shall mean a Calendar Month.
  - (m) 'Office' means the Registered Office for the time being of the Company.
  - (n) 'Paid-up Share Capital' shall mean such aggregate amount of money credited as paid up as is equivalent to the amount received as paid-up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the Company.
  - (o) 'Person' shall include any association, corporation, company as well as individual.
  - (p) 'Shares' means a share (including equity and preference) in the share capital of the Company and includes stock;
  - (q) 'Special Resolution': A resolution shall be a special resolution when:
    - (i) the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting;
    - (ii) the notice required under these Articles has been duly given of the general meeting; and
    - (iii) the votes cast in favour of the resolution (whether on a show of hands or on a poll or by e-voting or by postal ballot, as the case may be) by members who, being entitled to vote, are not less than three times the votes, if any, cast against the resolution by members entitled to vote.
  - (r) 'Variation' shall include abrogation and 'vary' shall include abrogate.
3. 'These Presents' or 'Regulations' means these Articles of Association or as they may stand altered from time to time and includes the Memorandum where the context so required.
  4. Words importing the singular shall include the plural and words importing the plural shall include the singular.
  5. Words importing the masculine gender shall include the feminine gender and vice versa.

6. All other words and expressions used in these Articles that are not defined above shall have the same meaning as assigned to it under the Act.

### **BUY BACK AND REDEMPTION OF SHARES**

7. Except as provided by Section 68 of the Act, no part of the funds whether by means of a loan, guarantee or provision of security or other financial assistance shall be provided to any Person for the purpose of or in connection with the purchase or subscription of Shares. The Company may purchase any of its own fully/partly paid Shares/debentures and may make payments out of funds at its disposal and in respect of such re-purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit.
8. (i) The redeemable cumulative preference shares shall be redeemable out of profits or out of the proceeds of a fresh issue of Shares (made for the purpose of such redemption). The Board may, subject to the provisions of the Act and these Articles, exercise such powers in such manner as the Board may deem fit which shall include the ability to purchase such redeemable cumulative preference shares in the open market and redeem them earlier than the due date of redemption out of the amounts lying in the 'Capital Redemption Reserve Account', which is to be created out of the profits of the Company for this purpose.
- (ii) The redeemable cumulative preference shareholders shall be entitled to a cumulative dividend at a rate determined by the Board at the time of the issuance, subject to deduction of tax at the prescribed rates to be paid out of any profits that may, at any time, be determined by the Board to be distributed to Members.
- (iii) At the time of winding up, the redeemable cumulative preference shareholders shall be entitled to receive payment of capital and any arrears of cumulative dividend set out in the preceding clause (ii) above, whether or not earned or declared, up to the date of commencement of the winding up in preference to the holders of equity shares but shall not confer any further right to participate in the profits or the surplus assets of the Company.
- (iv) The redeemable cumulative preference shares shall rank for dividend from the date of allotment of such shares.
- (v) The redeemable cumulative preference shares shall be liable to be redeemed at par either in whole or in part at the discretion of the Board and as permitted under applicable laws.

## **ALLOTMENT OF SHARES**

9. The Company shall have the power to increase or reduce the capital for the time being of the Company and to divide the Shares into several classes with rights, privileges or conditions as may be determined. Subject to the provisions of Section 55 of the Act, the Company may issue preference shares which shall, or at the option of the Company shall be, liable to be redeemed within any such period of time, as may be determined at the time of issuance and as permitted under applicable laws.
10. The Board may issue and allot Shares of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or services rendered or to be rendered, to the Company in accordance with the requirements under Section 62 of the Act.
11. An application signed by or on behalf of the applicant for Shares in the Company followed by an allotment of any Shares therein shall be acceptance of Shares within the meaning of these Articles and every person who does or otherwise accepts any Shares within the meaning of these Articles and whose name is on the register of Members shall for the purpose of these Articles be a Member.

## **SHARE CERTIFICATES**

12. For the purchase of any Share sold by the Company in exercise of its powers on a forfeiture of a lien on Shares, the shareholder thereof shall not be required to pay any fee to the Company for the fresh certificate that may have to be issued by the Board if the original holder of such Share defaults in returning the share certificate to the Company.

## **LIEN ON SHARES**

13. The Company shall have a first and paramount lien upon the proceeds of a sale thereof, against all monies (whether presently payable or not) called or payable at a fixed time in respect of such Shares but shall not have any equitable interest in any such Share.

## **CALLS ON SHARES**

14. A call may be made payable by installments.
15. Shares of the same value on which different amounts have been paid up shall not be deemed to fall under the same class.
16. In the event of non-payment of any sum of the amount of the Share or the premium, the provisions of these Articles and Table F under the Act as to payment of interest and expenses and forfeiture shall apply as if the sums by which the terms of the issue had become payable at a fixed time by virtue of a call duly made and notified.

17. Neither a judgment nor a decree in favour of the Company for receiving payments on calls or other monies due in respect of any Share nor the receipt of any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any Share either by way of principal or interest nor shall any indulgence granted by the Company in respect of the delayed payment of any such monies, preclude the Company from subsequently initiating proceedings to enforce a forfeiture of Shares of such Members.

### **TRANSFER & TRANSMISSION OF SHARES**

18. Registration of a transfer shall not be refused on the grounds of the transferor being, either alone or jointly with any other person or persons indebted to the Company or any account whatsoever except a lien on Shares. No instrument of transfer shall be recognised by the Board unless:
- (a) The duly stamped instrument of transfer is accompanied with the certificate of the Shares to which it relates to or if no such certificate is in existence, along with the letter of allotment of the Shares and such other evidence as the Board may reasonably require to provide the title to the transferor of his right to transfer the same; and
  - (b) the instrument of transfer is in respect of one class of Shares only.

Provided that no fee shall be charged for registration of transfers, probate, letters of administration, power of attorney or other similar documents for transmission of Shares.

19. Notwithstanding anything contained in these Articles, the Company may in accordance with the provisions of the Depositories Act, dematerialise its Shares, debentures and other marketable securities and to offer its Shares, debentures and other marketable securities for subscription in a dematerialised form. Thereupon the Company shall maintain a register of Members with the details of Members holding shares both in material and dematerialised form in electronic form or such other form as permitted by applicable law either in respect of the existing Shares and or any future issue, provided that the provisions set forth in Articles 25 to 33 shall not apply to such Shares which have been dematerialised to the extent that they are repugnant to the provisions of the Depositories Act.
20. (1) The Company shall maintain a register of transfers at its Office or such other place as may be determined by the Board which shall contain the particulars of every transfer or transmission of any Shares and all other particulars of the Shares that is required to be entered in accordance with the Act.
- (2) The register of transfers and register of Members may be closed for inspection for such period of time as the Board deems fit. Provided that, it shall not in any event close the aforementioned registers for inspection for

a period exceeding forty five calendar days in each year, and not exceeding thirty consecutive calendar days. The closure of the abovementioned registers shall only be undertaken after having provided not less than seven days prior notice by way of an advertisement in a leading newspaper circulated in the State where the Office of the Company is situated.

21. The nominees or executors or administrators or other legal representatives of a deceased Member (not being one of several joint holders) shall be the only Persons recognised by the Company as having any title to the Shares registered in the name of such Member and in the case of death of any one or more of the joint-holders of any registered Shares, the survivors shall be the only Persons recognized as having title over such Shares. Provided that, if the Member may have been a member of a joint hindu undivided family and the Shares in his name in fact belonged to the joint family, the Board may recognise the survivors or the karta thereof as having title to the Shares registered in the name of such Member. Provided further that the Board may in its sole discretion, dispense with the production of probates or letters of administration or other legal representation upon such terms as to indemnify the Company or otherwise as the Board may deem fit.
22.
  - (1) An application for the registration of the transfer of Shares may be made either by the transferor or the transferee. If the application is made by the transferor, no registration shall be effected in the case of partly paid shares unless the Company gives notice of the application to the transferee in the form prescribed under the Act. Subject to the provisions of sub-clause (4) and unless any objection is made by the transferee within two weeks from the date of receipt of the notice, the Company shall, enter the name of the transferee in the register of Members in the same manner and subject to the same conditions as the application for registration that was made by the transferee.
  - (2) For the purpose of sub-clause (1), the notice to the transferee shall be deemed to have been duly given if it was sent to the transferee by prepaid registered post at the address specified in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
  - (3) On any application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms so as to indemnify itself as the Board may think fit.
  - (4) If the Company refuses to register the transfer of any Shares, the Company shall, within one month from the date on which the instrument of transfer is lodged with the Company, send the transferor and the

transferee with a notice of refusal.

- (5) Nothing in sub-clause (1) shall prejudice any power of the Company to refuse to register the transfer of any Shares, but in no case shall the Company effect a transfer of the Shares in favour of a minor or a person of unsound mind.
  - (6) Nothing contained in the Articles 25 to 33 shall apply to transfer of Shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom, are entered as beneficial owners in the records of a Depository, in so far as they are repugnant to the provisions of the Depositories Act.
  - (7) The provisions of the Depositories Act shall apply in case of a transfer of Shares, debentures or other marketable securities and if the Company has not issued any certificates and where shares and securities are being held in an electronic and fungible form.
23. The Company shall incur no liability or responsibility whatsoever in consequence of their 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 same shares notwithstanding that the Company may have had notice of such equitable right, title or notice prohibiting registration of transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right or 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 the books of the Company, but the Company shall, nevertheless, be at liberty to have regard to and attend to any such notice and give effect thereto if the Board shall deem fit.
24. The provisions relating to the transfer of Shares shall MUTATIS MUTANDIS apply to transfer of debentures.

### **FORFEITURE OF SHARES**

25. The forfeiture of Shares shall also result in the forfeiture of all dividends declared in respect of the forfeited Shares and not actually paid before forfeiture.
26. The declaration and the receipt of consideration (if any) by the Company for the Shares on the sale or disposal, shall constitute conclusive evidence of good title to the Share and such Person to whom the Share is sold or disposed of shall be registered as the holder of the Share.
27. The provisions relating to the forfeiture of Shares shall MUTATIS MUTANDIS apply to the forfeiture of debentures.

## **ALTERATION OF SHARE CAPITAL**

28. The Board may increase the authorised share capital of its Shares by such sums to be divided into Shares of such amount as the resolution shall prescribe with the sanction of the Company by an ordinary resolution in a general meeting.
29. (1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the first allotment of Shares made by the Company after its formation, whichever is earlier, the Company may increase its subscribed capital by allotment of further Shares, then:
  - (a) such further Share shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion to the paid up capital of such class of Shares as on that date; and
  - (b) the said offer above shall be made by a written notice to the Members specifying the number of Shares offered and such other terms as may be determined by the Board.
- (2) Notwithstanding anything contained in Clause (1) above, the aforesaid Shares proposed to be allotted by the Company may be offered to any persons (whether or not those Persons include the Persons referred to in sub-clause (a) of Clause (1) above) in any manner whatsoever if a Special Resolution to that effect is passed by the Members in a general meeting.
30. All Shares subsequently issued by the Company shall be subject to the same regulations under these Articles with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise and shall be treated as the Shares in the original share capital.

## **GENERAL MEETING**

31. The Company shall hold annual general meetings in the manner as provided under Section 96 of the Act.
32. An extraordinary general meeting shall also be called if requisitioned by Members in accordance with Section 100 of the Act.

## **PROCEEDINGS AT GENERAL MEETINGS**

33. All General Meetings shall be convened by giving the Members not less than 21 (Twenty One) days notice either in writing or through electronic mode (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place and the hour of meeting and in

case of special business the general nature of that business shall be given in the manner mentioned in Section 102 of the Act. A notice shall be given to all the shareholders and to such persons as are, under the Act or these Articles, entitled to receive such notice from the Company, but the accidental omission to give notice to or the non-receipt of the notice by any Member shall not invalidate the proceedings at any general meeting.

34. A general meeting may be called by giving a notice shorter than 21 (Twenty One) days if members of the Company holding not less than 95% of the voting rights at such meeting consent (in writing or by electronic mode) to such shorter notice.
35. All business that is transacted at an extraordinary general meeting and in an annual general meeting shall be deemed special with the exception of declaration of dividends, the consideration of the financial statements and accounts, balance sheets and the report of the board and of auditors, the election of Directors in the place of those retiring and the appointment of and fixing up of the remuneration of auditors.
36. If within half an hour from the time appointed for the meeting, the quorum is not present at the meeting, the meeting shall be dissolved if it is called upon by the requisition of members (under Section 100 of the Act) and in any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be the quorum. Provided that, if the meeting is adjourned or if there is a change in the day, time or place of the adjourned meeting, the Company shall give not less than 3 days notice to the members either individually or by publishing an advertisement in the newspapers (one in vernacular and one in English) which is in circulation at the place where the Office of the Company is situated.
37. Notwithstanding anything contrary contained in the Articles and subject to the provisions of applicable law, the Company may provide video conference facility and/or other permissible electronic or virtual facilities for communication to enable the shareholders of the Company to participate in general meetings of the Company. Such participation by the shareholders at general meetings of the Company through video conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

#### **CHAIRMAN**

38. (1) So long as the word 'Essar' is associated with the name of the Company, Essar Shipping & Logistics Ltd. will have the right to nominate the Chairman of the Board of Directors.

- (2) In the absence of a nomination for Chairman by Essar Shipping & Logistics Ltd., the Directors may elect a Chairman of their meetings and determine the period for which he is to hold office.
39. At any general meeting, resolutions to be put to the vote of the Members shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 109 of the Act or voting is carried out electronically. Unless a poll is so demanded, a declaration by the Chairman that a resolution has been passed unanimously or by a particular majority on a show of hands and an entry to that effect in the book of the proceedings of the Company shall be sufficient and conclusive evidence of the fact that the resolution has been passed.
40. If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the decision of the meeting on the resolution at the meeting in which the poll was demanded.
41. In the case of equality of votes whether cast by a show of hands or on a poll or by electronic means, the chairman at such general meeting shall be entitled to a second or a casting vote.
42. A poll demanded on election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than 48 hours from the time of demand as the Chairman of the meeting directs.
43. A demand for a poll shall not prevent the continuance of meeting for the transaction of any business other than that on which poll has being demanded. The demand for poll may be withdrawn at any time.

#### **VOTES OF MEMBERS**

44. (1) (a) On a show of hands every member holding equity shares present in person shall have one vote.
- (b) On a poll every member holding an equity share either present in person or by proxy shall have voting right in proportion to his share of the paid-up equity share capital.
- (c) On voting by electronic means, every member shall have voting rights in proportion to their share in the paid-up share capital of the Company;
- (2) A member holding preference shares shall not be entitled to vote on any resolution unless:
- (i) the dividend due on such capital or any part of such dividend (whether declared or not) has remained unpaid in respect of an

aggregate period of not less than two years preceding the date of commencements of the meeting; or

- (ii) such a resolution directly affects the rights attached to preference shares; or
- (iii) such a resolution is for winding up of the Company

It is clarified that, on a poll or on voting through electronic means, the voting right of a preference share holder, when entitled to vote, will be in the same proportion as the amount paid up in respect of preference shares held by the preference share holder to the total paid-up equity share capital of the Company.

- 45. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hands of its attorney duly authorised in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.
- 46. Any corporation which is a Member may by resolution of its board of directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company.

### **BOARD OF DIRECTORS**

- 47. (a) Subject to the provisions of Section 149 of the Act, the Company shall have not less than 3 (three) and not more than 15 (fifteen) Directors.
- (b) The first Directors of the Company shall be the following:
  - (1) SHRI G. V. K. RAO
  - (2) SHRI S. VARADAN
  - (3) SHRI ZAFAR SAIFULLAH
  - (4) SHRI T. THIMMAIAH
  - (5) SHRI IVAN KHAN
  - (6) SHRI P. R. RAO
  - (7) SHRI M. K. RAMACHANDRA

48. No share qualification shall be required of any Director and any person, whether a shareholder or not, may be appointed and continued as a Director without acquiring any share qualifications.
49. If the Directors enter into any contract with any banks or financial institutions or body corporate or with any other credit institutions (the institutions who are providing financial assistance by way of loan, subscription to debentures, providing any guarantee or underwriting or subscription of shares of the Company), the Directors of this Company shall have the power to agree that subject to the provisions of Section 152 of the Act, such institutions shall have the right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board of Directors of the Company during such period and upon such conditions as may be mentioned in the agreement and that such Director(s) shall not be liable to retire by rotation (nor be required to hold any qualification shares). The Directors also agree that any such Director(s) may be removed by the institution(s) entitled to appoint, or nominate another or others in his or their place(s) and also fill in any vacancy, which may occur as a result of any such Director(s) ceasing to hold the office for any reason whatsoever. The Director(s) appointed or nominated under this Article shall be entitled to exercise and enjoy all the rights and privileges exercised and enjoyed by the Directors of the Company including the payment or remuneration and travelling and halting expenses of such Director(s) as may be agreed by the Company with such person or persons aforesaid and shall also be entitled to attend general meeting and meetings of any committee of which he is a member and receive notice, agenda papers and minutes thereof.
50. The Board shall have power to appoint one or more individuals as additional Directors provided that the total number of Directors including additional Directors so appointed shall not exceed 15 (fifteen).
51. The Board of Directors may appoint any individual, not being a person holding any alternate directorship for any other Director, to be an alternate Director during the absence of a Director from India provided such absence shall not be for a period lesser than 3 (three) months. Provided further that the alternate Director shall not be entitled to remain as an alternate Director for a period longer than the term of the Director in whose place he has been appointed and shall vacate the office as a Director only if and when the Director in whose place he has been appointed returns to India.

Such appointee while he holds office as an alternate Director shall be entitled to notice of all the meetings of the Board and to attend and vote thereat and on all resolutions proposed by circulation.

52. Subject to the provisions of Section 197, the Directors of the Company may each be paid sitting fee of such amount as may be fixed by the Board for the time being in force for every meeting of the Board or of a Committee of the Board attended by them in addition to all travelling expenses (rail or air or road as the

case may be) and such other allowances as the Board may decide from time to time in respect of halting and other expenses incurred by them in attending and returning from such meeting of the Board or of general meetings of the Company.

53. If any Director shall be appointed to advise the Board as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Board may confer such designations to such Directors and may, subject to and in accordance with the provisions of the Act, and in particular Section 197, pay such Director/s such remuneration as they may think fit and the remuneration may be in the form of either salary or a commission or a percentage of profits and may either be in addition to or in substitution of the remuneration specified in these Articles.
54. Not less than two-thirds of the total numbers of Directors for the time being shall be persons whose period of office is liable to determination by retirement by rotation. In every annual general meeting, one-third of the number of Directors liable to retire by rotation, shall retire or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The Directors to retire in such cases, shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
55. A retiring Director shall be eligible for re-election.
56. (1) At the Annual General Meeting at which a Director retires, the Company may fill the vacated office by electing another individual thereto, if he or some member intending to propose him has, not less than 14 (fourteen) days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose for such person as a candidate for that office as a case may be along with a deposit of 1 (one) lakh rupees or such other amount as may be prescribed under Section 160 of the Act. Provided that, the deposit amount shall be refunded to such person or such member, as the case may be if the person proposed gets elected as a director or gets more than 25 (twenty five) percent of the total valid votes cast either on a show of hands or by poll or any means of voting as permitted under the Act.
- (2) The Company shall inform its members of the candidature of the person for the office of the Director or the intention of the member to propose such person as candidate for that office in accordance with the provisions of Section 160 of the Act.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention, not less than seven days before the meeting in

atleast two news papers circulating in the place where the Office of the Company is located of which one is published in English and the other in the principal vernacular of the place of the Office.

57. If, at any annual general meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up and the meeting has not expressly resolved not to fill up the vacancy the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday, till the next succeeding day which is not a public holiday at same time and place. If at the adjourned meeting, the place of retiring Director is not filled up and that meeting has also not expressly resolved not to fill up the vacancy, the retiring Director shall, subject to the provisions of Section 152(7) and if willing, be deemed to have been reappointed, unless the resolution for such reappointment has been put to vote and rejected, either at the adjourned meeting or at the previous meeting.
58. The Company may from time to time, in a general meeting, increase or reduce the size of the Board subject to approval of the Members by way of a Special Resolution in the case of an increase over the limit prescribed by Section 149 of the Act.
59. Any Director other than the Directors appointed under Article 83 hereof and a Director appointed by the National Company Law Tribunal in pursuance of Section 252 of the Act may, by ordinary resolution, be removed before the expiry of his term. Special notice shall be required of any resolution to remove any such Director. Any vacancy so created may be filled by the appointment of another individual in his stead at the meeting at which he is removed as long as special notice of such appointment at the meeting has been given.
60. The office of a Director shall become vacant in the circumstances mentioned in Section 167 of the Act. Any Director who submits his resignation from the Board in writing shall be deemed to have vacated his office with immediate effect from the date of his letter of resignation.
61. Subject to the provisions of Sections 161 (4) of the Act, any casual vacancy occurring in the office of a Director whose period of office is liable to determine by retirement by rotation, may be filled up by a person appointed by the Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date on which the Director in whose place he is appointed would have held office if the vacancy had not occurred.
62. Subject to the provisions of the Act, the Directors shall not be disqualified (by virtue of being a Director) from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract or arrangement entered into by/on behalf of the Company with any Director or with the Company or partnership firm in which any Director shall be a Director, member or a partner, or otherwise interested be avoided nor shall any Director so

contracting or being so interested in any contract or arrangement be liable to account to the Company for any profit realised on such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. Provided that, the nature of the interest must be disclosed by such Director at the meeting of the Board at which the contract or arrangement is determined/being considered. If the interest already exists or in any other case at the first meeting of the Board after the acquisition of the interest, no Director shall participate in such meeting of the Board and vote as a Director in respect of any contract or arrangements in which he is so interested as aforesaid. This restriction shall not apply to any contract by or on behalf of the Company to give to the Directors any security by way of indemnity against any loss which they or any of them may suffer by becoming or being sureties for the Company.

63. A Director of this Company may be or become a director of any other company, promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits he may have derived as a director or member of such company.

#### **POWER AND DUTIES OF BOARD OF DIRECTORS**

64. The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not, by the Act or by these Articles required to be exercised by the Company in a General Meeting. No regulations made by the Company in general meetings shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
65. Any branch or kind of business may be undertaken by the Board at such time or times as they shall think fit which is expressly or by implication authorised to be undertaken by the Company by the Memorandum of Association of the Company or these Articles.
66. The Board of Directors, may from time to time and at their discretion, raise any money or borrow or secure payment of or themselves lend any money or sums of money for the purpose of furthering the business of the Company. Provided that, the monies to be borrowed together with the monies already borrowed by the Company apart from temporary loans obtained from the Company's banker in the ordinary course of business shall not without the sanction of the Members at a general meeting exceed the aggregate of the paid-up capital of the Company and its free reserves (i.e. reserves not set apart for any specific purpose). The expression "Temporary loans" in this Article mean loans repayable on demand or within six months from the date of the loan such as short term loans, cash credit arrangements, discounting of bills and the issue of other short term loans of seasonal character but does not include loans raised for the purpose of financing expenditure of a capital nature.

Further, the Board may from time to time, and at their discretion raise or borrow

or secure the payment of any sum or sums of monies for the purpose of the business of the Company, by issuing debentures convertible into Shares. The security to be provided for any such money so borrowed, raised or received shall be authorized by the Board by way of a mortgage, pledge or charge on the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by a special assignment or otherwise or by transferring or conveying the same absolutely or in trust and to give the Company's lenders the powers of sale and such other powers as the Board may deem fit. The Board may also authorize the purchase, redemption or payments towards setting off any such debentures to satisfy the debt raised by the Company.

67. The Board shall ensure that the Company maintains a register of charges containing details of mortgage and charges (including floating charges) affecting the properties of the Company. The register of charges along with the instrument creating such charge shall be kept in the Office of the Company. The register of charges shall be open for inspection at the Company's Office during business hours of the Company. Members and creditors of the Company are entitled to inspect the register of charges without payment of any fee but any other Persons may inspect the register of charges only upon payment of such fees as determined by the Board from time to time. The register of charges shall be closed for inspection for such period of time as the Board deems fit. Provided that, it shall not in any event close the aforementioned registers for inspection for a period exceeding forty five calendar days in each year, and not exceeding thirty consecutive calendar days. The closure of the register of charges shall only be undertaken after having provided not less than seven days prior notice by way of an advertisement in a leading newspaper circulated in the State where the Office of the Company is situated.
68. (a) Subject to the provisions of the Act, debentures or other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued. Further, any debentures or other securities may be issued at discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, and appointment of Directors. Debentures and bonds with the right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in a general meeting and in compliance with the provisions of the Act.
- (b) Any trust deed executed for securing debentures or debenture stock may provide for the appointment by the trustees or by the holders of the debentures or debenture-stock of some person to be a Director of the Company and may empower such trustees or holder of debenture or debenture-stock to remove any Director so appointed. A Director appointed under this article is herein referred to as a "Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold

any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

69. The Board shall duly comply with the provisions of the Act and in particular with the provisions with respect to the maintenance of the register of directors, filing of copies of Special Resolutions and other resolutions of the Board as are required to be filed with the Registrar under Section 117 of the Act.
70. (1) The Board shall cause minutes to be made in the books provided for the purpose:
- (a) of all appointments of officers made by the Board in a meeting;
  - (b) of all names of Directors present at each meeting of the Director and of any Committee of the Directors;
  - (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of committee of Directors; and
  - (d) in the case of each resolution passed at the meeting of the Board of Director, details of any Directors dissenting from or concurring with the resolution.
- (2) The Chairman of the Meeting may at his absolute discretion exclude such matters as are or could reasonably be regarded as defamatory to any person, irrelevant or immaterial of the proceedings or detrimental to the interest of the Company.
- (3) The minutes of the proceedings of the general meetings and resolutions passed by postal ballot and the Board meetings (including any proceedings of the committee of the Board) shall be written in the books kept for that purpose within 30 (thirty) days of the conclusion of every such meeting with every page consecutively numbered. Each page of such books shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:
- (a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the said meeting or the Chairman of the next succeeding meeting;
  - (b) in the case of the minutes of proceeding of a General Meeting, by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of death or inability of that Chairman within the 30 (thirty) day period by a Director duly authorised by the Board for that purpose.

- (4) The books containing the minutes of such proceedings of the general meetings and resolutions passed by postal ballot and the Board meetings (including any proceedings of the committee of the Board) shall be kept at the Office of the Company. These minute books shall be open for inspection during business hours of the Company by Members at the Company's Office, without payment of any fee. These minute books shall be closed for inspection for such period of time as the Board deems fit. Provided that, it shall not in any event close the aforementioned registers for inspection for a period exceeding forty five calendar days in each year, and not exceeding thirty consecutive calendar days. The closure of the abovementioned minute books from inspection shall only be undertaken after having provided not less than seven days prior notice by way of an advertisement in a leading newspaper circulated in the State where the Office of the Company is situated.

The Board shall ensure that the Company maintains a register containing particulars of all of the investments in securities made by the Company which are in the name of a depository but held by the Company as a beneficial owner. This register shall be maintained at the Office of the Company and shall be open for inspection during business hours of the Company by Members and debenture holders at the Company's Office, without payment of any fee. Provided that, the register shall be closed for inspection for such period of time as the Board deems fit. However, the Board shall not in any event close the aforementioned register for inspection for a period exceeding forty five calendar days in each year, and not exceeding thirty consecutive calendar days. The closure of the register from inspection shall only be undertaken after having provided not less than seven days prior notice by way of an advertisement in a leading newspaper circulated in the State where the Office of the Company is situated.

### **SEAL**

71. The Board shall provide a seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being.

### **PROCEEDING OF THE BOARD OF DIRECTORS**

72. Notwithstanding anything contrary contained in these Articles and subject to the provisions of the Act, the Director(s) may participate in the Meetings of the Board and Committees thereof, through video conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through video conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as

applicable to the Company for the time being in force.

73. The quorum for a Board Meeting shall be one-third of the total strength (any fraction contained in that one-third being rounded off as one) or 2 (two) Directors whichever is higher.

Provided that where at any time the number of interested Directors exceed or is equal to two thirds of the total strength, the number of the remaining Directors that is to say, the number of Directors who are not interested and present at the meeting being not less than 2 (two) shall be the quorum during such time. The Board shall meet at least once in every 3 (three) months in accordance with Section 173 of the Act.

74. Directors participating in a meeting through use of video conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles.

### **MANAGING DIRECTOR**

75. A managing director or wholetime directors as the case may be, shall not, unless otherwise determined by the Board, be subject to retirement by rotation and shall not be reckoned as Directors to retire by rotation while he or they continues or continue to hold that office. Provided that, he or they shall ipso facto cease to be managing director or whole-time director(s) as the case may be, if he or they cease to be Director(s) for any reason.

### **REMUNERATION OF MANAGING DIRECTORS**

76. (a) Subject to the provisions of Section 197 of the Act, the Board may determine the remuneration payable to the managing director in any manner they may deem fit. The remuneration may be in the form of a monthly salary or a commission based on profits or partly in one way and partly in another.

### **POWER AND DUTIES OF THE MANAGING DIRECTORS**

77. Subject to the provisions of the Act, the Directors may from time to time entrust to and confer upon the managing director as the case may be for the time being of such powers exercisable under these Articles by the Board as it deems fit and may confer such powers for such time and to be exercised for such object and purposes and upon such terms and conditions and with such restrictions as the Board may deem fit and may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf. The Board shall have the power to revoke, withdraw, after or vary all or any of such powers conferred by it from time to time. The managing director[s] may exercise all the powers entrusted to them by the Board jointly and severally in any manner as they may deem fit.

## **DIVIDENDS AND RESERVES**

78. Notwithstanding anything to the contrary in these Articles, for the purpose of computing the amount of dividend payable on partly paid Shares where the allotment money and/or money on calls are paid from time to time, the amounts shall be deemed to have been paid on the last date on which such amount was required to be paid. Where such allotment and/or call money are paid after the last date on which it was required to be paid, such amounts shall not be considered for the purposes of calculating the amount of dividend to be paid on such Shares.
79. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 124 of the Act in respect of such dividend.

## **ACCOUNTS**

80. (1) The Board shall, in accordance with Section 128 of the Act, cause proper books of account to be kept with respect to :
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place.
  - (b) all sales and purchase of goods by the Company.
  - (c) assets and liabilities of the Company.
- Proper books shall not be deemed to be kept if the books of account so maintained do not give a true and fair view of the state of the Company's affairs and do not explain transactions undertaken by the Company.
- (2) The books of accounts shall be kept at the Office of the Company or at such other place or places in India as the Board thinks fit and shall be open to the inspection of the Directors during business hours.
81. The Board shall in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting such Profit and Loss Account, Balance Sheet and other documents and reports as referred to in these sections.

## **SERVICE OF DOCUMENTS AND NOTICE**

82. A document must be served on the Company or an officer thereof by sending it to the Company at the Office by registered post or speed post or by courier service or by leaving it at the Office or by means of electronic mode as specified under Section 20 of the Act.
83. (1) Documents may be served by the Company on any member either personally or by sending it to him by post or registered post or speed post

or by courier service or by such electronic means as specified under Section 20 of the Act or to his office or registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

- (2) Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document provided that where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement and has deposited with the Company a sum sufficient to defray the expenses for doing so, service shall not be deemed to be effected unless it is sent in the manner intimated by the members and unless the contrary is proved such service shall be deemed to have been effected.
    - (a) in the case of a notice of a meeting at the expiration of 48 hours after the letter containing the same is posted; and
    - (b) in any other case at the time at which the letter would be delivered in the ordinary course of post.
  - (3) Notwithstanding anything contrary contained in these Articles, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.
84. If a member has no registered address in India and has not supplied to the Company any address within India for the giving of notices to him a document, advertised, in a newspaper circulating in the neighborhood of the Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
85. A notice may be given by the Company to joint-holders of a share by giving notice to the joint holder named first in the Register in respect of the share.
86. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased or assignee of the insolvent or by any like description at the address if any in India supplied for the purpose by the person claiming to be so entitled or until such an address has been so supplied by serving the document in any manner in which the same might have been served if the death or bankruptcy had not occurred.

87. The Auditor of the Company shall be served with a notice of the annual general meeting at which the accounts audited by him are to be adopted.

#### **INDEMNITY**

88. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted to him by Court or such other forum having jurisdiction over the Office of the Company in respect to the disputed matter.

#### **SECRECY**

89. No member shall be entitled to inspect the Company's books without the permission of the Board or require discovery of any matter which is or may be in the nature of trade secret, mystery of trade or secret process, which may relate of the conduct of the business of the Company and which in the option of the Board it will not be expedient in the interest of the members of the Company to communicate to the public.