

(THE COMPANIES ACT, 1956)
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
MAX FINANCIAL SERVICES LIMITED
(Formerly Max India Limited)

PART-I

Interpretation

1. Unless the context otherwise requires, words of expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Company. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith.
“The Act” means the Companies Act, 1956, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.
“These Articles” means these Articles of Association as originally framed or as from time to time altered by Special Resolution.
“The Company” means the above named Company’.
“The Directors” means the Directors of the Company.
“The Board of Directors” or “The Board” means the Board of Directors of the Company.
“The Managing Director” means the Managing Director of the Company.
“The Office” means the Registered Office of the Company.
“Register” means the Register of Members of the Company required to be kept under Section 150 of the Act.
“The Registrar” means the Registrar of Companies, as defined by Section 2 (40) of the Act.
“The Secretary” means the Secretary of the Company.
“Dividend” includes bonus but excludes bonus shares.
“Month” means calendar Month.
“Year” means a Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2 (17) of the Act.
“Seal” means the Common Seal of the Company.
“Proxy” includes Attorney duly constituted under a Power-of Attorney.

Table “A” not to apply

2. Save as reproduced herein the regulations contained in Table “A” in Schedule I, to the Act shall not apply to the Company.

Buy back of shares

- *3. Notwithstanding anything to the contrary contained in these Articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of

* New Article was substituted vide Special Resolution passed at Annual General Meeting held on October 22, 1998.

Directors of the Company may and if thought fit, buy back such of Company's own shares or securities as it may think necessary, subject to such limit, upon such terms and conditions and subject to such approvals, permissions, consents as may be permitted by the law.

- * 4. The Authorised Share Capital of the Company shall be as specified from time to time, in the Memorandum of Association of the Company. The Share Capital of the Company shall comprise of Equity Shares and/or Preference Shares of such amount as may be determined by the Board, from time to time, with power to increase, reduce, subdivide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or subdivide or reorganize the shares, subject to Section 106 of the Act, to vary such rights as may be determined in accordance with the regulations of the Company.
- Issue of new shares.* 5. Subject to the provisions of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons, on such, terms and conditions and at such times, either at par or at premium and for such consideration as the Board thinks fit, Provided that where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 81 (1A) of the Act the Board shall issue such shares in the manner set out in Section 81 (1) of the Act. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.
- Return of allotment.* 6. As regard all allotments made, from time to time, the Directors shall duly comply with Section 75 of the Act.
- Redeemable Preference Shares.* 7. Subject to the provisions of these Articles the Company shall have power to issue preference shares carrying a right of redemption out of the profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 80 of the Act exercise such powers in such manner as may be provided in these Articles.
- Commission and brokerage.* 8. The Company may exercise the powers of paying commission conferred by Section 76 of the Act and in such case it shall comply with the requirements of that Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.
- Shares at a discount.* 9. With the previous authority of resolution passed by the Company in General Meeting and the sanction of the Company Law Board and upon otherwise complying with Section 79 of the Act, the Directors may issue at a discount shares of a class already issued.
- Installments on shares to be duly paid.* 10. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- Liability of joint holders of shares.* 11. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
- Trust not recognised.* 12. Subject to provisions of Section 187 C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

* Article No. 4 was substituted vide Special Resolution passed at Extra-ordinary General Meeting held on February 26, 2007.

- Who may be registered.* 13. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint holders. No share shall be allotted to or registered in the name of person of unsound mind or a partnership.
- Dematerialisation of Securities* *13A. (1) For the purpose of this Article :
- 'Beneficial Owner'** means a person or persons whose name is recorded as such with a Depository.
- 'Depository'** means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992.
- 'SEBI'** means the Securities & Exchange Board of India established under Securities & Exchange Board of India Act, 1992.
- Dematerialisation/ rematerialisation of Securities* (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities and/or to offer securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996.
- Option for Investors* (3) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.
- If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
- Securities in Depositories in fungible form* (4) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- Rights of Depositories and Beneficial Owners* (5) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.
- Service of Documents* (6) Notwithstanding anything contained in the Act or these Articles to the contrary, where Act securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivering of floppies or discs.

* New Article was substituted vide Special Resolution passed at Annual General Meeting held on October 22, 1998.

- Transfer of Securities* (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- Allotment of Securities dealt with in a Depository* (8) Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- Distinctive numbers of Securities held on Depository* (9) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- Register of Beneficial Owners* (10) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Securityholders for the purposes of these Articles.

SHARE CERTIFICATES

- Issue of Share Certificates.* 14. (a) The issue of share certificate and duplicate and the issue of new share certificates on consolidation or sub-division or in replacement of share certificates which are surrendered for cancellation due to their being defaced torn, old, decrepit or worn out or the cages for recording transfer having been utilised or of share certificates which are lost or destroyed shall be in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof. If any share certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate, provided no fee shall be charged for splitting or consolidation of share certificates in lots of market unit or for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.
- Members right to Certificate.* * (b) Every member shall be entitled, free of charge to one certificate under the Common Seal of the Company, for all the shares of each class registered in his name, or if the Board so approves, to several certificates each for one or more of such class of shares. The Company, unless prohibited by any provision of law or any Order of any Court, Tribunal or other Authority shall within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of Bonus Shares) of any of its shares or debentures stock and within two months after receipt of the application for the registration of the transfer of any such shares and debentures, as the case may be deliver in accordance with the procedure laid down in Section 53 and any other applicable provisions of the Act, the certificate (s) of all shares or debentures allotted/transferred.
- Calls* 15. The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 91 of the Act, make such calls, as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

* Article No. 14(b) altered vide Special Resolution passed on November 30, 1988.

- Restrictions on powers to make* 16. No call be made payable within one month after the last preceding call was payable.
- Notice of call.* 17. Not less than 30 days notice of any call shall be given specifying the time and place of payment and to whom such calls shall be paid.
- When interest on call or installments payable.* *18. (a) If the sum payable in respect of any call or installment be not paid on or before the day of appointment for payment thereof, the holders for the time being in respect of the share for which the call shall have been made or the installment shall be due shall pay interest upon the same at the rate of 18 percent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
- (b) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
- Amount payable at fixed times or payable by installments as call.* 19. If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the nominal value of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions contained in respect of call shall relate to such amount or installment accordingly.
- Evidence in actions by company against shareholders.* 20. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose on the Register as a holder, on one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- Payment of calls in advance.* 21. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sum actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding unless the Company in general meeting shall otherwise direct, 12 (Twelve)percent per annum as the member paying such sum in advance and the Board agree upon. But the money so paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Board may at any time repay the amounts so advanced upon giving to such member not less than three months notice in writing.
- Revocation of call.* 22. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE & LIEN

- If call or installment not paid notice may be given.* 23. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

* Article 18 (a) altered vide Special Resolution passed on November 30, 1988.

- Form of Notice.* 24. The notice shall name a day (not being less than thirty days from the date of service of the notice) and a place or places on and at which such call or installment and such Interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
- If notice not complied with shares may be forfeited.* 25. If the requirement of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before, payment of all calls or installments interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect.
- Notice after forfeiture.* 26. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- Forfeited share to become property of the Company.* 27. Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, or otherwise dispose of the same in such manner as it thinks fit.
- Power to annul forfeiture.* 28. The Board may, at any time, before and so forfeited share shall have been sold, or otherwise disposed of annul the forfeiture thereof upon such conditions as it thinks fit.
- Liability on forfeiture* 29. A person whose share has been forfeited shall cease to be a member in respect of such share, but shall, notwithstanding such forfeiture, remain liable to pay, and shall, forthwith pay to the Company all calls, or installments, interests and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture, until payment, at 12 (Twelve) percent per annum or at such lower rate as the Board may determine and the Board may enforce, the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
- Evidence of Forfeiture.* 30. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have 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 shares and such declaration and the receipt of the Company for the consideration, given for the shares on the sale or disposition thereof shall constitute a good title to such share. The person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture sale or disposition.
- Forfeiture provision to apply to non-payment.* 31. The provisions of Articles 23 to 27 hereof shall apply in the case of non payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
- * 32. The Company shall have a first and paramount lien upon every share (not being a fully paid up share) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for money called or payable at a fixed time in respect of such shares, whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect.

* Article 32 altered vide Special Resolution passed on November 30, 1988.

Fully paid shares shall be free from all lien, and that in the case of partly paid shares, the company's lien shall be restricted to money called or payable at a fixed time in respect of such shares

Unless otherwise agreed, the registration of transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

- As to enforcing lien by sale* 33. For the purpose of enforcing such lien the Board may sell the Share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative, as the case may be, and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for 30 days after the date of such notice.
- Application of proceeds of sale* 34. The net proceeds of the sale shall be received by the Company and shall after payment of costs of such sale be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable (as existed upon the share before the sale) and the residue shall be paid to the persons entitled to the share at the date of the sale.
- Validity of sales in exercise of lien and after forfeiture.* 35. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- Board may Issue new certificate.* 36. Where any share under the powers in that behalf herein-contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

- Execution of transfer etc.* * 37. Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupation, if any, of the transferee and the transferor shall be deemed to remain the member in respect of such shares until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.
- Application for registration of transfer.* 38. Application for the registration of the transfer of a share may be made either by the transferor, or the transferee, provided that where such application is made by the transferor, no registration shall in the case of a partly paid share be effected unless the Company gives the notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the Company shall unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee on the conditions as if the application for registration of the transfer was made by the transferee.

* Article 37 altered vide Special Resolution passed on November 30, 1988.

- Form of Transfer.* 39. The instrument of transfer shall be in writing in such form as may be prescribed by the Act, and all the provisions of Sections 108 of the Act, and of Statutory modification thereof for the time being in force shall be duly complied with in respect of all transfers of shares and the registration thereof.
- Restriction on Transfer.* 40. Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal may, refuse to register any transfer of, or the transmission by operation of law of the right to a share other than fully paid up. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or Jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on shares.
- Transfer to minor etc.* 41. No transfer shall be made to partnership firm or a person of unsound mind. However, fully paid up shares may be transferred in the name of a minor through his guardian.
- Transfer be left at office and when to be retained.* 42. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of Allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share, and the transferor shall (Subject to the Board's right to decline to register hereinbefore mentioned) be registered as a member in respect of such share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.
- Notice of refusal to register transfer* 43. If the Board refuses, whether in pursuance of article 40 or otherwise to register the transfer of, or the transmission by operation of law of the right to any, share, the Company shall give notice of the refusal in accordance with the provision of Section 111 (2) of the Act.
- Fee on registration of transfer.* 44. No fee shall be charged by the Company of registration of transfer.
- Suspension of registration of transfer.* 45. Subject to the provisions of section 154 of the Act, the registration of transfer may be suspended at such time 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.
46. Deleted.
- Transmission of registered shares.* 47. The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint- holders of any registered share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person Before recognising any executor or administrator the Board may require him to obtain a grant of Probate or letters of Administration or other legal representation, as the case may be from a court in India competent to grant it. Provided, nevertheless, that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the board to dispense with the production of probate or letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may think fit.
- As to transfer of shares in insane, minor, deceased, bankrupt members,* 48. Any Committee or curator points of a lunatic or guardian of a minor member or any person becoming entitled to a share in consequence of insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under

this article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may subject to the regulation as to transfer, herein contained transfer such shares.

- Transmission Article.* 49. (a) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to Company a notice in writing signed by him stating that he so elects.
- Election under the Transmission Article* (b) If the person aforesaid shall elect to transfer to share, he shall testify his election by executing an instrument of transfer of the share.
- (c) All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of instrument of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were signed by that member.
- Rights of persons entitled to shares under the transmission Article.* 50. A person so becoming entitled under the Transmission Article to shares by reason of the death, lunacy, bankruptcy or insolvency of the holder shall subject to the provisions of Article 85 and of Section 206 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the Registered holder of the shares. 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 shares. and if the notice is not complied with within ninety days the Board may thereafter with-hold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

ALTERATION OF CAPITAL

- Power to increase capital.* 51. The company may, from time to time, by ordinary resolution alter conditions of its Memorandum of Association to increase its capital by the creation of new share of such amount and class as may be specified in the resolution.
- On what condition new shares may be issued.* 52. Subject to any special rights for the time being attached to any share in the capital of the Company then issued and to the provisions of Section 81 of the Act the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution of assets of the Company.
- Keeping in abeyance rights shares pending transfer* * 52A. Notwithstanding anything contained in Article 52 or the Act, the offer of Rights Shares under Section 81 (1) (a) of the Act on Shares in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be kept in abeyance pending transfer.
- Provision relating to the issue.* 53. Before the issue of any new shares, the Company in general meeting may, subject to the provisions of the Act, make provisions as to the allotment and issue of shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at premium or at a discount.
- Ranking of new shares with existing shares.* 54. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing

* Article No. 52-A inserted vide Special Resolution passed on October 22, 1990.

capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

- Inequality in number of new shares.* 55. If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting be determined by the Board.
- Reduction of capital etc.* 56. The Company may, from time to time, by special resolution reduce its Capital, and Capital Redemption Reserve Account or Share Premium Account in any manner and with and subject to any incident authorised and consent required by law. Notwithstanding anything contained in these Articles so long as any money remains due by the Company under or by virtue of any deed of mortgage executed by the Company in favour of the Corporation, no change will be made in the capital or by issue of further shares or otherwise whatsoever save with the previous consent in writing of the Corporation.
57. The Company may, from time to time, by ordinary resolution:
- (a) Consolidate and divide all or any of its shares into shares of larger amount than its existing shares;
 - (b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived:
 - (c) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled.
- Surrender of shares.* 58. Subject to the provisions of Sections 100 to 105 of the Act, the Board may accept from any member the surrender on such terms and conditions, as shall be agreed of all or any of his shares.
- Conversion of shares into Stock,* 59. The Company may, from time to time, by ordinary resolution,
- (a) convert any fully paid up shares into stock, and
 - (b) reconvert any stock into fully paid up shares of any denomination.
- Transfer of Stock.* 60. The holders of stock may transfer the same or any part thereof in the same manner and also subject to the same regulations under which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may, from time to time, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which stock arose.
- Rights of Stock-holders.* 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 the meetings of the company, and other matters as they hold the shares from which the stock arose, but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- “Stock” and “Stock holder”.* 62. Such of the Articles of the Company (other than relating to share warrants) as are applicable to paid up shares shall apply to stock and the words “Share” and “Share-holder” therein shall include “Stock and ” and “Stock-holder” respectively.

SHARE WARRANTS

- Power to issue Warrants.* 63. Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in general meeting, the directors may issue share warrants in such manner and on such terms and conditions as the Board thinks fit. In case of such issue, regulations 40 to 43 of Table “A” in Schedule 1 to the Act shall apply.

MODIFICATION OF RIGHTS

- Power to modify rights.* 64. The rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Section 106 and 107 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at separate meeting of the holders of the shares of that class. In every such separate meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least, holding or representing by proxy one- third of the issued shares of that class.

BORROWING POWERS

- Power to borrow.* 65. The Board may, from time to time, at its discretion, subject to the provisions of Sections 58 A, 292, 293 and 370 of the Act, raise or borrow either from the Directors or Central Government or State Governments, Bank, Corporation or any other party or parties and secure the payment of any sum of sums of money for the purposes of the Company. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular by the issue of bonds perpetual or redeemable debentures or debenture stock or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company both present and future) including its uncalled capital for time being, and Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon, and shall subject to the Provisions of section 310 of the Act, be entitled to receive such payment as consideration for giving guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. Notwithstanding anything contained in these Articles and so long as any money remains due by the Company to the Corporation under or by virtue of any Deed of Mortgage executed by the Company in favour of the Corporation the following provisions shall have effect;
- (i) No Director shall be entitled to receive any payments as consideration for giving any guarantee in respect of loan by the Corporation to the Company.
 - (ii) The Company, the Directors or the Managing Director shall not create, purport or attempt to create, without the previous consent in writing of the Corporation, any charge or mortgage or other encumbrance, in respect of the properties or assets mortgaged and charged in favour of the Corporation or any part thereof in respect of any of the machinery stores and machinery spares belonging to the Company.
- Issue at discounts etc. or with special privileges.* 66. Any debentures or debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special rights, as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any

equities between the Company and the person, to whom the same may be issued. Provided that debentures with the right to allotment of or conversion into share shall not be issued except in conformity with the provisions of Section 81 (3) of the Act.

- Instrument of transfer of debentures.* 67. Save as provided in section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company together with the certificate or certificates of the debentures.
- Refusal to register transfer.* 68. Subject to the provisions of Section 111 of the Act, the Board may without assigning any reason refuse to register the transfer of any debenture.

GENERAL MEETING

- When Annual General Meeting to be held* 69. In addition to any other meetings, Annual General Meetings of the Company shall be held within such intervals as are specified in Section 166 (1) read with Section 210 of the Act and subject to the provisions of Section 166 (2) of the Act at such times and places as may be determined by the Board. All other meetings of the Company, shall except in the case of the statutory meeting, be called Extra-ordinary General Meetings and shall be convened under the provisions of the next following Article.
- When Extraordinary meeting to be called,* 70. The Directors may, whenever they think fit, call an Extraordinary general Meeting, and an extraordinary General Meeting shall also be held on such requisition or in default may be called by such requisitionists, as provided by Section 169 of the Act. If at any time there are not within India sufficient Directors capable of acting to form a quorum by Directors any two members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible as that in which meeting may be called by the Directors.
- Circulation of member's resolution.* 71. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.
- Notice of Meeting.* 72. Subject to the provisions of Sections 171 and 176 (2) of the Act, notice of every meeting of the Company shall be given to such persons and in such manner as provided by Section 172 of the Act. where any business consists of "Special business" as hereinafter defined in Article 74, there shall be annexed to the notice a statement complying Section 173(2) and (3) of the Act.
- Accidental Omission to give notice.* 73. The accidental omission to give any such notice to or the non-receipt thereof by any member or other persons to whom it should be given, shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETING

- Business of Meetings.* 74. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted at the Annual General Meeting and all business at any other general meeting shall be deemed Special business.
- Quorum be present when business commenced.* 75. 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. Save as herein otherwise provided five members present in person shall be quorum.
- When quorum not present meeting to be dissolved and when to be adjourned.* 76. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned in accordance with the provisions of sub-sections (3), (4) and (5) of Section 174 of the Act.

- Resolution to be passed by the Company in general meeting.* 77. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed as a Special Resolution as defined in Section 189(2) of the Act.
- Chairman of General Meeting.* 78. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number being a member entitled to vote, to be the Chairman of the meeting.
- How questions to be decided at meetings casting vote.* 79. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes both on a show of hands and on a poll, the chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as member.
- What is to be evidence of the passing of a resolution where poll not demanded.* * 80. At any General Meeting a resolution put to vote shall be decided on show of hands, unless before or on the declaration of the result of the show of hands, a poll is ordered to be taken by the Chairman of the meeting of his own motion or unless a poll is demanded by a member or members present in person or by proxy and holding shares in the Company :
- (i) Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or
 - (ii) on which an aggregate sum of not less than Rs. 50,000 has been paid up.
- The demand for poll may be withdrawn at any time by the person or persons who made the demand. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
- Poll.* 81. (1) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting and in any other case in such manner and at such time not being later than forty eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs and subject to as aforesaid, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- (2) The demand for a poll may be withdrawn at any time by the person or person who made the demand.
- (3) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is

* Article No. 80 is amended vide Special Resolution passed on October 22, 1990.

available and willing to be appointed to scrutinies the votes given on the poll and to report to him thereon.

- (4) On a poll, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all of his votes or cast in the same way all the votes he use.
- (5) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Power to adjourn general meeting.

82. (1) The Chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjournment meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting, if it is adjourned for less than 30 days.

Votes on show of hand and on poll.

83. Subject to the provisions of the Act and particularly of Sections 87, 88, 92(2) and 108D thereof and of these Articles:
 - (1) upon a show of hands of every member holding equity shares and entitled to vote and present in person (including an attorney or a representative of a body corporate) shall have one vote:
 - (2) upon poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company;
 - (3) upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 87 of the Act.

Procedure where a company is member of the Company.

84. Where a company or a body corporate (hereinafter called "member company") is a member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at meeting of the Company shall not, by reason of such appointment, be deemed to be a proxy, and lodging with the Company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the rights to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

Votes in respect of deceased, insane and insolvent member.

85. Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall

have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-compos mentis, he may vote whether on a show of hands or a poll by his committee; curator or other legal curator and such last-mentioned persons may give their votes by proxy.

- Member registered jointly.* 86. Where there are members registered jointly in respect of any one share any one of such person may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto. and if more than one of such members be present at any meeting either personally or by proxy then one of the said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article, be deemed to be members registered jointly in respect thereof.
- Vote on poll.* 87. On a poll, votes may be given either personally or by proxy, or in the case of a body corporate by a representative duly authorised as aforesaid.
- Instrument appointing proxy to be in writing.* 88. The instrument appointing a proxy be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its office or attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a Special Proxy, any other proxy shall be called General proxy.
- Proxies may be general or special.* 89. A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that the proxy need not be a member of the Company
- Instrument appointing a proxy to be deposited at the office.* 90. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in default the instrument on proxy shall not be treated as valid.
- When vote by proxy valid although authority revoked,* 91. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the Chairman of the meeting shall be entitled to require such evidence as he may in his discretion think fit, of the due execution of instrument of proxy and that the same has not been revoked.
- Form of instrument appointing proxy* 92. An instrument appointing proxy, whether for a specific meeting or otherwise, shall be in either of the forms in Schedule IX to the Act, or a form as near thereto as circumstances admit.
- Restriction on voting.* 93. No member shall be entitled to exercise any voting right either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- Admission or rejection of votes* 94. (1) An objection as to the admission or rejection of any vote either, on a show of hands, or on a poll, made in due time shall be referred to the Chairman of the meeting who shall

forthwith determine the same and such determination made in good faith shall be final and conclusive.

- (2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote disallowed at such meeting shall be valid for all purposes,

DIRECTORS

- Number of Directors* *95. The number of Directors of the Company shall not be less than three (3) or more than twenty one (21), excluding any Debentureholder Director or Alternate Director, provided that any increase in the number of Directors in Office beyond 12 (twelve), would require the approval of the Central Government under Section 259 of the Act”.
- Company in General Meeting to increase or decrease number of Directors.* 96. The Company in general meeting may, from time to time, increase or reduce the number of Directors within the limits fixed by Article 95.
- First Directors.* 97. The persons hereinafter named shall become and be the first Directors of the Company:–
1. BHAI MOHAN SINGH
 2. BHAI ANALJIT SINGH
 3. SHRI RAJENDER NAKRA
98. Notwithstanding anything to the contrary contained in these Articles so long as any moneys shall be owing by the Company to Industrial Development Bank of India (IDBI), or Industrial Finance Corporation of India (IFCI), or the Industrial Credit and Investment Corporation of India Limited. (ICICI), or Life Insurance Corporation of India (LIC), or Unit Trust of India (UTI) or any other Financing Corporation or Company or Body (hereinafter referred to as The Corporation), or so long as the Corporation holds any shares/debentures in the Company as a result of subscription or underwriting, or conversion of loan/debenture into equity capital of the Company or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains outstanding the Corporation shall, pursuant to an agreement between it and the Company, have a right to appoint one or more persons as Director(s) on the Board of Directors of the Company (each such director is hereinafter referred to as “the Nominee Director”). The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation. The Corporation may at any time and from time to time remove the Nominee Director appointed by it and may, in the event of such removal and also in the case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Corporation and shall be delivered to the Company at its Registered Office. The Board of Directors of the Company shall have no power to remove the Nominee Director from Office. Each such Nominee Director shall be entitled to attend all general meetings and meetings of the committee of which he is member, and he and the Corporation appointing him shall also be entitled to receive notice of all such meetings. The Nominee Director shall be paid normal fees and expenses to which other Directors are entitled, provided that if the Nominee Director nominated by IDBI is an Officer of the

* Article No. 95 is amended vide Special Resolution passed in EGM held on March 19, 1993.

Reserve Bank of India (RBI) or (IDBI), unless IDBI otherwise directs, no sitting fees shall be payable to him but the Company shall reimburse RBI or IDBI as the case may be, the amount paid or payable under its rules to such Nominee Director on account of travelling and halting allowances and any other expenses for attending any meeting of the Board or Committee.

- Share qualification of Director.* 99. Unless otherwise determined by a Special resolution in a general meeting of the Company amending this Article a Director of the Company shall not be required to hold any share as his qualification.
- Director's remuneration.* ** 100. The Director shall receive and the Company shall pay remuneration not exceeding such sum as may be prescribed by the Act or the Central Government in that behalf towards fee for attending meetings of the Board or its Committees as may be determined by the Board from time to time.
- Remuneration for extra services.* 101. If a Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the company or in giving special attention to the business of the Company or as a member of a Committee to the Board then, subject to the provisions of Section 198, 309, 310 and 314 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
101. (a) The directors subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 and amendments hereafter may be paid Commission by way of additional remuneration not exceeding 1% of net annual profits of the company computed in the manner laid down in section 349, 350 and 351 of the Companies Act, 1956 such commission may be divided equally amongst the directors on the board on the last day of the financial year of the company to which the commission relates, unless they decide otherwise. Provided that the Directors appointed on the Board on recommendation by the Central Government shall not be entitled to receive the above remuneration.
- Vacation of office of Directors.* 102. The office of the Director shall ipso-facto become vacant if at any time he commits any of the acts or sustains any of the incapacities set out in section 283 of the Act.
- Resignation of Director.* *** 103. A Director may at any time resign from his office by notice in writing served on the Company and such resignation shall be effective when the said notice is received by the Company.
- Office of Profit.* 104. No Director or other person referred to in Section 314 of the Act shall hold an Office or place of profit save as permitted by that section.
- Appointment of Director as Director of Company in which the company is interested.* 105. A Director of this Company may be or become a Director of any other company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such company.

* Article No. 98A is deleted vide Special Resolution at AGM held on October 22, 1998.

** Article No. 100 is amended vide Special Resolution passed on October 22, 1990.

*** Article No. 103 altered vide Special Resolution at AGM held on October 22, 1998.

- Conditions under which Directors may contract with company.* 106. Subject to the provisions of Section 297 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding Office or of the fiduciary relation thereby established.
- Disclosure of a Director's interest.* 107. Every Director shall comply with the provisions of Section 299 of the Act, regarding disclosure of his concern or interest in any contract or arrangement entered into or to be entered into by the Company.
- Discussion and voting by Director interested.* 108. Save as permitted by Section 300 of the Act or any other applicable provision of the Act, no Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly, concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote.

APPOINTMENT RETIREMENT AND REMOVAL OF DIRECTORS

- Additional Directors.* 109. The Board shall have power, at any time and from time to time to appoint any person as an additional Director on the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these articles. Any Director so appointed shall hold office only upto the date of the next Annual General Meeting of the Company and shall then be eligible for re-appointment by such general meeting.
- Alternate Directors.* 110. The Directors may appoint any person to act as a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Directors are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote there at accordingly ; but he shall ipso facto vacate office if and when the absentee Director returns to the State in which meetings of the Directors are ordinarily held or the absentee Director vacates office as a Director.
- Board may fill up casual Vacancies.* 111. If any Director appointed by the Company in General Meeting vacates Office as a Director before his term of office expires in the normal course the resulting casual vacancy may be filled up by the Board at a Meeting of the Board, but any person so appointed shall remain in his office so long as the vacating Director would have retained the same if no vacancy had occurred, Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the Office of Director in accordance with the provisions of Section 284 of the Act.
- Appointment of Non-Rotational Directors* * 111A. The Board of Directors of the Company is empowered to appoint upto one-third of its strength as Non-Rotational Directors, subject to a maximum of three, excluding nominees of Financial Institutions in accordance with Article 117 above.
- Rotation and retirement.* ** 112. At each Annual General Meeting of the Company one-half of such of the Directors for the time being as are liable to retire by rotation, or if their number is not in multiple of two, then number rounded off to next integer, shall retire from office.

* Article No. 111A inserted vide Special Resolution passed on September 28, 1991.

** Article No. 112 altered vide Special Resolution passed on October 22, 1998.

- Which Directors retires.* 113. Subject to the provisions of these Articles, the Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between person who became Director on the same day those to retire shall, in default of and subject to any agreement among themselves; be determined by lot.
- Retirement age of Directors* * 113A. The Directors, who are not in the employment of the Company, shall compulsorily retire on completion of the age of 80 years and those directors in employment of the Company as managing or whole time directors shall compulsorily retire on completion of the age of 65 years.
- Vacancies to be filled in at the general meeting.* ** 114. No person not being a retiring Director shall be eligible for appointment to the Office of Director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the Meeting, left at the Office a notice in writing under his hand signifying his candidature for the Office of Director or the intention of such member to propose him as a candidate for that Office as the case may be, along with a deposit of Rs. 500/- which shall be refunded to such person as the case may be, to such member if the person succeeds in getting elected as a Director and unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar of Companies a consent in writing to act as such Director.
- Appointment of Managing or whole time Director.* 115. (1) Subject to the provisions of sections 269, 309, 310, 314, 316 and 317 of the Act, the Board of Directors may, from time to time, appoint one or more of the Directors as managing or whole time directors on such remuneration and on such other terms and conditions as the Board may remove or dismiss him and appoint another in his place.
- (2) Where the Company enters into any contract for the appointment of a managing or whole-time director or varies any such contract or where the Board passes any resolution appointing such a Director or varies any previous contract or resolution of the Company relating to such appointment the Company shall send an abstract of the terms of the contract or variation thereof and a memorandum to every member of the Company as required by Section 302 of the Act and shall otherwise comply with the provision of the said section.
- Vacation of office by Managing Directors.* 116. (a) Subject to the provisions of Section 255 of the Act, a Managing Director shall not, while he continues to hold that office be subject to retirement by rotation, but he shall be reckoned as a Director for the purpose of determining the retirement of Directors by rotation or in fixing number of Directors but he shall be subject to the same provisions as to resignation, and removal as the other Directors and he shall, ipso facto and immediately, cease to be Managing Director if he ceases to hold the office of Director from any cause.
- Seniorities of Managing Directors.* *** (b) If at any time the Company has more than one Managing Director, the incumbent who has held such office for the longest duration shall not be liable to retire by rotation.
- Remuneration of Managing or whole time Director.* 117. Subject to the provisions of Sections 198, 309, 310, 311 and 637-AA of the Act, a managing or whole-time Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one way and partly by the other as may from, time to time, be determined by a resolution passed by the Company in general meeting.
- Powers of Managing or Whole time Director.* 118. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer

* Article No. 113A altered vide Special Resolution passed on September 15, 2006.

** Article No. 114 amended vide Special Resolution passed on October 22, 1990.

*** Article No. 116(b) altered vide Special Resolution passed on September 14, 2001

upon a Managing Director or wholetime Director for the time being, such of the powers exercisable under these presents by the Board as it may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and the Board may, from time to time, revoke, withdraw, alter or vary any such powers.

PROCEEDINGS OF DIRECTORS

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| <i>Meetings of Directors</i> | * 119. (1) The Board shall meet together atleast once in every three calendar months for disposal of business, adjourn and otherwise regulate its proceedings as it may think fit. |
| | (2) Notice of every meeting of the Board shall be given to the Directors in accordance with the provisions of Section 286 of the Act. |
| <i>Board may act not-withstanding vacancy.</i> | 120. The continuing Directors may act not-withstanding 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. |
| | 121. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of section 287 of the Act. If the quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board the meeting shall be adjourned until such date and time as the Chairman of the Board shall by notice appoint. |
| <i>Director may summon meeting.</i> | 122. A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board. |
| <i>Chairman.</i> | ** 123. The Board may appoint a Chairman of the Board meetings and determine the period for which he is to hold office. All meetings of the Directors shall be presided over by the Chairman present but if at any meeting of the Directors the Chairman be not present at the time appointed for holding the same, then in that case, the Vice Chairman, if present, shall be the Chairman of such meeting and if the Vice Chairman be also not present, then in that case, the Directors shall choose one of the Directors present to preside at the meeting. |
| <i>Power of Quorum.</i> | 124. A meeting of the Board, at which a quorum be present, shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board. |
| <i>How questions to be decided casting vote.</i> | *** 125. Subject to the provisions of Section 316, 372A (5) and 386 of the Act and to the provisions of Article 196, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote. |
| <i>Power to appoint committees and to delegate.</i> | *126. The Board may, subject to the provisions of the Act and to the provisions of Article 202, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Board. |
| <i>Proceedings of Committee.</i> | 127. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and |

* Article No. 119 substituted vide Special Resolution was passed at AGM on October 22, 1998.

** Article No. 123 substituted vide Special Resolution was passed at AGM on October 22, 1998.

*** Article No. 125 and 126 amended vide Special Resolution passed at AGM on September 15, 2006.

proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Articles.

- When acts of Director or committee valid notwithstanding defective appointment etc.* 128. All acts done by any meeting of the Directors, or by a committee of Directors, or any person acting as a Director, shall notwithstanding that it may afterwards be 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 or had vacated office by virtue of any provision contained in the Act or in these Articles be as valid as if every such Director or person had been duly appointed and was qualified to be a Director and had not vacated such office provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such director has been shown to be invalid or to have been terminated.
- Resolution of Board Meeting.* 129. Save in those cases where a resolution is required by Sections 262, 292, 297, 316 and 372(5) and 386 of the Act or any other provisions of the Act to be passed at a meeting of the Board, a resolution shall be valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if it is passed by circulation in the manner as provided in Section 289 of the Act.

MINUTES

- Minutes to be made.* 130. (a) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of proceedings of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.
- (b) Any such minutes of proceedings of any meeting of the Board or of any committee of the Board or of the Company in General Meeting if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such minutes.

POWERS OF THE BOARD

- General Powers of Company vested in the Board.* 131. (a) Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by 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 subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulation not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that resolution had not been made.
- Power to Delegate.* (b) Without prejudice to general powers conferred by the preceding Sub- Article, the Directors may from time to time and at any time subject to the restrictions contained in the act, delegate to secretaries, Officers, Assistants, and other employees or other persons any of the powers, authorities and discretions for the time being vested in the Board and the Board may, at any time, remove any person so appointed and may annul or vary such delegation.
- Local Management Powers of attorney seal for use abroad and foreign and foreign registers.* 132. The Board may, subject to the provisions of the Act, make such arrangements as it may think fit for the management of the Company's affairs abroad and for such purposes appoint local bodies, attorneys and agents and fix their remuneration and delegate to them such power as the Board may deem requisite or expedient. The Company may exercise all the powers of Section 50 of the Act and the Official Seal shall be affixed by the authority and

in the presence of and the instruments sealed therewith shall be signed by such persons as the Board shall from time to time by writing under the seal appoint. The company may also exercise the power of section 157 and 158 of the Act with reference to the keeping of foreign registers.

- Directors etc. may hold office or place of profit.* 133. Any Director or the person referred to in section 314 of the Act, may be appointed to or hold any office or place of profit under the company or under subsidiary of the company in accordance with and subject to the provisions of the said section.
- Secrecy.* 134. Subject to the provisions of Section 2(45) and 383 A of the Act, the Board of Directors shall, from time to time, appoint a whole time Secretary to perform such functions or duties, for such terms on such remuneration and other terms and conditions as the Board may think fit. Any Secretary so appointed may be removed by the Board. A Director may be appointed as secretary subject to the provisions of Section 269, 309, 310 and 314 of the Act.
- Act of Director / Secretary.* 135. Any provisions of the Act or these Articles requiring or authorising a thing to be done by a Director or Secretary shall not be satisfied by its being done by the same person acting both as Director and as, or in place of the Secretary.
- Power to authenticate documents.* 136. Save as otherwise provided in the Act, any Director or the Secretary or any person appointed by the Board to the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board and any books, records, documents account relating to the business of the Company and to certify copies thereof or extracts there from as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the office, the local manager or either officer of the company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.
- Certified copies of resolution of Directors* 137. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding article shall be conclusive evidence in favour of all persons dealing with the company upon the faith thereof that such resolution has been duly passed or, as the case may be that such extract is a true and accurate record of a duly constituted meeting of the Board.

THE SEAL

- Affixing of the Seal* 138. (1) The Board shall provide for the safe custody of the seal.
- * (2) 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 two directors or at least one Director and Secretary or some other person appointed by the Board for the purpose : and those two Directors or a Director and Secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

RESERVES

- Reserve.* 139. Subject to the provisions of Section 205(2A) of the Act, the Board of Directors may, from time to time, before recommending any dividend, set apart any such portion of the profits of the company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the company and for such other purposes of the company as the Board in its absolute discretion thinks conducive to the

* Article No. 138(2) altered vide Special Resolution passed on October 22, 1990

interest of the company and may, subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares of the company) as it may think fit and from time to time deal with and vary such investment and dispose off all or any part thereof for the benefit of the company and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.

Capitalisation of Reserves.

140. Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments, or other assets forming part of the undivided profits of the company and standing to the credit of the reserves, or any capital Redemption Reserve Account in the hands of the company and available for dividend or re-presenting premium received on the issue of shares and standing to the credit of the share premium Account be capitalised, and be set free for distribution amongst such of the shareholders as would be entitled to receive the same if distributed by way of footing that they become entitled thereto as capital and that all or any part of such capitalised fund applied on behalf of such shareholders in paying up in full any unissued shares which shall be distributed accordingly or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by the shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a share premium account or a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to member of the Company as fully paid bonus shares.

Distribution of Capital profits

141. The Company in General Meeting may, at any time and from time, to time resolve that any surplus money in the hands of the Company representing capital profits arising from the receipt of money received or recovered in respect of or arising from the realisation of any capital assets of the Company, or any investment representing the same instead of being applied in the purchase of other capital and in the same as capital and in the same proportions in which they would have been entitled to receive the same if it had been entitled to receive the same if it had been distributed by way of dividend provided always that no such profits as aforesaid shall be so distributed unless there shall remain in the hand of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid up share capital of the Company for the time being.
142. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as if thinks expedient and in particular may issue fractions certificates and may fix the value for distribution of any specific assets and may determine the cash Payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or capitalised fund as may seem expedient to the Board. Where required, a proper contract shall be filed in accordance with section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend for capitalised fund and such appointment shall be effective.

DIVIDENDS

How profits Shall be divisible.

- *143. The divisible profits of the Company shall be determined by setting aside for Reserves appropriate amounts as provided hereinbefore. The residual amount shall be utilised for payment of dividend to shareholders having preferential rights and the equity

* Article No. 143 altered vide Special Resolution passed on September 14, 2001

shareholders in that order. The Board shall be at liberty to recommend payment of dividend to equity shareholders either on pro-rata basis or at a flat rate. Amounts paid-up in advance of calls on equity shares, whilst carrying interest, shall not be entitled to dividend or a right to participate in profits.

Subject to the rights of the members entitled to share (if any) with preferential rights attached thereto, the profits of the Company be determined to dividend in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company. The Board shall be at liberty to recommend payment of dividend either on pro-rata basis or at a flat rate on the shares allotted. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest rank for dividends or confer a right to participate in profits.”

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| <i>Declaration of dividends.</i> | 144. | The company in Annual General meeting may declare a dividend to be paid to the members according to their rights and interest in the profit of the company. |
| <i>Restrictions of amount of dividends.</i> | 145. | No larger dividend shall be declared than is recommended by the Board; but the company in Annual General Meeting may declare a smaller dividend. |
| <i>Interim dividend.</i> | 146. | The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the company. |
| <i>Distribution of dividend within forty-two days.</i> | 147. | All dividends shall be paid, or the warrants in respect thereof shall be posted, within forty-two days from the date of the declaration by the shareholders entitled to the payment of the dividend. |
| <i>Debits may be deducted.</i> | 148. | The Board may deduct from any dividend payable to any member all sums of moneys, if any, presently payable by him to the company on account of calls or otherwise relating to the shares of the company. |
| <i>Dividend and call together.</i> | 149. | Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, not exceeding the amount remaining unpaid on the share, but so that the call on such member also does not exceed the dividend payable to him and so that call be made payable at the same time as the dividend and in such case the dividend may, if so arranged between the company and the members be set of against the call. |
| <i>Dividend in cash</i> | 150. | No dividend shall be payable except in cash; provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserve of the company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the company. |
| <i>Effect of transfer.</i> | * 151. | Dividend on shares, in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company, shall be transferred to a Special Account referred to in Section 205 A of the Act, pending transfer unless the Company is authorised by the registered holder of such shares, in writing, to pay such dividend to the transferee specified in such instrument of transfer. |
| <i>Payment of interest on capital.</i> | 152. | The company may pay interest on capital raised for the construction of works or buildings when and so far as shall be authorised to do by Section 208 of the Act. |
| <i>To whom dividends payable</i> | 153. | No dividend shall be paid in respect of any share except to the registered holder of such shares or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the company for payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 157. |

* Article No. 151 amended vide Special Resolution passed on October 22, 1990

- Dividend to joint holders.* 154. Anyone of several persons who are registered as joint-holders of any shares may give effectual receipt for all dividends, bonuses and other payments in respect of such shares.
- Notice of dividends.* 155. Notice of any dividend; whether interim or otherwise shall be given to the persons entitled to share therein in the manner hereinafter provided.
- Payment by post.* 156. Unless otherwise directed in accordance with Section 206 of the Act, any, dividend, interest or other money payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the members or in case of members who are registered jointly to the registered address of that one of such members who is first named in the Register in respect of the joint-holding or to such person and such address as the member or members who are registered jointly as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement on any cheque or warrant or fraudulent recovery thereof by any other means.
- Unpaid or unclaimed dividends.* 157. No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The company shall comply with the provisions of Section 205 A of the Act in respect of unpaid or unclaimed dividend.

BOOKS AND DOCUMENTS

- Where to be kept.* 158. The Books of Account shall be kept at the Registered Office or at such other place in India as the Board may, from time to time, decide.
- When accounts to be deemed finally settled.* 159. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in Annual General Meeting shall be conclusive.
- Registers, Books and documents to be maintained by the Company.* 160. (i) The company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following namely :-
- (a) Register of Investments under Section 49 of the Act.
 - (b) Register of Debentures and Charges under Section 143 of the Act,
 - (c) Register of Members and index of Members under Section 150 and 151 of the Act.
 - (d) Register and index of Debenture-holders under Section 152 of the Act.
 - (e) Register of contracts with and of companies and firms in which Directors of the Company are interested under Section 301 of the Act, and shall enter therein the relevant particulars contained in Sections 297 and 299 of the Act:
 - (f) Register of Directors, Managing Directors and Secretary under Section 303 of the Act.
 - (g) Register of Share-holdings and Debenture holdings of Directors under Section 307 of the Act.
 - (h) Register of Investments in shares or debentures of other bodies corporate under Section 372 of the Act.
 - (i) Books of Account under the provisions of Section 209 of the Act.
 - (j) Copies of instruments creating any charges requiring registration under section 136 of the Act.
 - (k) Copies of Annual Returns under Section 159 of the Act together with the copies of the Certificates, under Section 161:-

- (1) Register of Renewed and Duplicate Certificates according to Rule (2) of the Companies (Issue of Share Certificates) Rules, 1960.
- (2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection for 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 those persons entitled thereto in accordance with the provisions, of the Act or these Articles.
- (3) The Company may keep a Foreign Register of Members in accordance with Sections 157 and 158 of the Act, Subject to the provisions of Section 157 and 158, the Directors may from time to time make such provisions as may think fit in respect of the keeping of Branch Registers of Members and/or Debenture-holders.

INTEREST OUT OF CAPITAL

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

ANNUAL RETURNS

- Annual Return* 162. The Company shall make the requisite Annual Returns in Accordance with the provisions of Section 159 and 161 of the Act, and shall file with the Registrar three copies of the Balance Sheet and Profit and Loss Account in accordance with Section 220 of the Act.

AUDIT

- Audit.* 163. (a) One at least in every year, the accounts of the Company shall be examined and the correctness of the Profit and Loss account and Balance Sheet, ascertained by the Auditor or Auditors of the Company.
- First auditors.* (b) The first Auditor or Auditors of the Company shall be appointed by the Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until conclusion of the first Annual General Meeting of the Company.
- Appointment and remuneration of auditors.* (c) The Company at each Annual General Meeting shall appoint an Auditor or Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting.
- Audit of Accounts of Branch.* (d) Where the Company has a Branch Office the provision of Section 228 of the Act shall apply.
- Appointment of auditors by special resolution.* (e) Where not less than twenty-five percent of the subscribed share capital of the Company is held whether singly or in any combination, by a Public Financial Institution or a Government or any State Government or any other person as referred to in section 224A of the Act, the appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a special resolution.
- Right of Auditor to attend the General meeting.* (f) All notices 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 also be entitled to

attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concern him as Auditor.

- Auditors Report to be read in*
- (g) The Auditor's Report shall be read before the Company in Annual General Meeting and shall be open to inspection by any member of the Company.
- Application of sections 224 to 233 of the Act.*
- (h) The appointment, remuneration, rights and duties of Auditors of the company shall be regulated by the provisions of section 224 to 233 of the Act.

SERVICES OF NOTICES AND DOCUMENTS

- How notice to be Served on members.*
164. (1) A notice or other document shall be given or sent by the Company to any member either personally or by sending it by post to him to his registered address in India 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 notice to him.
- Service by post.*
- (2) Where notice or other document is sent by post:
- (a) Service there of shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be effected unless it is sent in the manner intimated by the member; and
- (b) Such service shall be deemed to have been effected:
- (i) In the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and
- (ii) In any other case, at the time at which the letter would be delivered in the ordinary course of post.
- Notice to members who have not supplied Address.*
165. A notice or other document advertised in a newspaper circulating in the neighborhood of the office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every members of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of the notices to him.
- Notice to joint-holders,*
166. A notice or other documents may be served by the Company on the joint- holder named first in the Register in respect of the share.
- Notice to persons entitled by transmission.*
167. A notice or other documents may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by the name, or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- How to advertise.*
168. Any notice required to be or which may be given by advertisements once in one or more newspapers circulating in the neighborhood of the office.
- Transferee etc. bound by prior notice.*
169. Every person who by operation of law or transfer or other mean whatsoever shall become entitled to any share be bound by every notice in respect of such shares which previous to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

- Notice valid though member deceased.* 170. Subject to the provisions of Articles 165 to 169, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the company has notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders thereof and such service shall, for all purposes of these presents, be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any jointly interested with him in any such shares.
- How notice to be signed.* 171. The signature to any notice to be given by the company may be written or printed.
- Service of process in winding up.* 172. Subject to the provisions of Section 497 and 509 of the Act, in the event of a winding up of the company every member of the company who is not for the time being in the town where the registered office of the company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind-up the company, to serve notice in writing on the company appointing some house-holder residing in the neighborhood of the office upon whom all summons, notices, process, orders and judgment in relation to or under the winding up of the company, may be served and in default of such nomination, the Liquidator of the company shall be at liberty, on behalf of such member, to appoint some such persons, and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purposes and where the Liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such member by advertisement in some daily newspapers circulating in the neighborhood of the office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter should be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the Liquidator of the company to serve any notice or other document in any other manner prescribed by these Articles.
- Inspection.* 173. (a) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
- (b) The Board shall, from time to time, determine whether and to what extent and at what times and place and under what conditions or regulations, the books of account and other books and documents of the Company, other than those referred to in Article 132 (b), shall be open to the inspection of the member (not being a Director) and no member (not being a Director) shall have any right of inspecting any books of 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.
174. The Books of account and other books and papers of the company be open to inspection during business hours by the Registrar of Companies or by such officer of Government as may be authorised by the Central Government in this behalf without any previous notice to the company or any officer thereof.
- CAPITALISATION**
- Capitalisation* 175. (1) The Company in General Meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including the profits or surplus moneys arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the Company standing to the credit of the General Reserve any Reserve Funds or any other Funds of the Company or in the hands of the Company and available for dividend, be capitalised, by the issue and distribution as fully paid up shares of the Company which may have

been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the Share premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payments of shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

*Keeping in abeyance
bonus shares pending
transfer*

- * 175 (1) (a) Notwithstanding anything contained in Article 175 (1) or the Act, fully paid up Bonus Shares, pursuant to provisions of Section 205 (3) of the Act and Article 175 (1), in respect of Shares for which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be kept in abeyance pending transfer.
- (2) Such issues and distribution under (1) (a) above and such payment to the credit of unpaid share capital under (1) (b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1) (a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as capital.
- (3) The Directors shall give effect to any such resolution and apply such portion of the profits, General or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.
- (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.
- (5) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied on the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied Pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.

* Article No. 175(1) (a) altered vide Special Resolution passed on October 22, 1990

- (6) When deemed requisite, a proper contract shall be prepared in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

- Books of Accounts to be kept* 176. (1) The Company shall keep at its Registered Office proper books of Account 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 takes place.
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company;
- Provided that all or any of the books of account aforesaid may be kept at such other place in India as the 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 of Companies a Notice in writing giving the full address, of that other place.
- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns made up-to-date at intervals of not more than three months, shall be sent by the Branch office of the Company to its Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.
- (3) All the aforesaid books shall give a true and fair view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions,
- (4) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
- Books of Accounts to be preserved* 177. The Books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with vouchers relevant to any entry in such books of account shall be preserved in good order.
- Inspection by Members of books of the Company.* 178. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions and regulations the books of the Company shall be open to the inspection of members and no member shall have any right of inspecting any books of the Company except as conferred by law.
- Statements of Accounts to be furnished to General Meeting.* 179. The Board of Directors shall lay before each Annual General Meeting, a profit and loss account which shall relate:-
- (a) in case of the first Annual General Meeting of the Company, to the period beginning with the incorporation of the Company and ending with a day which shall not precede the day of the meeting by more than nine months; and
 - (b) in case of any subsequent Annual General Meeting of the Company, to period beginning with the day immediately after the period for which the account was last submitted and ending with the day which shall not precede the day of the meeting by more than six months, or in cases where an extension of time has been granted for holding the meeting under the second proviso to sub-section (1) of Section 166 by more than six months and the extension so granted. The period to which the account

aforesaid relates is referred to in this Article as a “financial year” and it may be less or more than a calendar year, but it shall not exceed fifteen months provided nevertheless it may be extended to eighteen months where special permission has been granted in that behalf by the Registrar.

- Balance Sheet and Profit and Loss Account* 180. (1) (a) Subject to the provisions of Section 211 of the Act, every Balance Sheet shall give a true and fair view of state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of the said Section, be in the form set in part I of Schedule VI of the Act, or as near thereto as circumstances permit or in such other form as may be approved by the Central Government either generally or in any particular case; and in preparing the Balance Sheet due regard shall be had, as far as may be to the general instructions for the preparation of the Balance Sheet under the heading “Notes” at the end of that part.
- (b) Subject as aforesaid, every Profit and Loss Account shall give a true and fair view of the Profit or Loss of the Company for the financial year and shall subject as aforesaid, comply with the requirements of Part II of Schedule VI of the Act so far as they are applicable thereto.
- (2) There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group within the meaning of Section 372 (ii) of the Act in the shares of which investments have been made by it including all investments whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.
- (3) So long as the Company is a holding Company having a subsidiary, Company shall conform to Section 212 and other applicable provisions of the Act.
- (4) 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.
- Authentication of Balance Sheet and Profit and Loss Account.* 181. (1) Every Balance Sheet and every profit and loss account of the Company shall be signed on behalf of the Board of Directors, by the Secretary and by not less than two Directors of the Company one of whom shall be the Managing Director where there is one.
- (2) Provided that when only one Director is for the time being in India, the balance sheet and profit and Loss account shall be signed by Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions and of Sub-Clause (1) above.
- (3) The Balance Sheet and the Profit and 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.
- Profit and Loss Account to be annexed and Auditors’ Report to be attached to the Balance Sheet* 182. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors Report (including the Auditors Separate/Special or Supplementary reports, if any) shall be attached thereto.
- Board’s Report to be attached to Balance Sheet* 183. (1) Every Balance Sheet laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of

Company's affairs, the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend and material change and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and to the date of the report.

- (2) The Report shall, so far as it is material for the appreciation 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 any changes which have occurred during the financial year in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.
- (3) The Board shall also give the fullest information and explanation in its reports or in cases falling under the provision to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors Report.
- (4) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorised in that behalf by the Board and where he is not so authorised, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of these Articles.
- (5) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with.

184. The Company shall comply with the requirements of Section 219 of the Act.

Reconstruction.

185. On any sale of the undertaking of the Company, the Board or the liquidator on winding up may if authorised by a special Resolution, accept fully paid or partly paid up shares, debentures or securities of any other company incorporated in India, or to the extent permitted by law of a company incorporated outside India either then existing or to be formed for the purchase in whole or in part of the property of the company and the Board (if the profits of the company permit) or the liquidator (in a winding-up) may distribute such shares or securities or any other property of the company amongst the member without realisation or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the legal rights of the members or contributories of the company, and for valuation of any such securities or property at such securities or property at such price and in such manner as the meeting may approve and all holder of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation there to, save only in case the Company is proposed to be in the course of being wound up statutory rights if any under Section 494 of the Act as are in-capable of being varied or excluded by these Articles.

SECRECY

Secrecy.

186. Every Director, Secretary, Trustees for the company, members of a Committee, servant, officer, agent, accountant, or other person employed in or about the business of the company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal and of the matters, relating thereto which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General or by a Court of Law and except so far as may be necessary in order to comply with any of the provision in these Articles contained.

No shareholder to enter the premises of the company without permission.

187. No shareholder or other person (not being a Director) shall be entitled to enter upon the Properties of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board subject to Article 171 to require discovery of or any information respecting any detail of the trading of the company or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatever which may relate to the conduct of the business of the company and which in the opinion of the Board will be inexpedient in the interest of the company to communicate.

WINDING UP

Distribution of assets.

- *188. (a) In the event of the Company being wound up, the holders of Preference shares, if any shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment of the amount paid up on the preference shares held by them respectively and payment of arrears of dividend up to the commencement of the winding up, whether declared or not, but shall not be entitled to any further participation in such surplus assets. If the surplus available as aforesaid shall be insufficient to repay the whole amount paid up on the Preference shares and any arrears of dividend, such assets shall be distributed amongst the holders of preference shares so that the losses shall be borne by the holders of preference shares in proportion to the capital paid up or which ought to have been paid up thereon and the arrears of dividend as aforesaid.
- (b) If the Company shall be wound up and the assets available for distribution among the members as such after payment to the preference share holders as aforesaid shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that the losses shall be borne by the members in proportion to the paid-up capital or which ought to have been paid up at the commencement of the winding up on the shares held by them, respectively.
- (c) If in the winding up, the assets available for distribution among the members after payment to the Preference Shareholders as aforesaid shall be more than sufficient to repay the whole of the paid-up capital, such assets shall be distributed amongst the members in proportion to the paid-up capital on the shares held by them respectively, at the commencement of the winding up.
189. If the company shall be wound up, whether voluntarily or otherwise the liquidators may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind; any part of the assets of the company and may, with the like sanction, vest any part of assets of the contributories, or any of them as the liquidators, with the like sanction shall think fit.

INDEMNITY

190. Subject to the provision of Section, 201 of the Act, every Director, Secretary or officer of the Company or any person (whether an Officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the company against all liability incurred by him as such Director, Secretary, Officer, employee or Auditor 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 633 of the Act, in which relief is granted to him by the Court.

* Article No. 188 amended vide Special Resolution passed at the AGM on September 15, 2006.

* PART-II

OVERRIDING EFFECT AND INTERPRETATION

191. Subject to the requirements of applicable law, in the event of any conflict between the provisions of Part I and this Part II, the provisions of this Part II shall apply.

Unless the context otherwise requires, words or expressions contained in this Part II shall have the meanings as provided below. Provided that any terms and expressions used but not defined specifically in this Part II shall have the same meaning as ascribed to them in Part I or in the Act or any statutory modification thereof. Other terms may be defined elsewhere in the text of these Articles and, unless otherwise indicated, shall have such meaning throughout these Articles.

"Affiliate" means with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by or is under common Control with, such Person. In case any Person is a natural person (including partners of a partnership firm), then the term **"Affiliate"** in relation to such natural person shall also mean a Relative of such natural person.

"Annual General Meeting" or **"AGM"** means the annual general meeting of the Company convened and held in accordance with the Act.

"Board of Directors" or the **"Board"** means the board of directors of the Company in office at applicable times and as nominated and appointed in accordance with the terms of these Articles.

"Business" means the business of manufacture and sale of speciality packaging films products carried on by the Company. In addition the Company also has shareholding in companies, which carry on the business of life insurance, health insurance, healthcare, clinical research and senior living businesses.

"Control" (including with correlative meaning, the terms **"Controlled by"** and **"under common Control"** with) means the power and ability to direct the management or policies of any Person, whether through the ownership of over 50% (fifty percent) of the voting power of such Person, through the power to appoint more than half of the board of directors or similar governing body of such entity, through contractual arrangements or otherwise.

"Directors" means the directors of the Company as the case may be, appointed in accordance with Article 195.

"ESOP" means the employee stock option plan of the Company, which shall be in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

"Extra Ordinary General Meeting" or **"EGM"** means the extra ordinary meeting of the Company convened and held in accordance with the Act.

"Financial Year" means the period commencing April 1 each year and ending on March 31 the next year, or such other period as may be determined by the Board to be the financial year for the Company.

"General Meetings" means either an EGM or an AGM of the Shareholders of the Company.

"Person" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust,

* Entire Part II of the Articles of Association was replaced vide special resolution passed at the AGM of the Company held on September 24, 2013.

union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable law.

"Promoter Group" means, collectively, the Promoters and their Affiliates.

"Promoter Group Directors" shall have the meaning set forth in Article 195.

"Promoters" means Mr. Analjit Singh and his Relatives.

"Relatives" shall have the meaning given to the term in the Act, and shall also include any sibling of such Relative and such sibling's children.

"Share Capital" means the total issued and paid up equity share capital of the Company, with voting rights.

"Shares" means equity shares, with one vote per equity share, of the Company having a par value of Rs. 2 (Rupees Two) and includes warrants of the Company and Shares arising out of conversion of such warrants.

"Subsidiaries" means the current and future direct and indirect subsidiaries of the Company and shall, for the avoidance of doubt, include any company which is Controlled by the Company.

QUORUM FOR GENERAL MEETING

192. Notwithstanding anything to the contrary in these Articles, the quorum for General Meetings shall require the presence of at least one authorised representative representing the Promoter Group being present at such meeting. Provided that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

AFFIRMATIVE RIGHTS

193. Notwithstanding anything to the contrary contained in these Articles, the following decisions, shall not be taken and/or implemented by the Company or any of its Subsidiaries whether at meetings of their respective shareholders and/or their respective Board of Directors and/or committees of the Board of Directors, in each case without the affirmative votes or prior written consent of, the Promoter Group:
- (i) Mergers, demergers, spin-offs, re-organizations, amalgamations, consolidations, divestments, winding up or liquidation, or debt restructuring, or creation or dissolution of joint ventures/partnerships, subsidiaries, or investments in such entities, acquisition or sale of shares or securities or ownership interest in or of any other company or entity;
 - (ii) Sale of fixed assets (including but not limited to creating a lien, a lease or exchange), outside of the business plan (as approved by the Promoter Group), in excess of Rs. 200,000,000 (Rupees Two Hundred Million) on a cumulative basis in any Financial Year;
 - (iii) Voluntary commencement of a winding-up proceeding for insolvency or bankruptcy of the Company and/or any of the Subsidiaries or general assignment for the benefit of their creditors or any consent to the entry of a decree or order for relief from creditors under any applicable laws or any admission by the Company and/or any of the Subsidiaries of (A) its inability to pay its debts, or (B) any other action constituting a cause for the involuntary declaration of insolvency or bankruptcy;
 - (iv) Acquisition of other businesses (by way of share sale, business transfer, slump sale, asset sale or any other mode of acquiring a business or asset), creation of joint ventures/ partnerships, creation or investment in Subsidiaries or any other investments (other than short term liquid investments in bank deposits and debt mutual funds with no equity exposure and in certain banks and mutual funds as approved by the investment committee of the Board);

- (v) Capital expenditures or acquisitions of assets, in excess of Rs. 200,000,000 (Rupees Two Hundred Million), on a cumulative basis, in any Financial Year;
- (vi) Increase, decrease, buy back or other alteration or modification in authorized or issued share capital or creation or issue of other securities (including equity shares, preference shares, non-voting shares, warrants, options and such other instruments) and terms thereof by the Company or any Subsidiary or delisting of securities of the Company or any Subsidiary. Matters in connection with any initial public offering of any Subsidiary including timing, pricing, and place/stock exchange(s) etc;
- (vii) Any event that reduces the Company's equity shareholding in any of the Subsidiaries, save and except any reduction by virtue of conversion of any options granted pursuant to ESOP approved by the Board;
- (viii) Any event that reduces any Subsidiary's equity shareholding (directly or indirectly) in any of its subsidiaries;
- (ix) Related party transactions (other than transactions between the Company and/or its Subsidiaries with the Promoter Group so long as such transactions are entered into in the ordinary course of business);
- (x) Amendments to Memorandum or Articles of Association (including, without limitation, change in the number of members of the Board of Directors of the Company and/or the Subsidiaries);
- (xi) Appointment and change of chief executive officer, managing director, chief financial officer, the statutory auditor and the internal auditor;
- (xii) Any appointment of Director/Chairman of the Board of its Subsidiaries;
- (xiii) Approval of, or amendment to, the annual business plan (including budgets);
- (xiv) Commencement of any new line of business, which is unrelated to the business of the Company or its Subsidiaries;
- (xv) Availing of debt, credit facilities, issuance of any bonds/debentures, refinancing of existing debt, securitisation of any receivable or incurring any indebtedness by the Company or any Subsidiary, in excess of an aggregate of Rs.1,000,000,000 (Rupees One Thousand Million);
- (xvi) Settlement of any litigation where the amount involved is in excess of Rs. 50,000,000 (Rupees Fifty Million) on a cumulative basis in any Financial Year;
- (xvii) Any change in the material accounting or tax policies or practices;
- (xviii) Declaration or payment of any dividend;
- (xix) Entry into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations on the Company or any of the Subsidiaries, to pay an amount in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million) in a single transaction or on a cumulative basis, i.e. in more than one transaction in any Financial Year, or impose, or is likely to impose, on the Company or any of the Subsidiaries, any liability in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million);
- (xx) Acquire or sell shares or other securities (other than fixed income securities);
- (xxi) Recommend giving or renewing of security in or the indemnifying or the guaranteeing of debts or obligations of any entity other than the Subsidiaries;
- (xxii) Any change in the Financial Year for preparation of audited accounts;

- (xxiii) Any Transfer of brand names and trademarks or any other intellectual property used by the Company or its Subsidiaries, unless such Transfer is between the Company and its Subsidiaries or amongst the aforesaid Subsidiaries inter se; and
- (xxiv) Any commitment or agreement or arrangement (oral or written) to do any of the foregoing.

It is clarified that all financial limits in this Article are indicated on an aggregate basis and would apply cumulatively to the Company and all the Subsidiaries taken together.

ALTERNATE DIRECTORS

- 194. (i) Each of the directors appointed by the Promoter Group shall be entitled to appoint an alternate Director in place of himself/herself from time to time.
- (ii) Upon the appointment of the alternate director, the Company, shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar. The alternate director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the original director and generally to perform all functions of the original director in his or her absence.

BOARD COMPOSITION OF THE COMPANY

- 195. (i) The Directors on the Board of the Company other than the independent Directors as well as the Xenok Nominee Director (the "Other Directors") shall be appointed by the Promoter Group proportionate to their shareholding, such that the Promoter Group shall appoint a minimum of 2 (two) directors from amongst the Other Directors so long as the Promoter Group holds atleast 15% of the Share Capital of the Company ("Promoter Group Directors"). The Chairman of the Board is Mr. Analjit Singh. In the event Mr. Analjit Singh is unable to act as the Chairman of the Board, then the Chairman shall be a director nominated by the Promoter Group.
- (ii) Subject to the provisions of applicable Law, the Promoter Group shall have the right to nominate at least 1 (one) nominee to the Board of Directors of the Company from among the Promoter Group Directors, as a non-rotational Director.

REMOVAL/RESIGNATION OF DIRECTORS

- 196. The Promoter Group may require the removal of any Director nominated by them to the Company and nominate another individual as a Director in his/her place. In the event of the resignation, retirement or vacation of office of any Director nominated by the Promoter Group, the Promoter Group shall be entitled to appoint another Director in such place.

MEETINGS OF DIRECTORS

- 197. (i) Unless agreed to by at least one nominee director of the Promoter Group, the meetings of the Board shall be held in New Delhi, India.
- (ii) Subject to the provisions of Section 286 of the Act, each notice of a meeting of the Board shall contain, inter alia, an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary written information.
- (iii) It is hereby clarified, subject to the provisions of these Articles including Article 193 and any matter in respect of which affirmative rights may have been conferred on the Promoter Group, that a decision shall be said to have been made and/ or a resolution shall be said to have been passed at a meeting of the Board of Directors of the Company only if at a validly constituted meeting, such decisions are approved of by and/ or the resolution is approved of by a majority of the Directors, which unless otherwise mandated by law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting of the Company.

- (iv) Subject to applicable law, Directors or members of any committee of the Board may participate in meetings of the Board or committee of the Board through video-conference or telephonic conference.

QUORUM FOR BOARD MEETING

- 198. Notwithstanding anything to the contrary in Article 121, the quorum for a meeting of the Board shall include at least 1 (one) Director nominated by the Promoter Group being present at such meeting.

Provided that if such a quorum is not present within one hour from the time appointed for the meeting, the meeting shall adjourn to the same place and time 7 (seven) days later, at which meeting the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum even though the nominee director of the Promoter Group, is not present, provided that notice of such adjourned meeting shall have been delivered to all Directors at least 5 (five) days prior to the date of such adjourned meeting. However, any matter in respect of which the Promoter Group may have affirmative rights shall not be taken up at such adjourned meeting, without at least one Director each nominated by the Promoter Group being present.

Provided further that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

COMMITTEES

- 199. As long as the Promoter Group holds at least 10% of the Share Capital of the Company, the Promoter Group has the right to appoint any 1 (one) of its nominee Directors as a member of all the committees established by the Board of Directors of the Company. Provided that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

RESOLUTION OF BOARD MEETING

- 200. Notwithstanding anything to the contrary in Article 129, a resolution of a Board or committee of the Board, passed by circulation, shall be valid only if it has been circulated in draft form, together with the relevant papers, if any to all the Directors and if the resolution proposed to be passed by circulation pertains to any matter in respect of which the Promoter Group may have affirmative rights, such circular resolution shall be valid and effective only if it has received the consent of at least 1 (one) Director nominated by the Promoter Group.

STATUTORY AUDITOR

- 201. Notwithstanding anything to the contrary in Article 163, the Auditor or Auditors appointed by the Company shall be from among recognized and reputable accounting firms, acceptable to the Promoter Group.

TERMINATION OF CERTAIN ARTICLES

- 202. In the event that the Promoter Group ceases to hold at least 10% of the Share Capital of the Company, then without prejudice to either rights or obligations which may have accrued to or in respect of the Promoter Group under these Articles, the provisions of this Part II shall automatically cease to have effect with respect to the Promoter Group.

WITH ADOPTION OF FRESH ARTICLES UNDER PART II AT THE AGM HELD ON SEPTEMBER 24, 2013, ARTICLE NOS. 203 TO 208 STAND DELETED.

PART-III*OVERRIDING EFFECT AND INTERPRETATION**

209. Subject to the requirements of applicable law, in the event of any conflict between the provisions of Part I and this Part III, the provisions of this Part III shall apply in respect of the inter se arrangements between the Company, the Investor and the Promoter Group. The provisions of Part II and this Part III shall be read in conjunction with each other. The provisions of this Part III shall come into effect retrospectively from the Closing Date.

Unless the context otherwise requires, words or expressions contained in this Part III shall have the meanings as provided below.

"Act" shall mean the Companies Act, 1956 or any other statutory amendment or re-enactment thereof;

"Acceptance Notice" shall have the meaning provided in Article 216(ii) of these Articles;

"Affiliates" of a Person (the **"Subject Person"**) means in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, controls, is controlled by or is under common control with the Subject Person and where the Subject Person is a natural person, any Immediate Family of such Subject Person or any Person (other than a natural Person) controlled by such Subject Person or the trustees of any trust of which his/her Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, or any company in which he/she and his/her Immediate Family together (directly or indirectly) have an interest of more than fifty percent (50%) or any Person who is accustomed to act according to the instructions of the individual. For purposes of this definition, **"control"** means the power to direct the management or policies of a Person, directly or indirectly whether through the ownership of more than fifty (50%) of the voting power of such Person, through the power to appoint over half of the members of the board of directors or similar governing body of such Person, through contractual arrangements or otherwise; Notwithstanding the aforesaid, the term **"Affiliates"** as used in these Articles shall, with reference to the Company, include all the Persons forming part of the Promoter Group and any Person over which any Person forming a part of the Promoter Group acquires control at a later date;

"Alternate Director" shall have the meaning provided in Article 211(iii) of these Articles;

"Articles of Association" or **"Articles"** shall mean the articles of association of the Company as contained in this Part III, as amended from time to time;

"Board of Directors" or **"Board"** shall mean the board of directors of the Company in office at applicable times;

"Business" shall mean the business of (i) life insurance; (ii) health insurance; (iii) clinical research; (iv) healthcare and training of medical staff; and (v) manufacture of BOPP films, thermal lamination films and leather finishing foils, carried on by the Company either directly or through its Subsidiaries;

"Closing Date" shall mean the date of allotment of the CCDs to the Investor;

* New Articles Inserted as Part III of the Articles of Association vide special resolution passed at the EGM held on February 18, 2011.

"Company" shall mean Max Financial Services Limited, (Formerly Max India Limited) a public limited company incorporated under the Act;

"Compulsorily Convertible Debentures" or **"CCDs"** shall mean the fully and compulsorily convertible debentures of the Company of face value of Rs. 867/- (Rupees Eight Hundred and Sixty Seven Only) each, carrying an interest of 12% (twelve per cent) per annum issued to the Investor, with each CCD being convertible into 4 (four) Shares of the Company, and issued to the Investor on the terms and conditions agreed between the Parties;

"Conversion Shares" shall mean Shares of the Company allotted on conversion of CCDs as agreed by the Parties.

"Director" shall mean a director of the Company;

"Encumbrances" shall mean any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, defect in title, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same;

"Event of Default" shall mean such events as agreed between the Parties;

"Excluded Entities" shall mean each of Pharmax Corporation Limited, Max Ateev Limited, Max Healthstaff International Limited, Neeman Medical International B.V., Neeman Medical International N.V., Max Neeman Medical International Inc., and Max UK Limited;

"Free Shares" shall mean 41,000,000 (forty one million) Shares as increased pursuant to any agreement between the Parties (in each case appropriately adjusted for any corporate actions including bonus issues, share splits/consolidations etc);

"Governmental Authority" shall mean (i) any nation or government or any province, state or any other political subdivision thereof; (ii) any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality; (iii) any court, tribunal or arbitrator; (iv) any securities exchange or body or authority regulating securities exchanges; in each case in India or Cyprus or such other jurisdiction of incorporation of the Investor, as applicable;

"Immediate Family" shall mean, with respect to any natural Person, the spouse, parents, children (whether natural or adopted), grandchildren and children's spouses of such Person;

"Investor" shall mean Xenok Limited, a company organized under the laws of Cyprus and having its registered office at ELIA House, 77 Limassol Avenue, 2121 Nicosia, Cyprus;

"Investor Nominee" shall have the meaning provided in Article 211(i) of these Articles;

"**Law(s)**" shall mean all applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions, judgments, decrees or other requirements or official directive of any Governmental Authority or Person acting under the authority of any Governmental Authority and / or of any statutory authority in India or Cyprus or such other jurisdiction of incorporation of the Investor as applicable;

"**Lock-In**" shall have the meaning provided in Article 214(i) of these Articles;

"**Memorandum of Association**" shall mean the memorandum of association of the Company, as amended from time to time;

"**Offered Shares**" shall have the meaning provided in Article 216(ii) of these Articles;

"**Original Director**" shall have the meaning provided in Article 211(iii) of these Articles;

"**Party**" shall mean each of the Investor, the Company and the Promoter Group individually and "Parties" shall refer to any two or more of them collectively;

"**Person**" shall mean any individual, entity, joint venture, company (including a limited liability company), corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association of persons, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees and the beneficiary or beneficiaries from time to time;

"**Prohibited Persons**" shall mean such Persons as agreed between the Parties;

"**Promoter**" shall mean Mr. Analjit Singh;

"**Promoter Group**" shall mean each of the Promoter, the Promoter's Immediate Family and such other Persons as mutually agreed between the Parties;

"**Purchaser**" shall have the meaning provided in Article 216(ii) of these Articles;

"**Rupees**" or "**Rs.**" or "**INR**" shall mean Indian rupees, the lawful currency of India;

"**Sale Notice**" shall have the meaning provided in Article 216(ii) of these Articles;

"**Securities**" shall mean the CCDs and Shares;

"**Shares**" shall mean the equity shares of the Company of a face value of Rs. 2/- each, with one vote per equity share;

"**Share Capital**" shall mean the total paid up and outstanding equity share capital of the Company from time to time, computed on a fully diluted and converted basis;

"**Subsidiary**" shall have the meaning provided to such term in Section 4 of the Act provided that solely for the purpose of Article 217 of these Articles, the terms "Subsidiary" shall not include the "Excluded Entities";

"**Tag Along Rights**" shall have the meaning provided in Article 216(i) of these Articles;

"**Tag Along Securities**" shall have the meaning provided in Article 216(ii) of these Articles;

"Tax" or "Taxes" means all national, local and foreign tax on net income, gross income, gross receipts, sales, use, ad valorem, value-added, capital gains, transfer, franchise and profits; withholding tax; service tax; duties of custom and excise, octroi duty, stamp duty or other taxes, statutory pension or other employment benefit plan contributions, fees, assessments or charges of any kind whatsoever, including any surcharge or cess thereon, together with any interest and any penalties, additions to tax or additional amount with respect thereto;

"Transfer" shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

"Third Party" shall mean any Person as agreed between the Parties; and

"USD" shall mean United States Dollars, the lawful currency of the United States of America.

CONVERSION

210. Subject to the provisions of these Articles, each CCD shall convert into 4 (four) Shares of the company ("Conversion Ratio") in the manner agreed between the Parties.

Subject to applicable Law and notwithstanding anything contained elsewhere in these Articles, from the date of issuance of the CCDs to the Investor, the Conversion Ratio for each unconverted CCD shall be proportionately and appropriately adjusted (as required) for:

- (i) Any bonus issue of Shares, securities or convertible instruments by the Company;
- (ii) Any stock split, consolidation or other similar action in respect of the Share Capital; and
- (iii) Any other reorganization, recapitalization, merger, demerger, buyback, reclassification or similar event in respect of, or affecting the, Share Capital.

in each case, to ensure that the shareholding of the Investor and the Promoter is maintained at the levels agreed between the Parties.

The Company shall obtain in a timely manner any applicable approvals which are required from Governmental Authorities for giving effect to the provisions of this Article

BOARD COMPOSITION AND MANAGEMENT

211. (i) So long as the Investor or its Affiliates hold in the aggregate, at least half of the CCDs to which the Investor has subscribed, or equivalent Shares arising from their conversion, the Investor shall be entitled to appoint 1 (one) nominee to the Board and the same nominee to each committee of the Board ("Investor Nominee"). The Investor Nominee shall be a managing director (or its equivalent) of the Investor, provided that the Investor Nominee may appoint an alternate Director (being an employee of the Investor or its Affiliate). From the Closing Date and till the Investor Nominee is appointed as a Director on the Board, the Investor Nominee shall be entitled to attend all meetings of the Board and each committee of the Board as an observer and the Company shall provide notice to the Investor Nominee of all such meetings in advance simultaneous to giving notice of the same to its Directors.

- (ii) The Company and the Promoter Group shall take such action as may be necessary to give effect to the provisions of and comply with their obligations under these Articles including but not limited to this Article 211. Without prejudice to the generality of the foregoing, the Company and the Promoter Group shall take all necessary and reasonable steps within their power to ensure that the Investor Nominee and his/her alternate are appointed to the Board as soon as permitted under applicable Law, as agreed between the Parties.
- (iii) The Investor Nominee shall be entitled to appoint an alternate director (an "Alternate Director") in his/her place (an "Original Director"). Upon the appointment of the Alternate Director, the Company shall ensure compliance with the provisions of the Act, including by filing necessary forms with the registrar of companies. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director (including in relation to meetings of committees of the Board) and generally to perform all functions of the Original Director in his absence.

NOTIFICATION RIGHTS

212. (i) Notwithstanding anything to the contrary contained in these Articles or elsewhere, the Company shall not take a decision on any matter enumerated below ("Notification Matter"), whether at a meeting of the Board or its committees or in a general meeting of the shareholders of the Company, except for decisions taken to implement, or in pursuance of, provisions of these Articles, without first notifying the Investor in the manner specified herein.

The Notification Matters shall be the following:

- (a) any alteration in the capital structure of the Company or any Subsidiary including (I) an increase, decrease, buy back or other modification of the authorized or issued share capital, or (II) the creation or issue of any securities (including but not limited to equity shares, instruments convertible into equity shares, preference shares, warrants or options) by the Company or any Subsidiary, or (III) any event that results in a reduction of the Company's shareholding in any Subsidiary (computed as on February 25, 2010) save for (a) a reduction in the Company's shareholding in Max New York Life Insurance Company Limited pursuant to New York Life International LLC increasing its shareholding to 50% by acquiring the Option Shares (as understood in the amended and restated joint venture agreement dated July 15, 2008 between the Company and New York Life International LLC), (b) pursuant to the exercise of any employee stock options granted under an employee stock option plan approved by the board of the relevant Subsidiary, or (c) a reduction in the Company's shareholding in Max Bupa Health Insurance Company Limited pursuant to Bupa Singapore Holdings Pte Ltd or any of its affiliates increasing its shareholding to 50% by acquiring the Option Securities (as understood in the Option Agreement dated August 11, 2009, as amended by the Deed of Variation agreement dated December 23, 2009, between the Company, Bupa Finance Plc and Bupa Singapore Holdings Pte Ltd);
- (b) any merger, acquisition, liquidation or divestment by the Company or any Subsidiary exceeding USD 50 million;
- (c) commencement of any new business by the Company or any Subsidiary except in the business of dialysis centres, diagnostic chains and medical education;

- (d) related party transactions (other than transactions amongst the Company and its Subsidiaries or amongst the Subsidiaries so long as these transactions are entered into in the ordinary course of business at arm's length), between the Company and/or its Subsidiaries on the one hand and the Promoter Group on the other hand (other than transactions involving an amount of less than Rs. 10,00,00,000 (Rupees Ten Crores only) per annum on a consolidated basis);
 - (e) formulation of the business plan of the Company and its Subsidiaries and any actions outside of such business plan involving an expenditure, investment, loan, incurrence of debt or acquisition of more than USD 25,000,000 (United States Dollars Twenty Five Million only) by the Company or any Subsidiary in any given financial year;
 - (f) declaration or payment of any dividend by the Company or any Subsidiary;
 - (g) settlement of any litigation by the Company or any Subsidiary involving an amount in excess of USD 5 million; and
 - (h) any amendments to the Memorandum or Articles of Association of the Company or any Subsidiary which materially affects the Investor's interests.
- (ii) At least 3 (three) Business Days prior to the date on which any decision is proposed to be taken on any Notification Matter, the Company shall give written notice of the same to the Investor, setting out full details in relation to the Notification Matter.
 - (iii) The Investor may, at its sole discretion, choose to give its recommendations on the Notification Matter to the Company.
 - (iv) In the event that the Investor exercises its option to give its recommendations on the Notification Matter pursuant to Article 212(iii) above, and its recommendation is at variance with the proposed decision of the Company with respect to the Notification Matter, then the Company shall consider such recommendation in good faith prior to arriving at a decision in respect of the Notification Matter, provided however that the final decision in respect of any Notification Matter shall rest with the Company and shall not require the prior consent or approval of the Investor.
 - (v) The rights under this Article 212 shall be available to the Investor so long as the Investor (together with its Affiliates) holds at least half of the CCDs to which the Investor has subscribed or equivalent Shares arising from their conversion.

DIRECTOR'S REMUNERATION

213. In accordance with applicable Law, the Investor shall be paid reasonable out of pocket expenses (including domestic travel and hotel expenses) and sitting fees by the Company for its nominee/s to attend Board meetings and Board committee meetings.

TRANSFER OF SECURITIES BY THE INVESTOR

214. (i) Subject to applicable Law and Articles 214(ii) and 216 below, the Investor shall not Transfer any Securities acquired and held by it pursuant to any agreement between the Parties to such effect, to a Third Party for a period of 18 (eighteen) months from the date of allotment of the CCDs to the Investor ("Lock-In").
- (ii) Notwithstanding the restrictions contained in this Article 214, the Investor may, at any time, and in compliance with applicable Law, Transfer all or any of its Securities to one or more of its Affiliates provided that each Affiliate, prior to the Securities being transferred in its name, agrees and undertakes to be bound by the terms and

conditions of these Articles and executes a deed of adherence in the form agreed between the Parties, and provided further that in the event such transferee ceases to be an Affiliate of the Investor, such transferee shall and the Investor shall cause such transferee to Transfer the Securities held by it to the Investor or any other Affiliate of the Investor.

- (iii) After the expiry of the Lock-In, the Investor shall be free to Transfer all or part of the Securities held by it to any Third Party (including by way of an on-market Transfer on the stock exchange or an off-market Transfer off the stock exchange), provided that the Investor shall not Transfer the Securities to any Prohibited Person so long as the Promoter Group (along with any Affiliates if any, who have executed a deed of adherence agreeing to be bound as agreed between the Parties and become a part of the Promoter Group) holds at least 26% (Twenty Six Percent) of the equity share capital of the Company, provided however that nothing herein shall restrict the Investor from selling its Securities on a stock exchange so long as the sale is not made intentionally or knowingly by the Investor to a Prohibited Person. The Investor shall inform the Promoter with respect to its intention to Transfer the Securities and enter into good faith negotiations with the Promoter for a period of upto 10 (ten) days from the date of such intimation to assess whether the Investor and the Promoter Group can come to an agreement in relation to a sale of the Securities by the Investor to the Promoter Group. If the Investor and the Promoter fail to conclude an agreement on such sale of the Securities within the 10 (ten) day period, the Investor shall be free to Transfer the Securities to a Third Party. It is clarified that notwithstanding such negotiations, the Transfer of the Securities by the Investor does not require any consent, in any form whatsoever, of the Promoter Group, for any such Transfer by the Investor.
- (iv) In the event that the Investor Transfers any or all of the Securities held by it to a Third Party, then such Third Party transferee shall be entitled to appoint a nominee director (who shall be a managing director (or equivalent) of such Third Party transferee) to the Board and each committee of the Board (together with an alternate director for such nominee) and shall also have a pro rata tag along right in any Transfer of Securities by the Promoter Group or their Affiliates, subject to the following conditions:
 - (a) The Transfer comprises of Securities constituting at least 80% (Eighty Percent) of the CCDs subscribed to by the Investor or equivalent Shares arising from their conversion;
 - (b) The Third Party transferee shall be a reputable Person acceptable to the Promoter Group and the Company, which acceptance shall not be unreasonably withheld;
 - (c) The Third Party transferee shall not be entitled, whether directly or indirectly, to Transfer any Securities of the Company held by it, to a Prohibited Person, provided that nothing herein shall restrict the Third Part transferee from selling its Securities on a stock exchange so long as the sale is no made intentionally or knowingly by the Third Party transferee to a Prohibited Person; and
 - (d) The Third Party transferee and its Affiliates hold in the aggregate Securities representing at least 5% (Five Percent) of the equity share capital of the Company.

The Promoter Group and the Company undertake to enter into a separate agreement with a Third Party transferee satisfying the conditions set out in Article 214(iv) above,

to provide for the rights available to such Third Party transferee as contemplated hereunder.

It is clarified that the number of Shares that the Third Party transferee shall be entitled to sell pursuant to the exercise of its tag-along rights shall bear to the number of Offered Shares (as defined hereinafter), the same proportion as the aggregate number of Securities held by the Third Party transferee (together with its Affiliates) bears to the aggregate number of shares held by the Promoter Group. In the event that the Purchaser (as defined hereinafter) is not willing to acquire all the Shares offered by the Third Party transferee together with the Offered Shares proposed to be sold by the Promoter Group and the Tag Along Securities offered by the Investor, then the number of shares to be sold by the Promoter Group and the Third Party transferee shall be calculated as follows:

- (a) The Shares to be Transferred by the Promoter Group to the Purchaser shall be equal to $(A/B) * C$, where A represents the total number of Shares held by the Promoter Group as on the date of the Sale Notice, B represents the total number of Securities held in the aggregate by the Promoter Group, the Investor and the Third Party transferee as on the date of the Sale Notice, and C represents the total number of Securities that the Purchaser is willing to purchase; and
- (b) The Shares to be Transferred by the Third Party transferee to the Purchaser shall be equal to $(E/B) * C$, where E represents the total number of Shares held by the Third Party transferee as on the date of the Sale Notice, B represents the total number of Securities held in the aggregate by the Promoter Group, the Investor and the Third Party transferee as on the date of the Sale Notice, and C represents the total number of Securities that the Purchaser is willing to purchase.

For the purpose of making the above computation, any CCDs held by a Person shall be treated as being equivalent to 4 (four) Shares.

- (v) Notwithstanding the above, but subject to Law and the execution of confidentiality agreements (as are customary in such transactions), the Company and the Promoter Group shall provide all reasonable and necessary assistance to enable any Person identified by the Investor, to whom the Investor intends to Transfer, all or part of the Securities, to carry out a due diligence review of the Company and the Subsidiaries as may be generally required or reasonably requested by any such Person, provided that the Securities proposed to be Transferred to such Person by the Investor constitute at least 80% (Eighty Percent) of the CCDs subscribed to by the Investor or equivalent Shares arising from their conversion.
- (vi) The Investor and/or its Affiliates shall not directly or indirectly Transfer all or any of the Securities held by them except in accordance with these Articles. For the purpose of these Articles, it is clarified that any direct or indirect Transfer of the legal or beneficial ownership interest in the Investor or shall be deemed to be a Transfer of the Shares held by the Investor. Any Transfer in breach of these Articles (including this Article 214), shall be null and void. Any Transfer of Securities in breach of these Articles shall not be binding on the Company and to the extent applicable, the Company shall be fully entitled to refuse to recognize any purported Transfer of Securities in violation of these Articles or record or register any such Transfer of Securities.

TRANSFER OF SECURITIES BY THE PROMOTER GROUP

215. (i) The Promoter Group shall not directly or indirectly Transfer all or any of the Shares held by them except in accordance with these Articles. Any Transfer in breach of these Articles shall be null and void, and shall not be binding on the Company and the Company shall refuse to recognize any purported Transfer of Shares in violation of these Articles or record or register any such Transfer of Shares.
- (ii) In order to protect the value of the investment by the Investor and ensure the continued interest of the Promoter Group in the Company and its Subsidiaries, so long as the Investor and its Affiliates together hold at least half of the CCDs to which the Investor has subscribed (or equivalent Shares arising from their conversion):
- (a) The Promoter Group shall continue to legally and beneficially own Shares representing at least 26% of the equity share capital of the Company at all times and shall not directly or indirectly Transfer these Shares without obtaining the prior written approval of the Investor, which shall be forthcoming at the Investor's sole discretion. For the purpose of this Article 215(ii)(b), it is clarified that any direct or indirect Transfer of the legal or beneficial ownership interest in a Person forming part of the Promoter Group shall be deemed to be a Transfer of the Shares held by such Person forming part of the Promoter Group; and
- (b) The Promoter, by himself and/or through the entities in the Promoter Group, shall at all times continue to exercise control (directly or indirectly) over at least 26% (twenty six percent) of the equity share capital of the Company.
- (iii) Any Transfer by the Promoter Group (whether or not requiring the Investor's consent) shall be subject to the Investor's Tag Along Rights as set out in Article 216 below.
- (iv) It is clarified that the following are permitted so long as (a) the Promoter Group continues to legally and beneficially own Shares representing at least 26% of the equity share capital of the Company at all times; and (b) the Promoter, by himself and/or through the entities in the Promoter Group, at all times continues to exercise control (directly or indirectly) over at least 26% (twenty six percent) of the equity share capital of the Company:
- (a) any Transfer of Shares amongst the constituents of the Promoter Group or their Affiliates subject to such Affiliates executing a deed of adherence as agreed between the Parties and agreeing to be bound as part of the Promoter Group prior to such Transfer, and subject further to the condition that in the event such Person ceases to be an Affiliate of the Promoter Group, then such Person shall, and the Promoter Group shall cause such Person to, re Transfer all the Shares Transferred to it back to the Promoter Group;
- (b) any Transfer pursuant to any merger, demerger or any other corporate reorganization amongst or within the constituents of the Promoter Group; and
- (c) any pledge by the Promoter Group or their Affiliates of Shares other than the Free Shares.

INVESTOR TAG ALONG RIGHTS

216. (i) The Investor shall have pro-rata tag-along rights in any proposed Transfer of Shares by the Promoter Group, exercisable at its sole discretion, in the manner specified in this Article 216 ("**Tag Along Rights**").

- (ii) Upon identifying a third party to acquire Shares held by them or any part thereof (the "**Purchaser**"), the Promoter Group shall communicate the same to the Investor by way of a written notice, setting out the following details in relation to the third party's offer (the "**Sale Notice**"): (i) price per Share; (ii) number of Shares proposed to be Transferred ("**Offered Shares**"); (iii) identity and material particulars regarding the Purchaser; and (iv) material terms and conditions for the proposed Transfer. The Investor shall, within a period of 30 (thirty) days from the date of receipt of the Sale Notice, be entitled to exercise its Tag Along Rights and offer the Securities held by it, pro rata to the Shares proposed to be Transferred by the Promoter Group to the Purchaser, by delivery of a written notice to the Promoter Group ("**Acceptance Notice**"). The Securities that the Investor is entitled to transfer under this Article shall be hereinafter referred to as the "**Tag Along Securities**".
- (iii) It is clarified that the number of Tag Along Securities shall bear to the number of Offered Shares the same proportion as the aggregate number of Securities held by the Investor bears to the aggregate number of Shares held by the Promoter Group. In the event that the Purchaser is not willing to acquire all the Tag Along Securities offered by the Investor together with the Offered Shares proposed to be sold by the Promoter Group, then the number of Securities to be sold by the Promoter Group and the Investor shall be calculated as follows:
 - (a) The Shares to be Transferred by the Promoter Group to the Purchaser shall be equal to $(A/B) * C$, where A represents the total number of Shares held by the Promoter Group as on the date of the Sale Notice, B represents the total number of Securities held in the aggregate by the Promoter Group, the Investor and a Third Party transferee (if any) entitled to tag along rights pursuant to Article 214 above as on the date of the Sale Notice, and C represents the total number of Securities that the Purchaser is willing to purchase; and
 - (b) The Shares to be sold by the Investor to the Purchaser shall be equal to $(D/B) * C$, where D represents the total number of Securities held by the Investor as on the date of the Sale Notice, B represents the total number of Securities held in the aggregate by the Promoter Group, the Investor and a Third Party transferee (if any) entitled to tag along rights pursuant to Article 214 above as on the date of the Sale Notice, and C represents the total number of Securities that the Purchaser is willing to purchase.
- (iv) For the purpose of determining the number of Shares that the Investor shall be entitled to Transfer pursuant to the exercise of its Tag Along Rights in accordance with the above, each CCD shall be treated as being equivalent to 4 (four) Shares. However, for the avoidance of doubt, it is clarified that the Investor shall be entitled to Transfer only the Shares of the Company held by the Investor pursuant to the exercise of its Tag Along Rights. Accordingly, the Investor shall be mandatorily required to convert CCDs proposed to be offered by the Investor pursuant to the exercise of its Tag Along Rights, into underlying Shares of the Company in accordance with the conversion mechanics agreed between the Parties, prior to the consummation of the transfer of the Tag Along Securities to the Purchaser pursuant to the exercise of the Investor's Tag Along Rights.
- (v) The Transfer of the Shares by the Promoter Group to the Purchaser shall be conditional upon such Purchaser acquiring the Tag Along Securities offered by the Investor in exercise of its Tag Along Rights on terms no less favourable than those offered by such third party to the Promoter Group and the Investor shall be paid the same price per Tag Along Security and the sale shall be effected on the same terms and conditions as are received by the Promoter Group, provided that the only

representation which the Investor may in this case be required to provide shall be limited to the title of the Tag Along Securities being sold by the Investor.

- (vi) The sale of Shares and any Tag Along Securities by the Investor pursuant to this Article 216 shall be completed within 60 (sixty) days of the delivery of the Sale Notice by the Promoter Group to the Investor, failing which the Promoter Group shall not Transfer any Shares to the Purchaser and the process set out in this Article 216 shall again become applicable to the Transfer of any Shares by the Promoter Group to the Purchaser. In the event the Promoter Group does not receive any response to the Sale Notice within a period of 30 (thirty) days, or the Investor having responded does not exercise its Tag-Along Rights, then the Promoter Group shall be entitled to Transfer its Securities to any Person within a period of 60 (sixty) days from the date of the Sale Notice.
- (vii) Nothing in this Article 216 shall apply to:
 - (a) any Transfer of Shares amongst the constituents of the Promoter Group or their Affiliates subject to such Affiliates executing a deed of adherence as agreed between the Parties and agreeing to be bound as part of the Promoter Group prior to such Transfer, and subject further to the condition that in the event such Person ceases to be an Affiliate of the Promoter Group, then such Person shall, and the Promoter Group shall cause such Person to, re Transfer all the Shares Transferred to it back to the Promoter Group;
 - (b) any Transfer pursuant to any merger, demerger or any other corporate reorganization amongst or within the constituents of the Promoter Group; or
 - (c) any pledge by the Promoter Group or their Affiliates of Shares other than the Free Shares.

INFORMATION RIGHTS

- 217. So long as the Investor or its Affiliates hold in the aggregate, at least 30% (Thirty Percent) of the CCDs to which the Investor has subscribed, or equivalent Shares arising from their conversion, the Investor shall be entitled to seek the following information in relation to the Company and its Subsidiaries, and the Company shall furnish to the Investor such information, upon the Investor choosing to exercise its right under this Article 217:
 - (i) Information and documents pertaining to the financial and operational performance of the Company (with such information and documents being provided separately for the Company and the Max Specialty Division of the Company), Max New York Life Insurance Company Limited, Max Healthcare Institute Limited, Max Bupa Health Insurance Company Limited and Max Neeman Medical International Limited, including business plans and financial statements and which shall include without limitation the key parameters as agreed between the Parties, on a quarterly basis (unless the information previously submitted to the Investor in respect of such parameter in the preceding quarter has not changed), or as may be mutually agreed between the Investor and the Company;
 - (ii) Monthly information reports pertaining to the financial and operational performance of the Company (with such reports being provided separately for the Company and the Max Specialty Division of the Company), Max New York Life Insurance Company Limited, Max Healthcare Institute Limited, Max Bupa Health Insurance Company Limited and Max Neeman Medical International Limited, as prepared by the Company, within 20 (twenty) days of the end of each month;
 - (iii) Visitation and inspection rights (including books and records);

- (iv) Any material information relating to the business, including resignation of any member of the senior management of the Company and the chief executive officers of the Subsidiaries, immediately upon the occurrence of such material event and in any event not later than 7 (seven) days from the relevant date;
- (v) Information pertaining to whether or not the Company would qualify as a non-banking financial company under Law, from time to time;
- (vi) Such other information on a quarterly and monthly basis as the Investor and the Company may mutually agree; and
- (vii) Any other information as may be reasonably requested by the Investor or the Investor Nominee.

NON COMPETE

218. (i) So long as the Investor (together with its Affiliates) holds in the aggregate, at least 10% (Ten Percent) of the CCDs to which the Investor has subscribed, or equivalent Shares arising from their conversion, the Promoter Group shall refer all corporate opportunities that arise in relation to the Business to the Company and/or the Subsidiaries, as the case may be, and shall not, during the term of these Articles, directly or indirectly (including but not limited to through any Person allied by kindred or marriage or otherwise, whether in their own capacity or in conjunction with or on behalf of any Person, as an employee of, or adviser or shareholder or consultant of any other Person, firm or company or through their Affiliates), compete with the Company and/or the Subsidiaries or undertake activities similar to the activities of the Company and/or the Subsidiaries, including but not limited to:
- (a) engage in, set up, promote, or finance (whether through debt or equity or any other means) a business, venture or company which engages in the same business as the Business or any part thereof;
 - (b) enter into any agreement or arrangement relating to a business similar to the Business with any Person involved in the same or which would result in the business of such Person becoming a business similar to the Business;
 - (c) solicit, entice away or attempt to solicit or entice away from the Company or any Subsidiary, any customer, client, vendor, lessor, representative, agent, franchisees, business associates or employee, or former employees of the Company or the Subsidiary except where such former employees have ceased to be in employment with the Company or its Subsidiaries for at least 6 (six) months; and
 - (d) provide any know-how or technical assistance to any Person in relation to the Business.
- (ii) It is clarified that the non-compete obligations contained hereunder shall not be applicable to the spouse/s of the Promoter's children provided that they are already directly engaged in a business which competes with the Business of the Company and/or the Subsidiaries as of the date of these Articles or as of the date on which they become spouse(s) of the Promoter's children, as the case may be.
- (iii) The Promoter Group understands, acknowledges and agrees that the Company's and the Investor's need for protection afforded by this Article 218 is greater than any hardship the Promoter Group might experience in complying with its terms. The Promoter Group agree that the limitations as to time and scope of activity to be restrained as contained in these Articles are reasonable and are no greater than are

necessary to protect the Business and other interests of the Company. The Promoter Group further understands and agrees that in the event of any breach of any or all of the promises and/or covenants in this Article 218 by any of the Promoter Group, the Company and the Investor will suffer immediate, material, immeasurable, continuing and irreparable damage and harm, the remedies at law for such breach will be inadequate, and therefore the Company and the Investor shall be entitled to injunctive relief against the Person in breach of this Article 218 in addition to any and all other legal or equitable remedies (including, but not limited to, specific performance of this Article 218 or an action and judgment for damages).

- (iv) The non-compete obligations set out in this Article 218 shall not be applicable to: (a) the Promoter's hospital/health resort in Malsi, Dehradun; (b) portfolio investments by the Promoter Group in listed companies so long as such investments do not result in either a minority ownership (direct or indirect) of more than 5% (Five Percent) or an investment of over Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) per company; and (c) investments in mutual funds, private equity funds and/or hedge funds each of which is not directly or indirectly managed or controlled by the Promoter Group or its Affiliates.

219. The Company shall not, and the Promoter Group shall ensure that the Company does not, utilize all or part of the amount obtained from the Investor pursuant to the subscription of the CCDs for the purpose of carrying on any business through any of the Excluded Entities. The Company shall not, and the Promoter Group shall ensure that the Company does not, carry on the Business through any of the Excluded Entities save for Max Healthstaff International Limited which is engaged in the business of training of medical staff.

FREE SHARES

220. (i) The Promoter Group shall, within a period of 18 months of the Closing Date, increase the number of Free Shares held by it to 46.2 million Shares (appropriately adjusted for any corporate actions including bonus issues, share splits/consolidations etc). These Free Shares shall be free of all Encumbrances and the Promoter Group shall not in any manner, directly or indirectly, Encumber these Free Shares without the prior written permission of the Investor.
- (ii) The rights under this Article 220 shall be available to the Investor so long as it, together with its Affiliates, holds at least half of the CCDs to which it has subscribed, or equivalent Shares arising from their conversion.

MISCELLANEOUS

221. The Investor and its Affiliates shall not be treated as a "promoter" or as part of the "promoter group" of the Company by virtue of subscribing to the CCDs of the Company or acquiring the Conversion Shares or Securities of the Company, and accordingly neither the CCDs, nor the Conversion Shares shall be subject to any restriction (including in relation to a lock-in restriction) applicable to the promoter/promoter group under any Law. The Company shall not, and the Promoter Group shall ensure that the Company does not, designate the Investor or its Affiliates as a "promoter" or forming part of the "promoter group" in any disclosure, filing or offer document made or released by the Company, the Promoter Group or any Subsidiary.
222. The Promoter Group shall disclose to the Investor, any proposed related party transactions between the Company and/or its Subsidiaries on the one hand and the Promoter Group and its Affiliates on the other hand, which involve an amount of Rs. 10,00,00,000 (Rupees Ten Crores Only) or more per annum (computed on a consolidated basis), prior to the meeting of the Board of directors or shareholders of the Company and/or the relevant Subsidiaries (as applicable) at which such transactions are to be considered and approved. The Promoter Group also agrees and undertakes that it shall

represent to the board of directors of the Company and/or the relevant Subsidiaries or their shareholders (as applicable) that the proposed transactions are to be undertaken on an arms' length basis.

223. The Parties have entered into an agreement concerning the rights and/or obligations of each Party with respect to subscription of CCDs by the Investor and the salient terms of the said agreement have been incorporated into the Articles. The Company has undertaken that it shall not aid or abet any violation of such agreement. It is however clarified that the Company shall not be required to take any action which is contrary to or in violation of the Act or any other applicable Laws.

224. The Articles shall cease to have effect when:

- (a) (I) the Investor Transfers at least 80% (Eighty Percent) of the Securities to which it has subscribed to an eligible Third Party transferee in accordance with Article 214 above, and (II) such Third Party transferee becoming entitled to enjoy the rights set out thereof (each of conditions (I) and (II) herein being cumulatively satisfied); provided however that the Investor's Tag Along Rights under these Articles shall continue in full force and effect so long as the Investor (together with its Affiliates), holds at least 1 (one) CCD to which the Investor has subscribed or at least 1 (one) Share arising from conversion of any CCD; or
- (b) subject to Article 224(a) above, the Investor (together with its Affiliates), holds at least 1 (one) CCD to which the Investor has subscribed or at least 1 (one) Share arising from conversion of any CCD; or
- (c) upon the occurrence of an Event of Default, subject to, and as agreed by, the Parties.

Any cessation of these Articles pursuant to this Article 224 shall be without prejudice to any rights or obligations accrued to, or in respect of any Party, prior to the date of such cessation and shall not relieve any Party for any liability prior to such cessation. The provisions of Articles 218 and 224 shall survive any such cessation of these Articles.

Names, addresses, descriptions and occupation of subscribers	Signature of Subscribers	Name, addresses, description, and occupation of witness
1. Bhai Analjit Singh S/o Bhai Mohan Singh 15, Aurangzeb Road, New Delhi-110011 (Service)	Sd/-	<p style="text-align: center;">I witness the signature of all the subscribers.</p> <p style="text-align: center;">Sd/- (V. Kathiresan) S/o Sh. N. Velayudhan, H. No. 1173, Sector 3, Pushpa Vihar, New Delhi - 110017 (Service)</p>
2. Rajender Nakra S/o Sh. K. G. Nakra B-24, Panch Sheel Enclave, New Delhi-110017 (Service)	Sd/-	
3. Mukesh Mittal S/o Sh. K. K. Mittal M-48, Rajouri Garden New Delhi-110027 (Service)	Sd/-	
4. Deepak Singhal S/o Sh. R. C. Singhal 38- Pocket-B, Sukhdev Vihar, New Delhi-110023 (Service)	Sd/-	
5. S. Kaul S/o Sh. B. N. Kaul B-3/42, Ashok Vihar-II New Delhi-110052 (Service)	Sd/-	
6. Bishwajit Das S/o Sh. B. P. Das J- 76, Saket, New Delhi-110017 (Service)	Sd/-	
7. Yogesh Kumar Goel S/o Sh. Brehma Sarup Goel 1194/15-B, Chandigarh (Service)	Sd/-	