

**THE COMPANIES ACT 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION\***

**OF**  
**SUZLON ENERGY LIMITED**  
**(Incorporated under the Companies Act, 1956)**

The Articles of Association of Suzlon Energy Limited (the “Company”) are divided into two parts - Part A and Part B. The provisions of Part A shall apply to all the matters to which they pertain, to the extent, and only in so far, as they are not inconsistent with the special provisions of Part B. As long as Part B remains a part of these Articles and notwithstanding what is stated elsewhere in these Articles, in case of inconsistency between Part A and Part B, the provisions of Part B shall prevail over the other provisions of Part A, to the maximum extent permitted under the Companies Act, 2013.

(\*The Regulations comprised in Part B of these Articles of Association were adopted pursuant to a special resolution passed by the Members at the Annual General Meeting of the Company held on [●] 2020 in substitution for the earlier Regulations comprised in Part B in the extant Articles of Association of the Company.)

**PART A**

**PRELIMINARY**

**TABLE ‘F’ EXCLUDED**

1. The Regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013, shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

**DEFINITIONS AND INTERPRETATION**

3. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

“**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

“**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act.

**“Articles of Association” or “Articles”** mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.

**“Board” or “Board of Directors”** means the board of directors of the Company in office at applicable times.

**“Depository”** means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

**“Director”** shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

**“Extraordinary General Meeting”** means an extraordinary general meeting of the Company convened and held in accordance with the Act;

**“General Meeting”** means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

**“Member”** means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

**“Memorandum” or “Memorandum of Association”** means the memorandum of association of the Company, as may be altered from time to time;

**“Office”** means the registered office, for the time being of the Company;

**“Officer”** shall have the meaning assigned thereto by the Act;

**“Ordinary Resolution”** shall have the meaning assigned thereto by the Act;

**“Register of Members”** means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

**“Resolution Plan”**<sup>€</sup> means the resolution plan proposed to be approved by the lenders of the Company, for resolution of the debt of the Company and its subsidiaries, in accordance with and pursuant to the Prudential Framework for Resolution of Stressed Assets issued by the Reserve Bank of India dated June 7, 2019; and

**“Special Resolution”** shall have the meaning assigned thereto by the Act.

**4.** Except where the context requires otherwise, these Articles will be interpreted as follows:

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<sup>€</sup> A new definition inserted in terms of the Special resolution passed by the shareholders of the Company on 18<sup>th</sup> May 2020 (being the last date specified for e-voting in terms of the Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India) by way of postal ballot, whose results were announced on 19<sup>th</sup> May 2020.

- (a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.
- (b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
- (c) words importing the singular shall include the plural and vice versa;
- (d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
- (e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;
- (f) the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, ***include*** and ***including*** will be read without limitation;
- (g) any reference to a ***person*** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;
- (h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
- (i) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified;
- (j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
  - (i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
  - (ii) any subordinate legislation or regulation made under the relevant statute or statutory provision;
- (k) references to writing include any mode of reproducing words in a legible and non-transitory form; and
- (l) references to ***Rupees, Rs., INR,*** ` are references to the lawful currency of India.

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

### **5. AUTHORISED SHARE CAPITAL**

The authorised share capital of the Company shall be such amount, divided into such class(es) denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association of the Company, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company or the provisions of applicable Law for the time being in force.

## **6. NEW CAPITAL PART OF THE EXISTING CAPITAL**

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

## **7. SHARES AT THE DISPOSAL OF THE DIRECTORS**

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit.

7A<sup>€</sup>. Further, subject to the provisions of the Act and these Articles, the Directors may also issue, allot or otherwise dispose of debentures, warrants or such other securities, convertible into equity or otherwise, to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting and to give to any person the option to call or put for any such securities either at par or at a premium or at a discount during such time and for such consideration as the Directors think fit.

7B<sup>€</sup>. The terms and conditions of the following securities issued in accordance with the **Resolution Plan**, including any terms in relation to the issue, conversion, redemption and cancellation are deemed to be incorporated in these Articles, with effect from the date of approval of this Article 7B by the members of the Company:

- a. Secured unlisted unrated 0.01% p.a. optionally convertible debentures of face value of Rs. 100,000 each having initial tenor of 10 years, as per the terms set out in the Framework Restructuring Agreement, including:

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<sup>€</sup> Articles 7A, 7B and 7C inserted in terms of the special resolution passed by the shareholders of the Company on 18<sup>th</sup> May 2020 (being the last date specified for e-voting in terms of the Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India) by way of postal ballot, whose results were announced on 19<sup>th</sup> May 2020.

Sr. No.	TOPIC	DETAILS																														
1.	Instrument	Secured Optionally Convertible Debentures																														
2.	Issuer	Suzlon Energy Limited																														
3.	Amount	Up to Rs.4,100 Crores																														
4.	Coupon	0.01% p.a., payable annually on 30 <sup>th</sup> June																														
5.	Face value	Rs.1,00,000/- each																														
6.	Rating	Unrated																														
7.	Listing	Unlisted																														
8.	Issue price	At par with Face Value																														
9.	Tenor	<p>Initial Tenor of 10 years.</p> <p>At the end of initial tenor, the holders of OCDs shall have the obligation to subscribe to new series of OCDs having tenor of 10 (ten) years. Such new series shall be issued in compliance with the provisions of applicable Law, and on similar terms of issuance as that of old series OCDs (save and except for required adjustments needed for payments / pre-payments / conversions of OCDs made during the currency of old series OCDs pursuant to the terms of issuance of the old series and / or the provisions of the Resolution Plan) in accordance with regulatory approvals and such that proceeds of old series shall be utilised for subscription to the new series.</p>																														
10.	Redemption of face value of OCDs	<p>Each OCD of face value of Rs.1,00,000/- to be redeemed in the following manner:</p> <p>In the event of any payments / prepayments / conversions made during the currency of OCDs pursuant to the terms of issuance and / or the provisions of the Resolution Plan, such payment / prepayment / conversion amount shall be adjusted against the payment schedule provided below.</p> <table><tr><th>Date</th><th>Redemption of OCD</th></tr><tr><td>30<sup>th</sup> June 2020</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2021</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2022</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2023</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2024</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2025</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2026</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2027</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2028</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2029</td><td>Rs.10/- each</td></tr><tr><td>30<sup>th</sup> June 2030 or the last day of initial tenor, whichever is earlier</td><td>Rs.10/- each or such other amount as may be mutually agreed</td></tr><tr><td colspan="2">New Series</td></tr><tr><td>31<sup>st</sup> March 2031</td><td>Rs.4980/- each</td></tr><tr><td>31<sup>st</sup> March 2032</td><td>Rs.4990/- each</td></tr></table>	Date	Redemption of OCD	30 <sup>th</sup> June 2020	Rs.10/- each	30 <sup>th</sup> June 2021	Rs.10/- each	30 <sup>th</sup> June 2022	Rs.10/- each	30 <sup>th</sup> June 2023	Rs.10/- each	30 <sup>th</sup> June 2024	Rs.10/- each	30 <sup>th</sup> June 2025	Rs.10/- each	30 <sup>th</sup> June 2026	Rs.10/- each	30 <sup>th</sup> June 2027	Rs.10/- each	30 <sup>th</sup> June 2028	Rs.10/- each	30 <sup>th</sup> June 2029	Rs.10/- each	30 <sup>th</sup> June 2030 or the last day of initial tenor, whichever is earlier	Rs.10/- each or such other amount as may be mutually agreed	New Series		31 <sup>st</sup> March 2031	Rs.4980/- each	31 <sup>st</sup> March 2032	Rs.4990/- each
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Sr. No.	TOPIC	DETAILS	
		31 <sup>st</sup> March 2033	Rs.9990/- each
		31 <sup>st</sup> March 2034	Rs.9990/- each
		31 <sup>st</sup> March 2035	Rs.9990/- each
		31 <sup>st</sup> March 2036	Rs.9990/- each
		31 <sup>st</sup> March 2037	Rs.9990/- each
		31 <sup>st</sup> March 2038	Rs.9990/- each
		31 <sup>st</sup> March 2039	Rs.14990/- each
		31 <sup>st</sup> March 2040	Rs.14990/- each
11.	Voting Rights	<p>Nil.</p> <p>Equity shares of the Company issued upon conversion of OCDs shall carry the same voting rights as are available on the existing equity shares of the Company.</p>	
12.	Convertibility Option	<p>In case of default in redemption of OCDs pursuant to its terms, the holders of OCDs shall have the option to convert the defaulted redemption amount into equity shares of the Company.</p> <p>In case of default in servicing OCDs, the OCD holders shall have an option to convert OCDs into equity shares of the Company.</p>	
13.	Conversion Price	Conversion Price of the OCDs for their conversion into equity shares of the Company shall be determined at the time of conversion of the OCDs as per applicable ICDR Regulations, RBI regulations and the Act.	
14.	Security	OCDs will be secured by (a) Corporate Guarantee of Suzlon Global Services Limited, Suzlon Power Infrastructure Limited, Suzlon Gujarat Wind Park Limited and Suzlon Generators Limited and (b) such other security as per the Resolution Plan	
15.	Prepayment	OCDs shall be subject to prepayment terms (including exit price) as agreed to between the Board and the Proposed OCD Holders under the terms of the Resolution Plan. It clarified that there shall not be any prepayment penalty for servicing of OCDs.	
16.	Other Conditions	OCDs shall be subject to such other terms and conditions as may be agreed to between the Board and the Proposed OCD Holders under the Resolution Plan.”	

- b. On and after Effective Date (as defined below) and till fifth anniversary of issuance of the OCDs, the Promoters shall have option to buy the OCDs from the OCD holders through a secondary market transaction at a price (“OCD Exit Price”) which shall yield a return (on NPV of OCDs arrived as per RBI guidelines) equal to at least the discount rate prescribed by RBI for marking the OCDs on books of the OCD subscribers as on Effective Date. The secondary sale of the OCDs shall be simultaneous to sale of CCPS as per the framework restructuring agreement entered into between the Company, its lenders and certain others (“Framework Restructuring Agreement”) as one lot along with closure of all Part A Facilities (as per the Framework Restructuring Agreement). Notwithstanding anything contained herein sale of such OCDs pursuant to exercise of option by the Promoters shall be subject to approval by competent authority of respective Lenders at the time of sale of such OCDs.

- c. Warrants convertible into at least 5% of the equity share capital of the Company as on the date of allotment of the Warrants or 41,75,00,000 equity shares, whichever is higher, and issued in lieu of equity shares to be allotted to lenders in the event Part A Facilities under the Resolution Plan of the Company are not classified as 'Standard' (as per IRAC norms) by 30<sup>th</sup> September 2022.

7C<sup>€</sup>. The Lenders of the Company shall have the right to require the Company to acquire any securities including compulsorily convertible preference shares of Suzlon Global Services Limited or any other subsidiary of the Company, allotted to the Lenders, in terms of the Resolution Plan, as per the terms and conditions of such securities and as further detailed in the documentation entered into between the Company and the Lenders, including the Framework Restructuring Agreement in terms of the Resolution Plan, including the following:

From the Effective Date under the Framework Restructuring Agreement ("Effective Date"), and up to three (3) months thereafter ("First Exit Option Period"), the CCPS holders may, require the Company to acquire, all the CCPS ("First Exit Option"), by issuing a notice in writing ("First Exit Exercise Notice") to the Company. Upon receipt of the First Exit Exercise Notice, the Company shall, within a specified period, subject to applicable Law allot Equity Shares in the Company equivalent to the face value of CCPS at a conversion price determined at the time of conversion as per SEBI ICDR Regulations, RBI regulations and the Companies Act.

Till the expiry of a period of five (5) years from the Effective Date ("Second Exit Period"), in the event of any capital raising by SGS L or offer for sale of SGS L by the Company, the proceeds of such capital raising exercise or offer for sale ("Second Exit Period Capital Raise") shall be utilised, in priority, in: (a) buyback / redeeming all the outstanding CCPS from its holders at the CCPS Exit Price; (b) buyback/redeeming all the OCDs at the OCD Exit Price; and (c) closure of entire outstanding Part A Facilities, in accordance with the terms of the Framework Restructuring Agreement.

On and after Effective Date and till the fifth anniversary of the CCPS issuance, the Promoters shall have an option to buy the CCPS from its holders through a secondary market transaction at a price ("CCPS Exit Price") which shall yield a return (on NPV of CCPS arrived at as per RBI guidelines) equal to at least the discount rate prescribed by RBI for marking CCPS on books of the CCPS subscribers as on Effective Date. The secondary sale of the CCPSs shall be simultaneous to sale of OCDs as per the Facility Restructuring Agreement herein as one lot along with closure of all Part A Facilities (being the fund based and non-fund based facilities). Notwithstanding anything contained herein sale of such CCPS pursuant to exercise of option by the Promoters shall be subject to approval by competent authority of respective Lenders at the time of sale of such CCPS.

In the event that: (a) First Exit Option remains unexercised, and (b) no exit is provided to the holders of the OCDs or the CCPS within a period of five years from the Effective Date, the CCPS holders may, within a period of six months from the expiry of the fifth year from the Effective Date ("Third Exit Option Period"), issue a notice in writing to the Company, requiring them to acquire all CCPS held by the CCPS holders ("Third Exit Exercise Notice"). Upon receipt of any Third Exit Exercise Notice, the Company shall,

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<sup>€</sup> Articles 7A, 7B and 7C inserted in terms of the special resolution passed by the shareholders of the Company on 18<sup>th</sup> May 2020 (being the last date specified for e-voting in terms of the Secretarial Standards on General Meeting (SS2) issued by the Institute of Company Secretaries of India) by way of postal ballot, whose results were announced on 19<sup>th</sup> May 2020.

within the specified period, subject to applicable Law allot Equity Shares in the Company equivalent to the face value of CCPS at a conversion price determined at the time of conversion as per SEBI ICDR Regulations, RBI regulations and the Companies Act.

On 1<sup>st</sup> March 2040 each outstanding CCPS shall be converted (“CCPS Conversion Period”) into the higher of: (a) such number of fully paid up Equity Shares of SGSL such that resultant aggregate shareholding of CCPS holders post conversion is 74.00% of outstanding equity share capital of SGSL as on date of such conversion, calculated on a fully diluted basis. Provided that upon upgrade of Part A Facilities as per the extant Regulatory Framework, read with applicable IRAC guidelines at any time prior to the CCPS Conversion Period, the CCPS shall convert into such number of fully paid up Equity Shares of SGSL such that the resultant aggregate shareholding of CCPS holders post conversion is 49.00% of the outstanding equity share capital of SGSL as on the date of such conversion, calculated on a fully diluted basis; (b) such number of fully paid up Equity Shares of SGSL such that aggregate fair value of converted Equity Shares equals to the face value of CCPS outstanding as on date of conversion. Immediately on conversion CCPS into Equity Shares of SGSL, such SGSL shareholders may at their discretion exercise a put option to sell their Equity Shares of SGSL to the Company at a price which shall be higher of: (a) fair value of the SGSL shares; or (b) at CCPS Exit Price as specified in the Framework Restructuring Agreement.

The ‘fair value’ of SGSL Equity Shares for the purposes above shall be higher of fair value as on conversion date determined by two valuers appointed by CCPS holders.

It is hereby clarified that a failure by the Borrowers to issue the equity shares of the Company or SGSL, to the Lenders upon exercise of any of the First Exit Option Notice, the Second Exit Option Notice, the Third Exit Option Notice or expiry of the CCPS Conversion Period shall be an Event of Default in terms of the Facility Restructuring Agreement.

Upon completion of issuance of the First Exit Option Notice or the Third Exit Option Notice, and subject to applicable Law, the Company shall immediately and in any case the respective time periods specified above in respect thereof (the “Subscription Date”), issue and allot to each of the CCPS holders, in their demat account, stipulated number of Equity Shares of the Company by providing the CCPS holders with a copy of the irrevocable instruction to the depository participant of the Company for crediting the Equity Shares.

## **8. CONSIDERATION FOR ALLOTMENT**

The Board of Directors may issue and allot shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for conversion of any debentures, loans or other borrowings; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.

## **9. SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CERTIFICATE**

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:



- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
- (c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and
- (e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

#### **10. FURTHER ISSUE OF SHARES**

The Board or the Company, as the case may be, may, in accordance with the Act issue further shares to-

- (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
- (b) employees under any scheme of employees' stock option; or
- (c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- (d) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.
- (e) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

#### **11. RIGHT TO CONVERT LOANS INTO CAPITAL**

Notwithstanding anything contained in sub-clauses(s) of Article 10 above, but subject, however, to the provisions of the Act, the Company may increase its subscribed capital by converting debentures or loans or any other borrowings, into shares, including on exercise of an option attached to the debentures or loans or any other borrowings to convert such debentures or loans into shares or to subscribe for shares in the Company.

#### **12. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY**

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**13. INSTALLMENTS ON SHARES**

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

**14. MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS**

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Act, require or fix for the payment thereof.

**15. VARIATION OF SHAREHOLDERS' RIGHTS**

- (a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.
- (b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

**16. PREFERENCE SHARES**

**(a) Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

**(b) Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for

redemption at a premium or otherwise and/or conversion of such shares into such securities on such terms as they may deem fit.

**17. PAYMENTS OF INTEREST OUT OF CAPITAL**

The Company shall have the power to pay interest out of its capital on so much of the shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant for the Company in accordance with the Act.

**18. AMALGAMATION**

Subject to provisions of the Act, the Company may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate.

**SHARE CERTIFICATES**

**19. ISSUE OF CERTIFICATE**

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

**20. RULES TO ISSUE SHARE CERTIFICATES**

The Act shall be complied with in the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Act.

**21. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED**

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued upon on payment of Rupees 20 for each certificate. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

## **UNDERWRITING & BROKERAGE**

### **22. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.**

- (a) Subject to the provisions of the Act and other applicable Laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of the Company and provisions of the Act shall apply.
- (b) The Company may also, in any issue, pay such brokerage as may be lawful.
- (c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

## **LIEN**

### **23. COMPANY'S LIEN ON SHARES**

The Company shall subject to applicable Law have a first and paramount lien on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect.

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

### **24. LIEN TO EXTEND TO DIVIDENDS, ETC.**

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

### **25. ENFORCING LIEN BY SALE**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

No Member shall exercise any voting right 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.

**26. VALIDITY OF SALE**

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

**27. APPLICATION OF SALE PROCEEDS**

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

**28. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN**

In exercising its lien, 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 unless required by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**29. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

**CALLS ON SHARES**

**30. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES**

The Board may subject to the provisions of the Act and any other applicable Law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board.

**31. NOTICE FOR CALL**

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

**32. CALL WHEN MADE**

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in instalments.

**33. LIABILITY OF JOINT HOLDERS FOR A CALL**

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

**34. CALLS TO CARRY INTEREST**

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

**35. DUES DEEMED TO BE CALLS**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

**36. EFFECT OF NON-PAYMENT OF SUMS**

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

**37. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

The Board –

- (a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

**38. PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

## **FORFEITURE OF SHARES**

### **39. BOARD TO HAVE A RIGHT TO FORFEIT SHARES**

If a Member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

### **40. NOTICE FOR FORFEITURE OF SHARES**

The notice aforesaid shall:

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of services of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

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

### **41. RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable Law.

### **42. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY**

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

### **43. MEMBER TO BE LIABLE EVEN AFTER FORFEITURE**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being

under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

**44. EFFECT OF FORFEITURE**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

**45. CERTIFICATE OF FORFEITURE**

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

**46. TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES**

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

**47. VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

**48. CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

**49. BOARD ENTITLED TO CANCEL FORFEITURE**

The Board may at any time before any share so forfeited shall have them sold, reallocated or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.



**50. SUMS DEEMED TO BE CALLS**

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

**51. PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

**TRANSFER AND TRANSMISSION OF SHARES**

**52. ENDORSEMENT OF TRANSFER**

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

**53. INSTRUMENT OF TRANSFER**

- (a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
- (b) The Board may decline to recognize any instrument of transfer unless-
  - (i) the instrument of transfer is in the form prescribed under the Act;
  - (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (iii) the instrument of transfer is in respect of only one class of shares.
- (c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

**54. EXECUTION OF TRANSFER INSTRUMENT**

Every such instrument of transfer shall be executed both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

**55. CLOSING REGISTER OF MEMBERS**

Subject to compliance with the Act and other applicable Law, the Board shall be empowered, on giving not less than seven (7) days notice to close the Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

**56. DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the provisions of these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

**57. TITLE TO SHARES OF DECEASED MEMBERS**

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

**58. TRANSFERS NOT PERMITTED**

No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except through a legal guardian.

**59. TRANSMISSION OF SHARES**

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that

election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

**60. RIGHTS ON TRANSMISSION**

A person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

**61. SHARE CERTIFICATES TO BE SURRENDERED**

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

**62. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS**

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

**63. TRANSFER AND TRANSMISSION OF DEBENTURES**

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

**ALTERATION OF CAPITAL**

**64. RIGHTS TO ISSUE SHARE WARRANTS**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up

on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

**65. BOARD TO MAKE RULES**

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

**66. SHARES MAY BE CONVERTED INTO STOCK**

Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

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

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

**67. REDUCTION OF CAPITAL**

The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (ii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so

far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

## **68. DEMATERIALISATION OF SECURITIES**

- (a) Company to recognise interest in dematerialised securities under the Depositories Act, 1996

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

- (b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

- (c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

- (d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

- (e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable Law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

**69. BUY BACK OF SHARES**

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

**GENERAL MEETINGS**

**70. ANNUAL GENERAL MEETINGS**

- (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.
- (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.
- (c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time with which any Annual General Meeting may be held.

**71. EXTRAORDINARY GENERAL MEETINGS**

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an extraordinary general meeting.

**72. EXTRAORDINARY MEETINGS ON REQUISITION**

The Board shall on, the requisition of Members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

**73. QUORUM FOR GENERAL MEETING**

Five (5) Members or such other number of Members as required under the Act or the applicable Law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

**74. TIME FOR QUORUM AND ADJOURNMENT**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and

place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

**75. CHAIRMAN OF GENERAL MEETING**

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

**76. ELECTION OF CHAIRMAN**

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

**77. ADJOURNMENT OF MEETING**

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**78. VOTING AT MEETING**

A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

**79. DECISION BY POLL**

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

**80. CASTING VOTE OF CHAIRMAN**

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

**81. PASSING RESOLUTIONS BY POSTAL BALLOT**

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

## **VOTE OF MEMBERS**

### **82. VOTING RIGHTS OF MEMBERS**

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

- (a) On a show of hands every Member holding equity shares and present in person shall have one vote.
- (b) On a poll, every Member holding equity shares therein shall have voting rights in proportion to his share in the paid up equity share capital.
- (c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

### **83. VOTING BY JOINT-HOLDERS**

In case of joint holders the vote of first named of such joint holders in the Register of Members, who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

### **84. VOTING BY MEMBER OF UNSOUND MIND**

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

### **85. NO RIGHT TO VOTE UNLESS CALLS ARE PAID**

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

### **86. PROXY**

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

### **87. INSTRUMENT OF PROXY**

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate



either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the registered Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

**88. VALIDITY OF PROXY**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

**89. CORPORATE MEMBERS**

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

**DIRECTOR**

**90. NUMBER OF DIRECTORS**

Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than sixteen (16).

Provided that the Company may appoint more than sixteen (16) directors after passing a Special Resolution.

The following shall be first Directors of the Company

- (a) Tulsibhai Ranchhodbhai Tanti
- (b) Vinodbhai Ranchhodbhai Tanti
- (c) Jitendra Ranchhodbhai Tanti

**91. SHARE QUALIFICATION NOT NECESSARY**

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

**92. ADDITIONAL DIRECTORS**

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

**93. ALTERNATE DIRECTORS**

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

An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

**94. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY**

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. The director so appointed shall hold office only upto the date which the director in whose place he is appointed would have held office if it had not been vacated.

**95. REMUNERATION OF DIRECTORS**

- (a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.
- (b) The Board of Directors may allow and pay or reimburse any Director who is not a bonafide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.
- (c) The managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and

shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

**96. REMUNERATION FOR EXTRA SERVICES**

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions 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.

**97. CONTINUING DIRECTOR MAY ACT**

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

**ROTATION AND RETIREMENT OF DIRECTOR**

**98. RETIREMENT OF DIRECTORS**

At the Annual General Meeting of the Company to be held in every year, such number of Directors as required under the Act shall be liable to retire by rotation.

**99. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION**

A retiring Director shall be eligible for re election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.

**100. DIRECTORS NOT LIABLE FOR RETIREMENT**

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

**101. DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY**

Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company, subject to compliance with applicable provisions of the Act.

**PROCEEDINGS OF BOARD OF DIRECTORS**

**102. MEETINGS OF THE BOARD**

- (a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of one hundred twenty (120) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice in accordance with the provisions of the Act.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.
- (d) To the extent permissible by applicable Law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

#### **103. QUESTIONS AT BOARD MEETING HOW DECIDED**

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.

#### **104. ADJOURNED MEETING**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

#### **105. ELECTION OF CHAIRMAN OF BOARD**

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

#### **106. POWERS OF DIRECTORS**

- (a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable Law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other

applicable Law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

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

#### **107. DELEGATION OF POWERS**

- (a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

#### **108. ELECTION OF CHAIRMAN OF COMMITTEE**

- (a) A committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.
- (b) The quorum of a committee may be fixed by the Board of Directors.

#### **109. QUESTIONS HOW DETERMINED**

- (a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

#### **110. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE**

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

#### **111. RESOLUTION BY CIRCULATION**

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and

effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

## **112. MAINTENANCE OF FOREIGN REGISTER**

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

## **113. BORROWING POWERS**

- (a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.
- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable Law, if any, within the limits prescribed.
- (c) To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- (d) Any bonds, debentures, debenture-stock or other securities may if permissible in applicable Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that debentures with rights to

allotment of or conversion into equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

**114. NOMINEE DIRECTORS**

- (a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the "Corporation") so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s") on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).
- (b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (c) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

**115. MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

- (a) The Board may from time to time and in accordance with the Act, appoint one or more of the Directors to the office of the managing Director and/ or whole time Directors for such term and subject to such remuneration, terms and conditions as they may think fit.
- (b) The Directors may from time to time resolve that there shall be either one or more managing Directors and/ or whole-time Directors.
- (c) In the event of any vacancy arising in the office of a managing Director and/or whole time Director, the vacancy shall be filled by the Board of Directors in accordance with the provisions of the Act.
- (d) If a managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing Director/whole time Director.

- (e) The managing Director and/or whole time Director shall be liable to retirement by rotation as long as he holds office as managing Director or whole-time Director.

**116. REIMBURSEMENT OF EXPENSES**

The managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

**117. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act,—

- (a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.
- (c) A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

**COMMON SEAL**

**118. CUSTODY OF COMMON SEAL**

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

**119. SEAL HOW AFFIXED**

The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a committee of the Directors previously given, and in the presence of one Director or the company secretary or such other person duly authorised by the Directors or a committee of the Directors, who shall sign every instrument to which the seal is so affixed in his presence



- 120.** The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

## **DIVIDEND**

**121. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

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

**122. INTERIM DIVIDENDS**

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

**123. RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

- (a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles as to the reserve fund, shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid. However, if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- (b) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.
- (c) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of Suzlon Energy Limited".
- (d) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education and Protection Fund established under the Act.
- (e) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
- (f) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

**124. RESERVE FUNDS**

- (a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.
- (b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

**125. DEDUCTION OF ARREARS**

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever wether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

**126. RETENTION OF DIVIDENDS**

The Board may retain dividends payable upon shares in respect of which any person is, under the Articles 52 to 63 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

**127. RECEIPT OF JOINT HOLDER**

Any one of two or more joint holders of a share may give effective receipt for any dividends, or other moneys payable in respect of such shares.

**128. DIVIDEND HOW REMITTED**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

**129. DIVIDENDS NOT TO BEAR INTEREST**

No dividends shall bear interest against the Company.

**130. TRANSFER OF SHARES AND DIVIDENDS**

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**CAPITALISATION OF PROFITS**

**131. CAPITALISATION OF PROFITS**

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
  - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:
  - (i) paying up any amounts for the time being unpaid on shares held by such Members respectively;
  - (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly that specified in sub -clause (ii).
  - (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
  - (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

### **132. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  - (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
  - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and
  - (ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf,

by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

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

## **ACCOUNTS**

### **133. WHERE BOOKS OF ACCOUNTS TO BE KEPT**

The Books of Account shall be kept at such place in India as the Directors think fit.

### **134. INSPECTION BY DIRECTORS**

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.

### **135. INSPECTION BY MEMBERS**

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

## **SERVICE OF DOCUMENTS AND NOTICE**

### **136. MEMBERS TO NOTIFY ADDRESS IN INDIA**

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

### **137. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

### **138. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

### **139. NOTICE BY ADVERTISEMENT**

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these

Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

**140. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS**

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

- 141.** Any notice to be given by the Company shall be signed by the managing Director or by such Director or Secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

**WINDING UP**

- 142.** Subject to the applicable provisions of the Act—

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

**143. APPLICATION OF ASSETS**

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

**INDEMNITY**

**144. DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY**

Subject to the provisions of the Act, every Director and officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal.

Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

**145. INSURANCE**

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

**SECRECY CLAUSE**

**146. SECRECY**

No Member shall be entitled to inspect the Company's works without the permission of the managing Director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

**GENERAL POWER**

- 147.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## **PART B**

### **APPLICATION OF PART B**

It is clarified that the matters listed in Part B of the Articles are in addition to all other rights that the Investor Group (as defined below) have as shareholders of the Company under Part A of the Articles and under applicable Laws. As long as Part B remains a part of the Articles and notwithstanding what is stated elsewhere in these Articles, in case of a conflict or inconsistency or contradiction between Part A of the Articles and Part B of the Articles, Part B of the Articles shall always over-ride and prevail over the provisions of Part A of the Articles to the maximum extent permitted under the Companies Act, 2013. Part B of the Articles shall cease to have any force and effect upon the Amended and Restated Shareholders' Agreement being terminated between the Parties.

### **DEFINITIONS AND INTERPRETATION**

- 148.** In these Articles, the following words and expressions, when used in this Part B of the Articles, unless inconsistent with the context shall have the following meanings ascribed to them:

**“Act”** means the Companies Act, 2013;

**“Affiliate(s)”** with respect to any Person at any time, shall mean any Person, which, at that time, directly or indirectly, Controls, is Controlled by, or is under common Control with the first named Person (provided that neither the Company nor any other member of the Company's Group shall be included as an Affiliate of either the Promoters or the Investor Group or a member of their respective Groups) and, in relation to a natural person, shall include the Relatives of such natural person;

**“Alternate Director”** has the meaning given to it in Article 153;

**“Amended and Restated Shareholders' Agreement”** means the amended and restated shareholders' agreement entered into amongst the Parties dated February 28, 2020 and as amended by the amendment agreement dated June 26, 2020 entered into amongst the Parties and as may be amended from time to time;

**“Approval”** means any permission, approval, confirmation, waiver, consent, license, permit, order, authorization, registration, filing, notification, exemption or ruling in, from or by any Governmental Authority;

**“Block Deal Mechanism”** sale of Equity Shares on a Stock Exchange pursuant to SEBI Circular dated October 26, 2017 bearing reference number CIR/MRD/DP/118/ 2017, as modified from time to time;

**“Board”** means the board of directors of the Company, as constituted from time to time;

**“Board Meetings”** means meetings of the Board;

**“Business”** has the meaning given to it in Recital A of the Amended and Restated Shareholders' Agreement;

**“Catch-up Event”** has the meaning given to it in Article 161;

**“Chairman”** has the meaning given to it in Article 154(a);

**“Company’s Group”** shall mean

- (i). the Company;
- (ii). each of the Company’s Subsidiaries; and
- (iii). any other Person which, directly or indirectly, is Controlled by the Company or under common control with the Company;

**“Company Lenders”** means banks and/ or financial institutions from which the Company or its Subsidiaries have availed or avails loan facilities, including working capital facilities and term loan facilities from time to time;

**“Competitor”** means any Person (including an Affiliate of such a Person), engaged in the Business, being part of (i) the annual list of top ten global entities published by Make Consulting or in the absence of a publication by Make Consulting, being a publication by Navigant Research (**“Global Top Ten”**); and (ii) the annual list of top five entities doing Business in India, published by Consolidated Energy Consultants Limited (CECL) or in the absence of which, a publication by Ministry of New and Renewable Energy (MNRE) (**“Indian Top Five”**), it being clarified that if any entity (including an Affiliate of an entity in Global Top Ten) is part of Indian Top Five and is also part of the Global Top Ten, then such entity shall be substituted from the India Top Five by an entity or entities that ranks immediately after the India Top Five and so on;

**“Completion”** has the meaning given to it in the Securities Subscription Agreement;

**“Completion Date”** has the meaning given to it in the Securities Subscription Agreement;

**“Control”** (including with correlative meaning, the terms, **“Controlling”**, **“Controlled by”** and **“under common Control with”**) shall have the meaning set out in Regulation 2(1)(e) of the SEBI Takeover Regulations;

**“Control Breach Cure Period”** has the meaning given to it in Article 199;

**“Creeping Acquisition Limit”** has the meaning given to it in Article 162;

**“Director”** means a director of the Company, and where the context requires, shall include an Alternate Director;

**“Encumbrance”** means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, or other security interest securing any obligation of any Person, option, escrow, commitment, restriction or limitation of any nature, or any other agreement or arrangement having a similar; (ii) any conditional sale, voting agreement, lock-in, pre-emption right, right of first refusal, right of first offer, non-disposal undertaking or transfer restriction; or (iii) any agreement, arrangement or obligation to create any of the foregoing;

**“Equity Shares”** means the equity shares of the Company, having a face value of Rs. 2 (Rupees Two only) per equity share and carrying one vote per equity share;



**“Equity Share Capital”** means the paid up equity share capital of the Company;

**“Exit”** has the meaning given to it in Article 191;

**“Exit Purchaser”** has the meaning given to it in Article 189;

**“FCCB”** means the 2016 and 2019 series of foreign currency convertible bonds issued by the Company under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time;

**“Final Exit Purchaser”** has the meaning given to it in Article 191;

**“Financial Statements”** means the annual audited consolidated financial statements of the Company prepared under IndAS and applicable Law;

**“Financial Year”** means the accounting period of the Company commencing on April 1 of a calendar year and ending on March 31 of the immediately succeeding calendar year;

**“Further Public Offer”** shall mean further public offer undertaken by the Company and as defined in Regulation 2(1)(q) of the SEBI ICDR Regulations;

**“Fully Diluted Basis”** means on any relevant date, the share capital that would have been in existence on an “as if converted” basis on the assumption that:

- (a) all convertible Securities are converted and exchanged to Equity Shares in accordance with their respective terms; and
- (b) all shares issuable pursuant to a contract or option or other obligations of the Company existing on the relevant date are issued (regardless of whether any such options or other rights are vested, exercisable or convertible in accordance with their respective terms);

**“General Meeting”** means a general meeting of the shareholders of the Company convened and held in accordance with the Amended and Restated Shareholders’ Agreement, these Articles and the Act;

**“Governmental Authority”** means: (i) the government of any nation 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 the government, including any governmental authority, agency, department, body, commission or instrumentality, (iii) any court, quasi judicial, tribunal or arbitrator; and (iv) any securities exchange or body or authority regulating the securities markets in India, as applicable;

**“Hostile Control Breach”** has the meaning given to it in Article 198;

**“Hostile Control Breach Notice”** has the meaning given to it in Article 198;

**“IndAS”** means the Indian Accounting Standards as issued by the Ministry of Corporate Affairs, Government of India;

**“Investment Banker”** has the meaning given to it in Article 189;

**“Investor Creeping Acquisition”** has the meaning given to it in Article 162(b);

**“Investor Group”** collectively means, Shanghvi Finance Pvt. Ltd. J/w. Aditya Medisales Ltd. J/w. Kumud S. Shanghvi in the capacity of partners of M/s. Sunrise Associates, Shanghvi Finance Pvt. Ltd. J/w. Aditya Medisales Ltd. J/w. Aalok D. Shanghvi in the capacity of partners of M/s. Goldenstar Enterprises, Shanghvi Finance Pvt. Ltd. J/w. Aditya Medisales Ltd. J/w. Vibha Shanghvi in the capacity of partners of M/s. Pioneer Resources, Aditya Medisales Ltd. J/w. M J Pharmaceuticals Pvt. Ltd. J/w. Ms. Vidhi Shanghvi in the capacity of partners of M/s. Expert Vision, Cannon Realty Pvt. Ltd. J/w. Sun Fastfin Services Pvt. Ltd. in the capacity of partners of M/s. GEE SIX Enterprises, Aalok D. Shanghvi, Vibha Shanghvi, Vidhi D. Shanghvi, Neostar Developers LLP, Real Gold Developers LLP, Suraksha Buildwell LLP, Sudhir V. Valia, Raksha S. Valia, Vijay M. Parekh and Paresh M. Parekh;

**“Investor Group Director”** has the meaning given to it in Article 152(a);

**“Investor Group Event of Default”** has the meaning given to it in Article 196;

**“Investor Securities”** means a) Subscription Securities issued to the Investor Group in accordance with the Securities Subscription Agreement; b) any Equity Shares held by the Investor Group as on the Execution Date and the Completion Date; and (c) any Securities subscribed to or acquired by the Investor Group;

**“Key Managerial Personnel”** shall have the meaning prescribed under the Act and shall also include Chief Operating Officer, Chief Human Resources Officer, Chief Sales Officer, Chief Technical Officer or employee holding an equivalent designation of the Company and its Subsidiaries;

**“Law(s)”** means any law, statute, regulation, rule, judgment, notification, rule of common law, order, decree, bye-law, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority;

**“Long Stop Date”** has the meaning given to it in the Securities Subscription Agreement;

**“Main Investor”** means Mr. Dilip Shanghvi;

**“Main Promoter”** means Mr. Tulsi R. Tanti;

**“Management Control Breach”** has the meaning given to it in Article 199;

**“Management Control Breach Notice”** has the meaning given to it in Article 199;

**“Market Sale”** shall mean a sale of Equity Shares on a Stock Exchange, including any sale of Equity Shares undertaken:

- (i) as a bulk deal pursuant to SEBI Circular SEBI/MRD/SE/Cir-7/2004 dated January 14, 2004, as modified from time to time, or
- (ii) through the Block Deal Mechanism

but shall not include a sale of shares undertaken as an offer for sale pursuant to SEBI Circular CIR/MRD/DP/18/2012 dated July 18, 2012, as modified from time to time;

**“Material Subsidiary”** means any Subsidiary of the Company that contributed to the extent of more than 10% to the revenues of the Company in the immediately preceding Financial Year based on the Financial Statements or a Subsidiary of the Company that had a Networth of at least Rs. 500,00,00,000 (Rupees Five Hundred Crore) based on its audited financial statements in the immediately preceding financial year;

**“Networth”** shall mean ‘networth’ as defined under Section 2(57) of the Act;

**“Parties”** collectively means, the Investor Group, the Promoters and the Company;

**“Permitted Transferee”** means a Person who is an Affiliate of an Investor, such Person not being a Competitor;

**“Permitted Transferee Transfer”** has the meaning given to it in Article 187;

**“Person”** means shall mean any natural person, limited or unlimited liability company, corporation or other body corporate, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof;

**“Promoters”** collectively means, Tulsi R. Tanti, Gita T. Tanti, Tulsi R. Tanti as karta of Tulsi Ranchhodbhai HUF, Tulsi R. Tanti as karta of Ranchhodbhai Ramjibhai HUF, Tulsi R. Tanti J/w. Vinod R. Tanti J/w. Jitendra R. Tanti, Tanti Holdings Private Limited, Vinod R. Tanti, Jitendra R. Tanti, Sangita V. Tanti, Lina J. Tanti, Rambhaben Ukabhai, Vinod R. Tanti as karta of Vinod Ranchhodbhai HUF, Jitendra R. Tanti as karta of Jitendra Ranchhodbhai HUF, Pranav T. Tanti, Nidhi T. Tanti, Rajan V. Tanti, Brij J. Tanti, Trisha J. Tanti, Girish R. Tanti and Samanvaya Holdings Private Limited;

**“Promoters/ Company Event of Default”** has the meaning given to it in Article 197;

**“Proposed Value”** has the meaning given to it in Article 190;

**“Private Sale”** shall mean any sale of Equity Shares that does not constitute a Market Sale, but for the purpose of this definition a sale of shares undertaken as an offer for sale pursuant to SEBI Circular CIR/MRD/DP/18/2012 dated July 18, 2012 (as modified from time to time) shall not be a Private Sale;

**“Promoter Creeping Acquisition”** has the meaning given to it in Article 162(a);

**“Promoter Nominees”** has the meaning given to it in Article 152(b);

**“Qualified Institutions Placement”** shall mean qualified institutions placement undertaken by the Company and as defined in Regulation 2(1)(tt) of the SEBI ICDR Regulations;

**“Related Party(ies)”** has the meaning given to the term in Section 2(76) of the Act;

**“Relative”** means a relative as defined in Section 2(77) of the Act;

**“Restructuring Documents”** shall mean any or all documents including sanction letters, term sheets, sanction letters and resolution plans as agreed between the Company and the

Company Lenders and/or FCCB holders in relation to the financial restructuring of the Suzlon The Group under the applicable Law including the RBI circular dated June 7, 2019;

**“Rights Issue”** shall mean rights issue undertaken by the Company and as defined in Regulation 2(1)(xx) of the SEBI ICDR Regulations;

**“SEBI”** means the Securities and Exchange Board of India;

**“SEBI ICDR Regulations”** shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**“SEBI LODR Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

**“SEBI Takeover Regulations”** shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

**“Securities”** means any Equity Shares, Subscription Securities or preference shares or debentures convertible into Equity Shares or any other equity linked instruments, including options, warrants issued by the Company or any security or right which grants voting rights in the Company or ability to influence voting rights of shareholders of the Company;

**“Securities Subscription Agreement”** means the securities subscription agreement entered into between the Company and the Investor Group dated February 28, 2020, as amended;

**“Shareholder”** means such Persons who hold Equity Shares of the Company;

**“Shareholder Vote Items”** has the meaning given to it in Article 163.

**“Shareholding Percentage”** means the percentage of the paid-up Equity Share Capital held by a Shareholder in the Company on a Fully Diluted Basis;

**“Subscription Securities”** has the meaning given to it in the Securities Subscription Agreement;

**“Subsequent Capital Raising”** has the meaning given to it in Article 171;

**“Subsidiary”** means a subsidiary as defined in Section 2(87) of the Act;

**“Suzlon The Group”** has the meaning given to it in the Securities Subscription Agreement;

**“Third Party”** means any Person, other than the Promoter, the Investor and their respective Affiliates;

**“Transfer”** (including with correlative meaning, the terms “Transferred by” and “Transferability”) means to transfer, sell, assign, novate, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way or dispose of, whether or not voluntarily;

**“Transfer Breach Cure Period”** has the meaning given to it in Article 201;

**“Transfer Breach Notice”** has the meaning given to it in Article 201;

**“Transfer Restrictions Breach”** has the meaning given to it in Article 201;

**“Voting Arrangement”** has the meaning given to it in Article 167.

#### **149. Interpretation**

- (a) In addition to the above terms, certain terms may be defined elsewhere in these Articles and wherever, such terms are used in these Articles, they shall have the meaning so assigned to them.
- (b) The terms referred to in these Articles shall, unless defined otherwise or inconsistent with the context or meaning thereof, bear the meaning ascribed to them under the relevant statute/legislation.
- (c) All references in these Articles to statutory provisions shall be construed as meaning and including references to:
  - (i) any statutory modification, consolidation or re-enactment made after the date of these Articles and for the time being in force;
  - (ii) all statutory instruments or orders made pursuant to a statutory provision; and
  - (iii) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- (d) Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- (e) Headings, subheadings and titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of these Articles or the schedules hereto and shall be ignored in construing the same.
- (f) References to clauses, sections or schedules are, unless the context otherwise requires, references to, clauses and schedules to these Articles.
- (g) Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- (h) Any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.
- (i) The words “include” and “including” are to be construed without limitation.
- (j) Any reference to “writing” shall include printing, typing, lithography and other means of reproducing words in visible form.
- (k) The words “include” and “including” are to be construed without limitation.

- (l) Any reference to these Articles, any agreements, arrangements or contracts in these Articles shall include any amendments or modifications to these Articles and to such agreements, arrangements or contracts referred to in these Articles.

Unless repugnant to the context therein, all references to Investor Group shall mean references to all members of the Investor Group jointly and severally. And all references to Promoter Group shall mean references to all members of the Promoter Group jointly and severally.

- 150. The obligations of the Investor Group under Articles 154, 156, 157, 158, 159, 160, 163, 167, 168, 169 and 170 of these Articles shall remain in effect for a period determined by the Main Investor, at his sole discretion, subject to a minimum period of 18 (eighteen) months from the Completion Date. Save as otherwise provided in this Article 150, all other provisions of this Agreement shall remain in full force and effect in accordance with the terms thereof.
- 151. Notwithstanding anything stated in these Articles, the Investor Group shall take all the necessary steps for exercising its voting rights at Board meeting or a General Meeting, as the case may be, in relation to all Investor Securities held by the Investor Group, to enable the fulfilment by the Company of its obligations under the Restructuring Documents and the transactions contemplated thereunder.

## **BOARD OF DIRECTORS**

### **152. Composition of the Board**

- (a) Until such time the aggregate Shareholding Percentage of the Investor Group does not fall below 5%, the Promoters shall take all necessary steps to ensure the appointment of 1 (one) nominee of the Investor Group as may be advised by the Investor Group in writing (the “**Investor Group Director**”), who fulfills the eligibility requirements under applicable Law, as the Investor Group Director.
- (b) The Promoters shall, at all times be entitled to nominate 3 (three) persons for appointment as Directors on the Board (the “**Promoter Nominees**”). The Promoters shall be entitled to appoint any of the Promoter Nominees as a whole-time and an executive director or a non-executive director of the Company.
- (c) Each of the Promoters shall take all necessary steps to ensure the appointment of the Investor Group Director fulfills the eligibility requirements under applicable Law, as a Director, including voting on the Equity Shares held by the Promoters at General Meetings and to the extent permitted under applicable Law, requiring the Promoter Nominees to exercise their voting rights at Board Meetings.

### **153. Alternate Director**

- (a) The Investor Group Director shall have the right to nominate a person, for appointment as an alternate director (the “**Alternate Director**”) to the Investor Group Director. Each of the Company and the Promoters shall take all necessary steps to ensure that such person is appointed as Alternate Director to the concerned original Investor Group Director.
- (b) An Alternate Director shall be entitled to receive notice and agenda papers for all Board Meetings, to attend, participate and vote at any such Board Meeting and to

exercise and discharge all the functions, powers and duties as a Director at any Board Meeting.

**154. Chairman**

- (a) Subject to Law, the Main Promoter shall at all times remain the executive chairman of the Company (the “**Chairman**”). Subject to Law, any replacement of the Chairman shall only be nominated by the Promoters.
- (b) The Chairman shall preside over Board Meetings and General Meetings at which he is present and shall have a casting vote.

**155. Disclosure of Information**

Subject to applicable Law, the Investor Group Director may disclose to the Investor Group any information concerning the Company which may come into his possession on account of being a Director.

**MANAGEMENT OF THE COMPANY**

- 156.** The Promoters are and shall remain solely in absolute Control of the Company at all times, unless otherwise: a) agreed in writing between the Promoters and the Investor Group; or b) set out in the Amended and Restated Shareholders’ Agreement.

- 157.** Unless otherwise in compliance with the terms of the Amended and Restated Shareholders’ Agreement, the Promoters shall continue to exercise Control over the Company in respect of, including but not limited, the following matters:

- a) the day to day management, operations and policies of the Company and its Subsidiaries; and
- b) appointment and removal of Key Managerial Personnel.

- 158.** Subject to Articles 156 and 157 above, keeping in mind the best interests of the Company, the Promoters agree to discuss and consult with the Investor Group, on a good faith basis, key strategic and policy decisions (including annual business plan and any long term strategic plan) in relation to the Company. In addition, to the extent that the Investor Group has any suggestions/recommendations with a view to improve the operational efficiency of the Company, the Promoters shall consider such suggestions/recommendations in good faith and shall provide reasonably detailed explanations to the Investor Group if such suggestions/recommendations are not acceptable to the Promoters, with a view to convince the Investor Group in this regard.

- 159.** Unless otherwise provided in the Amended and Restated Shareholders’ Agreement, to ensure that the Promoters continue to remain in Control of the Company, the Investor Group shall not:

- a) either make any open offer or a delisting offer for Securities (other than with the prior written consent of the Promoters);
- b) tender Securities held by the Investor Group in acceptance of any open offer made by any other Person under the SEBI Takeover Regulations or a delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, subject to the Investor Group having delivered a written notice to the Promoters

of the intention to tender the Securities within 10 days of the public announcement in relation to such open offer/ delisting offer by the abovementioned Person, along with explanations in this regard;

- c) take any steps or actions including exercise of voting rights in a manner that is detrimental to Control of the current Promoters of the Company.
- 160.** The Parties acknowledge that the Investor Group and the Promoters shall be considered ‘persons acting in concert’ under Regulation 2(1)(q) of the SEBI Takeover Regulations, unless otherwise stated in the Amended and Restated Shareholders’ Agreement.
- 161.** The Promoters shall have the right to acquire Securities from time to time, either by way of a preferential allotment or secondary purchases or any other way permitted under the applicable Law (“**Catch-up Event**”). The Investor Group shall take all necessary steps to facilitate the acquisition of Securities by the Promoters in accordance with this Article including as set out in Article 167 to Article 169 (*Voting Arrangements*).
- 162.** The Promoters and the Investor Group shall have the option to acquire, on a collective basis, no more than the maximum number of Equity Shares which can be subscribed to or acquired collectively without triggering requirement of an open offer under the SEBI Takeover Regulations by either the Promoters or the Investor Group (“**Creeping Acquisition Limit**”) in the following manner:
- a) Subscription or acquisition of up to such number of Securities by the Promoters that constitute 50.5% of the Creeping Acquisition Limit (“**Promoter Creeping Acquisition**”); and
  - b) Subject to the proportion of the permitted Promoter Creeping Acquisition completed by the Promoter in a Financial Year, the Investor Group shall be permitted to subscribe to or acquire such proportion of Securities that is within the remaining 49.5% of the Creeping Acquisition Limit (“**Investor Creeping Acquisition**”).

#### SHAREHOLDER VOTE ITEMS

- 163.** Notwithstanding anything contained in these Articles, the Company, the Subsidiaries and the Promoter Nominees shall not take any decisions or action in respect of matters set out below (“**Shareholder Vote Items**”) (whether through the Board, shareholders, employees or officers), unless such action or decision has been approved by the Shareholders at a General Meeting:
- (a) Any amendments to the Memorandum or the Articles, which prejudices in any material respect, the rights of Investor Group under the Amended and Restated Shareholders’ Agreement, except amendment to the Articles required in respect of the matters contemplated under the Amended and Restated Shareholders’ Agreement;
  - (b) Cessation or disposal of all or substantial part of the business or an undertaking of the Company or of a Material Subsidiary to a Third Party, in excess of the limits prescribed under Regulation 24(6) of SEBI LODR Regulations and Section 180 of the Act, as applicable;
  - (c) Disposal or transfer or divestment of shares of a Material Subsidiary to a Third Party resulting in reduction of the Company’s shareholding in such Material



Subsidiary (either on its own or together with other Subsidiaries) to less than fifty percent or cessation of the exercise of Control over such Material Subsidiary;

- (d) Acquisition of a business, bodies corporate or undertaking or entering into any joint venture by the Company or any of the Material Subsidiaries (including commencement of actions in this regard), (whether undertakings or shares), of an enterprise value of more than Rs. 100,00,00,000 (Rupees One Hundred Crore only) per acquisition and arranging of financing thereof;
- (e) Any merger, demerger, buyback, reduction of capital, arrangement or compromise with its creditors (other than operational creditors) or shareholders or effecting any scheme of amalgamation or reconstruction, involving the Company or any of the Material Subsidiaries and Third Parties;
- (f) A voluntary winding-up or insolvency or dissolution or concurrence with any winding-up or insolvency proceedings initiated by a Third Party in relation to the Company or a Material Subsidiary (save in the context of a merger transaction);
- (g) Change in capital structure of the Company by way of issuance of Securities or of any of the Material Subsidiary by way of issuance of securities or share capital other than on account of a) any preferential issuance of Equity Shares to the Promoters in accordance with Article 161 (*Catch Up Event*); b) any preferential issuance of Equity Shares to the Promoters or the Investor Group as part of the Promoter Creeping Acquisition or the Investor Creeping Acquisition; c) issuance of Securities through a Rights Issue; d) issuance of Securities through a Further Public Offer or Qualified Institutions Placement to the extent of 10% of the Equity Share Capital on a Fully Diluted Basis as of the date of the Amended and Restated Shareholders' Agreement, which may be undertaken through more than one issuances, subject to the aforementioned dilution limit; e) conversion of outstanding FCCBs or existing employee stock options issued by the Company or its Material Subsidiaries; f) conversion of loans availed by the Company or Material Subsidiaries from time to time; g) requirement of the lenders of the Company or the Material Subsidiaries; h) any issue of securities by the Material Subsidiary to the Company Group; or i) any issue of securities by the Material Subsidiary to Third Parties in excess of 25% of the share capital of such Subsidiary;
- (h) Any borrowings availed by the Company or its Material Subsidiaries which has a) repayment term in excess of 2 (Two) years; and b) in excess of limits pre-agreed annually between the Promoters and the Investor Group (on a consolidated basis). The requirements of this Article 163(h) shall not apply with respect to availing any working capital facilities by the Company or any borrowings proposed to be availed by the Company for project specific facilities;
- (i) Provide any loans or issue any guarantees or create any security in excess of the limits set out in Section 186(2) of the Act. The requirements of this Article 163(i) shall not apply with respect to provision of any loans or issuance of any guarantees or creation of any security by the Company for project specific facilities; and
- (j) Declaration of dividend by the Company of an amount greater than 25% of the net profit of the Company for a Financial Year based on the Financial Statements of the Company for the previous Financial Year, provided that any declaration of

the dividend by the Company in a Financial Year of an amount between 25%-50% of the net profit of the Company for a Financial Year per the Financial Statements of the previous Financial Year shall not be a Shareholder Vote Item if the working capital requirements of the Company are met.

Provided that, nothing contained in this Article shall apply to (a) the provisions of Article 167 to Article 169 (*Voting Arrangements*); and (b) any action or decision required to be undertaken pursuant to any instruction from or requirement of the Company Lenders.

- 164. If a Shareholder Vote Item(s) has(ve) been approved in accordance with Article 163, then the Investor Group and the Promoters shall take all necessary steps, including exercising their voting rights as Shareholders, to give effect to such Shareholder Vote Item(s).
- 165. The Investor Group or the Promoters shall not (and shall, subject to applicable Law, request that the Investor Group Director or Directors who are Relatives of the Main Promoter not to) submit to any meeting of the Board, or to shareholders by way of postal ballot, electronic voting, in General Meetings or otherwise any proposal in relation to the Shareholder Vote Items unless the Investor Group or the Promoters, as the case may be, have provided a written consent in this regard.
- 166. Subject to Article 164, if any matter, decision, action or resolution relating to a Shareholder Vote Item shall be considered or taken up for voting at any Board meeting, General Meeting, by way of a postal ballot or electronic voting or otherwise, in circumstances where the Promoters have conveyed to the Investor Group or if the Investor Group has conveyed to the Promoters its rejection/dissent in writing to such Shareholder Vote Item at any time prior to the commencement of the Board meeting, General Meeting, issuance of notice for the postal ballot or electronic voting or any other notice in relation to the consideration of such matter, Investor Group or the Promoters shall exercise its voting rights in relation to the Company against such matter, decision, action or resolution.

#### **VOTING ARRANGEMENTS**

- 167. Each Investor shall take all necessary steps for exercising its voting rights, including at General Meeting or a Board meeting, in relation to all Investor Securities held by such Investor, in accordance with the recommendations provided by the Main Promoter (“**Voting Arrangement**”) in case of: (a) taking all steps to ensure the fulfilment of the Company’s obligations under the Restructuring Documents and the transactions contemplated therein; (b) along with the Promoter, taking all steps, for refinancing of the existing debt of the Company (including any unsustainable component) on such terms which are better than the existing terms; (c) any Person making a hostile or an unsolicited bid to acquire Control over the Company, other than as provided in Article 173; and (d) undertaking all actions to implement and give effect to a potential acquisition of at least 51% of the Equity Share Capital of the Company by any Person who has been approved by the Investor Group and the Promoters, in accordance with Article 189 to Article 193 (*Restriction on Transfer of Securities - Exit*).
- 168. For a period of 3 (three) years from the Completion Date, each Investor shall take all necessary steps for exercising its voting rights, including at General Meeting or a Board meeting, in relation to all Investor Securities held by such Investor, to effect the re-appointment of the Promoter Nominees on the Board of the Company.

169. The Investor Group shall discuss in good faith all proposals in respect of any Shareholder Vote Items with the Main Promoter and adequately consider the views of the Main Promoter keeping in mind the best interests of the Company while taking decisions on any Shareholder Vote Items. The Investor Group shall have the sole discretion in relation to its decisions on the Shareholder Vote Items.

#### INVESTOR GROUP COVENANTS AND UNDERTAKINGS

170. The Investor Group shall take all necessary actions which are required to give effect to the Articles and specifically Articles 156 to 162 (*Management of the Company*) and Articles 167 to 169 (*Voting Arrangements*) above.
171. In the event the Company proposes to undertake a Further Public Offer or Qualified Institutions Placement or any other capital markets issuance of Securities (“**Subsequent Capital Raising**”) then the Investor Group undertakes to consider in good faith and in the best interests of the Company, if the merchant bankers appointed by the Company in this regard to manage the Subsequent Capital Raising or per applicable Law so required, that each Investor shall not sell and undertake not to sell any Investor Securities for a period of 3 (three) months post allotment of Securities under the Subsequent Capital Raising.
172. Notwithstanding anything stated in these Articles, the Investor Group shall, prior to (a) acquiring or executing any binding documents in relation to acquiring, directly or indirectly, 25% (twenty five percent) or more of the Equity Share Capital of the Company; or (b) otherwise undertaking any steps or actions with a view to acquire or take Control of the Company, inform the Promoters in writing. Upon receipt of such information, the Investor Group and the Promoters will engage with the Company Lenders to procure the release of the security and personal guarantee provided by the Promoters to the Company Lenders, in full. In the event:
- (i) the Company Lenders accepts the proposal jointly presented by the Promoters and the Investor Group, in this regard, or an alternate proposal of the Company Lenders in this regard, is acceptable to both the Investor Group and the Promoters (each acting commercially reasonably in this regard), then both the Investor Group and the Promoters shall take all necessary steps and actions to effect the release of security and personal guarantee provided by the Promoters to the Company Lenders, in full, prior to the Investor Group undertaking any actions mentioned in (a) or (b) above or moving ahead with actions in (a) or (b) above; or
  - (ii) the Company Lenders do not accept the proposal of the Investor Group and the Promoters to release the security and personal guarantee provided by the Promoters and provide an alternate proposal in this regard, and such alternate proposal is not acceptable to either the Investor Group or the Promoters (each acting commercially reasonably in this regard), the Investor Group shall forthwith cease to undertake any actions mentioned in (a) or (b) above or shall not move ahead with actions in (a) or (b) above.
173. In the event the Investor Group wishes to support any hostile bid or an unsolicited bid by any Person seeking to acquire the Equity Shares or Securities of the Company, either by virtue of the shareholding of the Investor Group in the Company or otherwise, the Investor Group shall provide a prior written intimation to the Promoters along with explanations in this regard. Upon receipt of such information, the Investor Group and the Promoters will engage with the Company Lenders, on a best efforts basis, to procure the release of the security and personal guarantee provided by the Promoters to the Company

Lenders, in full. In the event the Company Lenders accepts the proposal jointly presented by the Promoters and the Investor Group in this regard, or an alternate proposal of the Company Lenders in this regard, is acceptable to both the Investor Group and the Promoters (each acting commercially reasonably in this regard), then both the Investor Group and the Promoters shall take all necessary steps and actions to effect the release of security and personal guarantee provided by the Promoters to the Company Lenders, in full, so long as there is no financial impact and/ or guarantee obligations on the Investor Group in this regard.

- 174.** In the event of a potential acquisition of at least 51% of the Equity Share Capital of the Company by any Person who has been approved by the Investor Group and the Promoters, the Investor Group and the Promoters will engage with the Company Lenders to procure the release of the security and personal guarantee provided by the Promoters to the Company Lenders, in full. In the event:
- (i) the Company Lenders accepts the proposal jointly presented by the Promoters and the Investor Group, in this regard, or an alternate proposal of the Company Lenders in this regard, is acceptable to both the Investor Group and the Promoters (each acting commercially reasonably in this regard), then both the Investor Group and the Promoters shall take all necessary steps and actions to effect the release of security and personal guarantee provided by the Promoters to the Company Lenders, in full, in order to consummate the transactions with such Person; or
  - (ii) the Company Lenders do not accept the proposal of the Investor Group and the Promoters to release the security and personal guarantee provided by the Promoters and provide an alternate proposal in this regard, and such alternate proposal is not acceptable to either the Investor Group or the Promoters (each acting commercially reasonably in this regard), the Investor Group and the Promoters will forthwith cease to engage with such Person in relation to the transaction set out in Article 174.
- 175.** If any open offer/ delisting offer is required to be made by the Investor Group, at any time, in terms of the SEBI Takeover Regulations and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, respectively, then the relationship between the Investor Group and the Promoters as ‘persons acting in concert’ shall not continue, unless otherwise agreed in writing between the said Parties.

#### **PROMOTERS/COMPANY COVENANTS AND UNDERTAKINGS**

- 176.** The Promoters shall take all necessary actions which are required to give effect to these Articles and specifically Articles 163 to 166 (*Shareholder Vote Items*) above.
- 177.** Each of the Promoters undertake to exercise its voting rights as a Shareholder to cause the Company to issue and allot Subscription Securities to the Investor Group and undertake such actions as contemplated under the Securities Subscription Agreement.
- 178.** The appointment of any statutory auditor and internal auditor of the Company shall be undertaken pursuant to the following:
- (a) the statutory auditor shall be appointed by the Board out of a list of profiles of 4 (four) reputed auditors, shared by Investor Group (each of whom should be the Indian affiliate or associate of one of the top 10 global networks providing audit

services, but shall exclude any past and existing auditors of the Investor Group); and

- (b) the internal auditor shall be appointed by the Board out of a list of profiles of 4 (four) reputed internal auditors, shared by Investor Group (each of whom should be the Indian affiliate or associate of one of the top 10 global networks providing audit services, but shall exclude any past and existing auditors of the Investor Group).

- 179.** The Company shall enter into any transaction with Related Parties, (including any ongoing exiting transactions with Related Parties and periodic renewals of the existing transactions with Related Parties,) after the Completion Date, with the prior consent of the Investor Group in writing.

If the Investor Group rejects any such transaction (whether ongoing existing or new), then the Investor Group shall set out its reasons for such rejection in writing to the Promoters and the Company.

The ongoing existing transaction with Related Parties shall continue as per present terms for a period of 90 days from June 26, 2020, within which time the Investor Group shall provide their suggestions, acceptance or denial. Thereafter the Company and the Promoters shall consider such suggestions and modify the said transactions accordingly or in case of denial by the Investor Group, the Promoters and the Company shall discontinue and / or terminate such transactions and change shall be implemented before March 31, 2021 or within such period as agreed by the Parties in writing.

Provide however, in the event, the Investor Group does not provide its suggestions, acceptance or denial in relation to approval sought in this Article, within a period of 30 (Thirty) days from the receipt of the request from the Promoter in writing, the Investor Group shall have deemed to have approved such related party transaction.

- 180.** The Investor Group may decide to make recommendations to strengthen the purchase and finance operations of the Company. The Company and the Promoters shall consider such suggestions positively and expeditiously.
- 181.** The Company shall enter into any new transaction with the Investor Group and their respective Affiliates (excluding any periodic renewals of the existing transactions with the Investor Group and their respective Affiliates) after the Completion Date, with the prior consent of the Promoters in writing. In the event, the Promoters do not provide their acceptance or denial in relation to approval sought in this Article, within a period of 7 (seven) days from the receipt of the request from the Investor Group, the Promoter shall have deemed to have approved such related party transaction.

### **INFORMATION RIGHTS**

- 182.** Subject to applicable Law, the Investor Group will have a right to receive
- (a) financial information of the Company and its Material Subsidiaries as reasonably requested by the Investor Group; and
  - (b) information related to a material event in a timely manner.

183. The Director(s) nominated by the Investor Group shall be provided all the information as part of the board process.
184. Any information shared with the Investor Group under this Article 182 and/ or Article 183 shall constitute Confidential Information under the Amended and Restated Shareholders' Agreement.

### **RESTRICTIONS ON TRANSFER OF SECURITIES**

185. Subject to Article 173, the Investor Group shall not, directly or indirectly, Transfer the Investor Securities (including any legal or beneficial interest therein), to any Competitor. Provided that any Transfer of Investor Securities permitted under Article 185 to Article 193 does not, directly or indirectly, permit Encumbrance of the Investor Securities with a Competitor.
186. The Investor Group shall comply with the lock-in requirements as prescribed under Regulation 167 of the SEBI ICDR Regulations and shall not, directly or indirectly, Transfer any Investor Securities including the Subscription Securities in breach of the Law.
187. Subject to Article 185 and 186 the Investor Group may Transfer any/all of its Investor Securities to a Permitted Transferee ("**Permitted Transferee Transfer**") at any time during the term of the Amended and Restated Shareholders' Agreement through a Private Sale or a Block Deal Mechanism, subject to the following conditions:
- (a) the Investor shall provide a written notice to the Promoter and the Company specifying the identity of the Permitted Transferee, the number of Securities Transferred and the date of the transfer within 5 (five) days of the completion;
  - (b) simultaneously with the completion of the proposed Transfer to the Permitted Transferee, the Permitted Transferee shall execute a deed of adherence, agreeing to be bound by the terms and conditions of the Amended and Restated Shareholders' Agreement;
  - (c) pursuant to the Transfer, the Permitted Transferee shall not individually hold such number of Securities which trigger an open offer under the SEBI Takeover Regulations;
  - (d) the Investor, being the transferor, continuing to be jointly and severally liable along with the Permitted Transferee for all the obligations under the Amended and Restated Shareholders' Agreement; and
  - (e) the Transfer of the Securities to the Permitted Transferee shall be reversed by such Permitted Transferee to a member of the Investor Group, prior to the Permitted Transferee ceasing to be an Affiliate of the Investor Group.
188. Any Transfer of Investor Securities in violation of the provisions of these Articles shall be null and void *ab initio*, not be binding on the Company and the Company shall not register any such Transfer.

### ***Exit***

189. The Investor Group and the Promoters undertake that, any time after the Completion Date and up to the 3<sup>rd</sup> (third) anniversary from the Completion Date or such extended period as

mutually agreed between the Investor Group and the Promoters in writing, they shall jointly appoint a mutually acceptable investment banker of international/ national repute (“**Investment Banker**”) and give such mandate to identify potential purchaser(s) for acquisition of at least 51% of the Equity Share Capital of the Company (“**Exit Purchaser**”).

190. All Parties shall follow the process required by the Investment Banker and duly consider the price per Security offered by the Exit Purchaser (“**Proposed Value**”), who individually or as a block/ consortium, proposes to acquire at least 51% of the Equity Share Capital of the Company.
191. Each of the Investor Group and Promoters shall have the option to Transfer any or all of the Securities held by them respectively, to the Exit Purchaser (who has offered the highest Proposed Value and proposes to acquire at least 51% of the Equity Share Capital of the Company) (“**Final Exit Purchaser**”), at a value that is not lower than the Proposed Value offered by the Final Exit Purchaser (“**Exit**”).
192. Each of the Investor Group and Promoters agree and acknowledges that, in the event any of the Investor Group or Promoters do not propose to Transfer all of the Securities held by it, the same shall be without prejudice to any dilution of the stake held by the said Person in the Company in order to facilitate the Exit.
193. Each of the Parties shall undertake all necessary steps including by way of exercise of voting rights in the Company to implement and give effect to the Exit and acquisition of at least 51% of the Equity Share Capital of the Company by the Final Exit Purchaser. Without foregoing the generality of the above, each of the Parties shall take necessary steps and facilitate any requirement by the Final Exit Purchaser to restructure the Business or the shareholding structure or constitution of the Company.

#### **NON-COMPETE AND NON-SOLICITATION**

194. During the term of the Amended and Restated Shareholders’ Agreement, the Promoters and the Investor Group, covenant and undertake to each other that they shall not, and shall procure that, their respective Affiliates shall not, directly or indirectly, (i) in case of Investor Group, for so long as the Investor Group owns and holds (directly or indirectly) equal to or more than 5% of the Equity Share Capital in the Company; and (ii) in case of Promoters, for so long as the Promoters continue to be classified as the ‘promoter’ of the Company under applicable Law or own and hold (directly or indirectly) equal to or more than 5% Equity Share Capital in the Company:
  - (a) carry on, engage in, manage, own, invest in (by way of equity, debt, equity linked instrument, debt linked instrument or similar hybrid instruments) business which may compete with the Business (in its entirety or in part) in India; or
  - (b) enter into any formal discussions, negotiations, or agreements with any Person, for a project which may compete with the Business, (in its entirety or in part), in India;

provided however that, nothing contained in this Article shall restrict or apply to:

- (i) any investments or businesses being undertaken by the Promoters as on the Completion Date;
- (ii) the acquisition of Wind World (India) Limited (“**Wind World**”) by the Investor Group or an Affiliate of the Investor Group. Provided further that, the Investor

Group shall take all necessary steps to procure that Wind World will not provide any services to any customer, who operates a turbine procured from the Company or does any activities that would negatively impact Suzlon business;

- (iii) the bidding by the Investor Group or their Affiliates for any solar projects for power generation.

**195.** The Investor Group and the Promoters (together with their respective Affiliates) shall not, whether directly or indirectly, by themselves or in association with or through any Person, in any manner whatsoever (whether in its own capacity or in conjunction with or on behalf of any Person, as an employee, adviser, partner or shareholder of or consultant to any other Person), do or undertake or attempt to do or undertake any of the following activities:

- (a) tender for, canvass or solicit or attempt to tender for, canvass or solicit any current client or customer of the Company or its Subsidiaries for a competing Business;
- (b) induce or attempt to induce any client, customer or supplier of any member of the Company or its Subsidiaries to cease to deal with the Company or its Subsidiaries or any member thereof or otherwise interfere with the relationship between such client, customer or supplier and the Group and/or its members;
- (c) hire or solicit the employment of any employee of any member of the Company or its Subsidiaries;
- (d) induce or attempt to induce any employees of any of the members of the Group to leave the employment of the concerned member or otherwise interfere in any manner with the contractual, employment or other relationship of such employees of the Company or its Subsidiaries with the Company or its Subsidiaries; or
- (e) assist, influence, encourage or induce such action in any manner whatsoever.

#### **EVENTS OF DEFAULT**

**196.** An event of default in relation to the Investor Group shall occur on the happening of any of the following events (such an event, an “**Investor Group Event of Default**”):

- a) Any of the representations and warranties of the Investor Group under the Amended and Restated Shareholders’ Agreement not being true as of the date of the Amended and Restated Shareholders’ Agreement and Completion Date; and
- b) any breach of obligations by any Investor which are set out in Article 156 to Article 162 (*Management of the Company*), Article 163 to Article 166 (*Shareholder Vote Items*), Article 167 to Article 169 (*Voting Arrangement*), Article 169 to Article 174 (*Investor Group Covenants and Undertakings*), Article 185 to Article 193 (*Restrictions on Transfer of Securities*) and Article 205 to 207 (*Term and Termination*) of these Articles.

**197.** An event of default in relation to the Promoters or the Company shall occur on the happening of any of the following events (such an event, a “**Promoters/ Company Event of Default**”):

- a) any breach of obligations by the Promoters or the Company which are set out in Article 163 to Article 166 (*Shareholder Vote Items*), Article 176 to Article 181



*(Promoters Covenants and Undertakings)* and Article 205 to 207 *(Term and Termination)* of these Articles or a material breach of Article 182 to Article 184 *(Information Rights)*;

- b) Any of the representations and warranties of the Company and the Promoters under the Amended and Restated Shareholders' Agreement not being true as of the date of the Amended and Restated Shareholders' Agreement and Completion Date; and
- c) the purported termination of the Amended and Restated Shareholders' Agreement by the Company and/or the Promoter other than as provided in the Amended and Restated Shareholders' Agreement.

#### CONSEQUENCES OF CERTAIN EVENTS OF DEFAULT

**198.** If the Investor Group (or any Investor) takes any action or fails to take any action which, in the Promoter's or the Company's view, results in breach of the Investor Group's obligations under Article 159 and Article 170 to Article 175 (the "**Hostile Control Breach**"), then the Promoters and/ or the Company shall be permitted to immediately refer the Hostile Control Breach for dispute resolution under Clause 18 of Amended and Restated Shareholders' Agreement, upon issuance of a written notice intimating the Investor Group of the Hostile Control Breach (the "**Hostile Control Breach Notice**"), seeking:

- a) interim relief within 30 (Thirty) days of the issuance of the Hostile Control Breach Notice, which, amongst others, may include suspension of all rights of the Investor Group under Amended and Restated Shareholders' Agreement and keeping in abeyance of voting rights in respect of the Investor Group in respect of Investor Securities pending conclusion of the arbitral proceedings; and
- b) final relief within 180 (One Hundred and Eighty) days of the issuance of the Hostile Control Breach Notice, which, amongst others, may include termination of all rights of the Investor Group under Article 185 to Article 193 (*Restrictions on Transfer of Securities*) and survival of all obligations of the Investor Group under Article 156 to Article 162 (*Management of the Company*), Article 167 to Article 169 (*Voting Arrangements*) and Article 170 to Article 175 (*Investor Group Covenants and Undertakings*) as well as any specific performance for rectification of the Hostile Control Arrangement Breach and appropriate damages.

**199.** If the Investor Group (or any Investor) takes any action or fails to take any action, whether directly or indirectly, which, in the Promoter's or the Company's view, results in breach of the Investor Group's obligations under Article 156 to Article 162 (*Management of the Company*) ("**Management Control Breach**"), the Investor Group shall take all necessary actions, including undertaking mediations and negotiations with the Company and/or the Promoters to resolve the Management Control Breach within the 30 (Thirty) days ("**Control Breach Cure Period**") of the intimation of the Management Control Breach to the Investor Group by a written notice ("**Management Control Breach Notice**"). The Control Breach Cure Period shall not be available to the Investor Group if the Management Control Breach has led to the Promoters losing Control of the Company.

**200.** Upon issuance of the Management Control Breach Notice or expiry of the Control Breach Cure Period, as applicable per Article 199 above, the Company and/ or the Promoters

shall be permitted to immediately refer the Management Control Breach for dispute resolution under Clause 18 of Amended and Restated Shareholders' Agreement, seeking:

- a) interim relief within 30 (Thirty) days of the Management Control Breach Notice or expiry of the Control Breach Cure Period, as applicable, which, amongst others, may include suspension of all rights of the Investor Group under Amended and Restated Shareholders' Agreement, including under Article 163 to Article 166 and keeping in abeyance of voting rights in respect of the Investor Group in respect of Investor Securities pending conclusion of the arbitral proceedings; and
- b) final relief within 180 (One Hundred and Eighty) days Management Control Breach Notice or expiry of the Control Breach Cure Period, as applicable, which, amongst others, may include re-instatement of Control of the Promoters on the Company, termination of all rights of the Investor Group under Article 163 to 166 (*Shareholder Vote Items*) and Article 185 to Article 193 (*Restrictions on Transfer of Securities*) and survival of all obligations of the Investor Group under Article 156 to Article 162 (*Management of the Company*), Article 167 to Article 169 (*Voting Arrangements*) and Article 170 to Article 175 (*Investor Group Covenants and Undertakings*) as well as any specific performance for rectification of the Management Control Breach and appropriate damages.

**201.** If the Investor Group (or any Investor) takes any action, whether directly or indirectly, which, in the Promoter's or the Company's view, results in breach of the Investor Group's obligations under Article 185 to Article 193 (*Restrictions on Transfer of Securities*) ("**Transfer Restrictions Breach**"), the Investor Group shall take all necessary actions, including reversing such a Transfer of Investor Securities leading to the breach in order to resolve the Transfer Restrictions Breach within the 30 (Thirty) days ("**Transfer Breach Cure Period**") of the intimation of the Transfer Restrictions Breach to the Investor Group by a written notice ("**Transfer Breach Notice**"). The Transfer Breach Cure Period shall not be available to the Investor Group if the Management Control Breach has led to a Competitor acquiring 50% of the Shareholding Percentage of the Investor Group.

**202.** Upon issuance of the Transfer Breach Notice or expiry of the Transfer Breach Cure Period, as applicable per Article 201 above, the Company and/or the Promoters shall be permitted to immediately refer the Transfer Restrictions Breach for dispute resolution under Clause 18 of Amended and Restated Shareholders' Agreement, seeking:

- a) interim relief within 30 (Thirty) days of the Transfer Breach Notice or expiry of the Transfer Breach Cure Period, as applicable, which, amongst others, may include suspension of all rights of the Investor Group under Amended and Restated Shareholders' Agreement, including under Article 163 to 166 and keeping in abeyance of voting rights in respect of the Investor Group in respect of Investor Securities pending conclusion of the arbitral proceedings; and
- b) final relief within 180 (One Hundred and Eighty) days of Transfer Breach Notice or expiry of the Transfer Breach Cure Period, as applicable, which, amongst others, may include reversal of the Transfer of the Investor Securities that led to Transfer Restrictions Breach, termination of all rights of the Investor Group under Article 163 to 166 (*Shareholder Vote Items*) and Article 185 to Article 193 (*Restrictions on Transfer of Securities*) and survival of all obligations of the Investor Group under Article 156 to Article 162 (*Management of the Company*),

Article 167 to Article 169 (*Voting Arrangements*) and Article 170 to Article 175 (*Investor Group Covenants and Undertakings*) as well as any specific performance for rectification of the Transfer Restrictions Breach and appropriate damages.

203. If the Promoters breach any of its material obligations under the Amended and Restated Shareholder's Agreement ("**Promoter Breach**"), then within 90 (Ninety) days ("**Promoter Breach Cure Period**") of the intimation of the Promoter Breach by the Investor Group to the Promoters by a written notice with explanations and relevant evidence in this regard, the Promoters shall take all necessary actions including undertaking mediations and negotiations with the Investor Group to resolve the Promoter Breach.
204. Upon the expiry of the Promoter Breach Cure Period, the Investor Group shall be permitted to immediately refer the Promoter Breach for dispute resolution under Clause 18 of the Amended and Restated Shareholders' Agreement.

### TERM AND TERMINATION

205. The provisions of the Amended and Restated Shareholders' Agreement shall remain valid and binding on the Parties until such time as the Amended and Restated Shareholders' Agreement is terminated in accordance with Clause 14 of the Amended and Restated Shareholders' Agreement .
206. The Amended and Restated Shareholders' Agreement may be terminated:
- a) The Amended and Restated Shareholders' Agreement shall be valid only till the Investor Group or the Promoters hold at least 5% each in the Company. Provided that if at any time the Shareholding Percentage of the Promoters in the Company falls below 5%, the Amended and Restated Shareholders' Agreement shall only terminate if the Promoters have not been able to increase their Shareholding Percentage in the Company to at least 5% within a period of 180 (One Hundred and Eighty) days from the date on which the Promoter's Shareholding Percentage in the Company falls below 5%;
  - b) by the Investor Group if the Main Promoter ceases to be the Chairman or the Managing Director of the Company, within a period of 1 (One) year thereof;
  - c) at any time by mutual written agreement of the Parties;
  - d) completion does not occur by the Long Stop Date, in accordance with the provisions of the Securities Subscription Agreement; or
  - e) automatically if there is a complete exit by either the Investor Group or the Promoters pursuant to the process mentioned in Article 189 to Article 193 (*Restriction on Transfer of Securities - Exit*).
207. Consequences of Termination:
- a) The right to terminate as aforesaid in Article 206 shall be without prejudice to all the rights and remedies under Law available to the Parties, including but not limited to the right to seek, as an alternative to termination, specific performance of the obligations under the Amended and Restated Shareholders' Agreement or terminate

the Amended and Restated Shareholders' Agreement and seek losses for the breach from any Party committed during the period prior to such termination.

- b) The termination of the Amended and Restated Shareholders' Agreement shall not relieve any Party of any obligation or liability accrued prior to the date of termination.
- c) The provisions of Article 148 to Article 149 (*Definitions and Interpretations*), Article 196 and Article 197 (*Event of Default*), Article 198 to Article 204 (*Consequences of Certain Events of Default*) and Article 205 to Article 207 (*Term and Termination*) of these Articles and the provisions of Clauses 15 (*Representations and Warranties of the Parties*), 16 (*Confidentiality*), 17.1 (*Governing Law*), 18 (*Dispute Resolution*), 19.1 (*Costs*) and 19.2 (*Notices*) of the Amended and Restated Shareholders' Agreement, as are applicable or relevant thereto, shall survive termination of the Amended and Restated Shareholders' Agreement.

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

Sr. No.	Names, Addresses, Descriptions, Occupations and Signature of the Subscribers	Number of Equity Shares taken by each Subscriber	Name, Address, Description and Occupation of the Common Witness
1.	<b>TULSI R. TANTI</b> S/o. Ranchhodbhai Tanti 21, Ankur Society, Adajan Patia, Rander Road, Surat-395009 Occupation: Business Sd/-	100 (One Hundred)	Common witness to all  Sd/- Kapil Acharya Son of Rajanikant Acharya Chartered Accountant Membership No.48595 F/9, Bijal Apartment, Ellisbridge, Ahmedabad-380006
2.	<b>VINOD R. TANTI</b> S/o. Ranchhodbhai Tanti 21, Ankur Society, Adajan Patia, Rander Road, Surat-395009 Occupation: Business Sd/-	100 (One Hundred)	
3.	<b>JITENDRA R. TANTI</b> S/o. Ranchhodbhai Tanti 21, Ankur Society, Adajan Patia, Rander Road, Surat-395009 Occupation: Business Sd/-	100 (One Hundred)	
4.	<b>GEETABEN T. TANTI</b> W/o. Tulsibhai Tanti 21, Ankur Society, Adajan Patia, Rander Road, Surat-395009 Occupation: Business Sd/-	100 (One Hundred)	
5.	<b>SANGITABEN V. TANTI</b> W/o. Vinodbhai Tanti 21, Ankur Society, Adajan Patia, Rander Road, Surat-395009 Occupation: Business Sd/-	100 (One Hundred)	
6.	<b>LEENA J. TANTI</b> W/o. Jitendra Tanti 21, Ankur Society, Adajan Patia, Rander Road, Surat-395009 Occupation: Business Sd/-	100 (One Hundred)	
7.	<b>BALRAJSINH A. PARMAR</b> S/o. Abhaysinh Parmar 1-A, Harikrishna Society, B/h Polytechnic <b>BHARUCH</b> Occupation: Business Sd/-	100 (One Hundred)	
		700 (Seven Hundred)	

Place: Ahmedabad

Dated this **Seventh** day of **April, 1995**