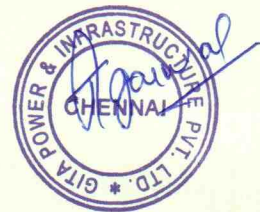


## Annexure 4: Articles of Association



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The Companies Act 1956  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
GITA POWER & INFRASTRUCTURE PRIVATE LIMITED  
INTERPRETATION

1. The Regulations contained in Table "A" in the First Schedule to the Companies Act, 1956 shall apply to this Company so far as they are applicable to a private limited company in all matters that are not expressly provided for and to the extent they are not inconsistent with the provisions contained in these Articles.

1.1 In these Articles unless the context otherwise requires:

- (i) "Act" means the Companies Act, 1956 or any statutory modification thereof and "Section" shall mean a section of the said Act.
- (ii) "Acts of Default" means the occurrence of any of the following in relation to a Class A Shareholder that is determined by the Board in its sole and unfettered discretion to be an Act of Default:-
  - a. Non-payment of an invoice raised under the Power Sharing Agreement on or before the due date by such Class A Shareholder.
  - b. Non-drawal of power in accordance with the Power Sharing Agreement by such Class A Shareholder
  - c. Stoppage of business by such Class A Shareholder
  - d. Winding up or liquidation by such Class A Shareholder
  - e. Change in Control of such Class A Shareholder
  - f. Appointment of an administrator liquidator or provisional liquidator in respect of any of the associates or undertakings of such Class A Shareholder.



- g. Termination of the Power Sharing Agreement with such Class A Shareholder.
- h. Any merger, demerger, amalgamation or arrangement or acquisition or any other means of corporate restructuring or partnership or association or change in the character of such Class A Shareholder.
- i. Any breach of the terms of the Power Sharing Agreement by such Class A Shareholder
- j. Any breach of any of the provisions of the Electricity Act 2003 or Electricity Rules 2005 by such Class A Shareholder.
- (iii) "Articles" means the Articles of Association of the Company as at the date of incorporation or as altered from time to time in accordance with the provisions of the Act.
- (iv) "Board" or "Board of Directors" shall mean the board of directors for the time of the company or an authorised committee of the Board of the Company
- (v) "Captive User" or "Group Captive User" shall mean a person who holds Class A Equity Shares and has entered into a Power Sharing Agreement with the Company.
- (vi) "Change of Control" with reference to a Class A Shareholder shall mean (i) a merger, acquisition, sale of voting control or other business combination with respect to such Class A Shareholder such that the shareholders (of such Class A Shareholder) who hold more than 50% of the voting power in such Class A Shareholder prior to the date of such transaction would no longer hold more than 50% of the voting power following the completion of such transaction or, in the case of a merger or other business combination, more than 50% of the voting power of the acquiring or surviving corporation and/or (ii) the sale of all or substantially all of the assets of such Class A Shareholder;
- (vii) "Company" or "this Company" means "Gita Power & Infrastructure Private Limited".
- (viii) "Director" shall mean a member of the Board of Directors of the Company.



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- (ix) "Electricity Act" means the Electricity Act 2003 as originally framed and amended from time to time.
- (x) "Electricity Rules" mean the Electricity Rules 2005 as originally framed and amended from time to time.
- (xi) "Escrow Agent" shall mean a person appointed by the Board pursuant to Article 9.1.
- (xii) "Fiscal Year" shall mean the accounting year of the Company commencing each year on April 1 and ending on the following March 31.
- (xiii) "General Meeting" means a meeting of the members whether annual or extraordinary, duly called, constituted and held in accordance with the provisions of the Act and the Articles.
- (xiv) "Managing Director" shall mean the person so named in Article 19 and his successor/s in office appointed in accordance with the said Article.
- (xv) "Office" means the Registered Office for the time being of the Company.
- (xvi) "Person" shall mean and include individuals, corporate bodies and other association of persons whether incorporated or not.
- (xvii) "Power Sharing Agreement" shall mean the power sharing agreement entered into between the Company and a Class A Equity Shareholder.
- (xviii) "Share Capital" shall mean the total paid up equity share capital of the Company.
- (xix) "Shares" shall mean equity shares of the Company.
- (xx) "The Register" means the register of members to be kept pursuant to Section 150 of the Act.
- (xxi) "The Seal" means the Common Seal of the Company.
- (xxii) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the



Act or any Statutory modification thereof in force at the date on which these Articles become binding on this Company.

- (xxiii) Words importing singular shall include plural and vice-versa and words importing the masculine gender shall include feminine and neuter genders and the words importing persons shall include body corporate.
- (xxiv) Expression referring to "Writing" shall be construed as including reference to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

#### PRIVATE COMPANY

2. The Company is a private company within the meaning of Section 3(1) (iii) of the Act and accordingly:

- a. The number of members of the Company (exclusive of persons in the employment of the Company, and persons, who having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased) shall not exceed fifty; provided that, for the purpose of this provision, where two or more persons hold one or more shares jointly in the Company, they shall be treated as a single member.
- b. No invitation shall be issued to the public to subscribe for any shares in, or debentures of the Company.
- c. The right to transfer shares in the Company shall be restricted in the manner and to the extent hereinafter provided.
- d. No invitation shall be made for deposits, or any deposits accepted from persons other than its members, directors or their relatives.
- e. The paid up capital of the company is not less than Rs.1,00,000 or such other higher sum as may be prescribed by the Central Government from time to time;

2.1 The Shares of the Company with voting rights exceeding 50% of total voting rights shall not, at any time, be held by a public company or a body corporate incorporated outside India which, if incorporated in India would be a public company within the meaning of the Act.



## SHARE CAPITAL

3. \*The Authorised share capital of the Company shall be as prescribed in clause V of the Memorandum of Association of the Company.”
- 3.1 The Company shall have the power to increase or reduce the capital for the time being of the Company and to divide the shares in the capital into several classes with rights, privileges or conditions as may be determined.
- 3.2 The Shares shall be under the control of the Board, who may classify, issue allot or otherwise dispose of the same to such persons and on such terms and conditions and at such time as the Board may think fit subject to the provisions of the Articles.
- 3.3 The joint holders on shares shall be jointly and severally liable for payment of all instalments and calls dues in respect of shares.
- 3.4 A call shall be deemed to have been made at the time when a resolution authorising such a call is passed at the meeting of the Board. A call may be made payable by instalments. The Board may from time to time extend the time of payment of any call.
- 3.5 The Company shall have a first and paramount lien (a) on every share, for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (b) on all shares standing registered in the name of a Class A Shareholder, for all the moneys (whether presently payable or not) to the Company under the Power Sharing Agreement or any other connected transactions. The Company's lien on a share shall extend to all dividends payable thereon.
- 3.6 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 unless a sum in respect of which the lien exists is presently payable.
- 3.7 In order 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 in reference to the sale.

\* ALTERED VIDE RESOLUTION PASSED IN EGM HELD ON 13.11.2009.



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

#### CLASSES OF SHARE CAPITAL

4. The Board shall issue, offer and allot Class A Equity Shares only to persons who have entered into a Power Sharing Agreement with the Company agreeing to draw power from the Captive Power Plant operated by the Company and they shall be subject to the obligations and entitled to the following rights, besides the rights that are provided under the Act except to the extent where the Articles prescribes certain rights as against the rights available under the Act, the provisions of the Articles will prevail.
- 4.1 Every Class A Shareholder present in person at a General Meeting will have one vote on every proposal on show of hands. Every Class A Shareholder will have as many number of votes as is equal to the number of Class A Equity shares they hold on a poll. A Class A Shareholder may appoint a proxy who will be eligible to the same voting rights as the original shareholder on a poll. In the event the rights of voting on one or more Class A Equity shares are cancelled by the Board under Article 4.4 herein below, thereafter such shares shall constitute a separate sub-class of Class A Equity Shares not having voting rights but entitled to all other rights of Class A Equity Shares.
- 4.2 Class A Shareholder shall be entitled only for par value for the shares in the event of winding up or in the event of purchase of shares either by the Company or by another Class A equity shareholder for any reason/s mentioned in these Articles whether on account of a direction/decision of the Board and or under the Act.
- 4.3 The Board of Directors shall meet at such intervals as they may deem fit and ascertain the quantum of power consumed by the Captive User and ensure that at any point of time the power consumed and the shareholding is as prescribed under the Electricity Rules as prevailing and amended from time to time.
- 4.4 The Board of Directors shall annually or at such intervals as they may deem fit ascertain the power consumed by the Captive Users and ensure that the power consumed and the shareholding is as prescribed under



the Electricity Rules and in the event the norms prescribed under the Electricity Rules are not met, the Board of Directors may cancel the voting rights attached to such Class A shares and to such extent as they think fit in order to comply with the Electricity Act, Electricity Rules and other applicable regulations. Upon allotment or transfer of a Class A Equity Share, the holder of such share shall have granted consent empowering the Board to such variation. The decision of the Board on the variation of voting rights of the Class A Equity Share shall be final and binding and cannot be challenged.

5. Class B Equity Shares shall have all rights that are usually available to equity shares and shall be further entitled to the rights provided hereinafter, besides the rights available under the Act, except to the extent where the Articles prescribes certain rights as against the rights available under the Act, the provisions of the Articles will prevail. The equity shares issued as on the date of adoption of these Articles and having distinctive numbers 1 to 10,000 shall be classified as Class B Equity Shares.
- 5.1 Every Class B Equity Shareholder will have one vote on every proposal on show of hands. Every Class B Equity Shareholder will have as many numbers of votes as are equal to the number of shares they hold on a poll. Class B Equity Shareholder may appoint a proxy who shall be eligible to the same voting rights as the original shareholder on a poll.

#### FORFEITURE

6. The Board has the absolute and uncontrolled power to forfeit the Class A Equity Shares if the holder of such Class A Equity Shares commits any Acts of Default or if any call money or other sum due and payable on the shares is not paid on the due date. The decision of the Board as to whether an Act of Default has occurred or not shall be final and binding.
- 6.1 On the happening of the situation under 6 above, the Board may forfeit the Class A Equity Shares through a resolution passed at a meeting of the Board or committee thereof or through circular resolution and intimation to the effect that the shares are forfeited be sent by Registered post or speed post to the Shareholders whose Shares are forfeited within 7 days thereof.
- 6.2 Every Class A Equity shareholder unequivocally agrees and confirms to the above provisions and further that the Power of Attorney executed in favour of the Escrow Agent supra in Article No. 9.1 includes the power to





authorize the Escrow Agent to release the Share Certificates to the Board for forfeiture on receipt of intimation from the Board without any further reference to such Shareholder.

- 6.3 The Class B Equity Shares issued and allotted by the Company may be forfeited in accordance with the procedure enumerated under Table A to the Act for the purposes mentioned there under.
- 6.4 Any Shares so forfeited may be sold or otherwise disposed of upon such terms and in such manner as the Board shall think fit. The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they fit.
- 6.5 Any member whose Shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the company all calls, instalments, interest, expenses and other moneys owing upon or in respect of such Shares or otherwise to the Company at the time of forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate not exceeding 15% per annum as the directors may determine and the directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.

#### SHARE CERTIFICATES

7. Share Certificates shall be issued under the Seal in the manner prescribed under the rules framed under the Act.

- 7.1 All share certificates issued by the Company shall contain the following statements inscribed on the face of the certificate:

The shares represented by this certificate are subject to the restrictions contained in the Memorandum and Articles of Association of the Company and any other agreement that may have been entered into amongst shareholders and the Company.

- 7.2 Every member shall be entitled to one certificate for the Shares registered in his name or if the Board so approves, upon paying such fees as the Board may from time to time determine, several certificates, for ten or more of such Shares.



- 7.3 The certificate of Shares registered in the name of two or more persons shall be delivered to the first named person in the Register, and this shall be a sufficient delivery to all such holders.
- 7.4 If any certificate is worn out or defaced, then upon production thereof to the Board it may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed then upon proof to the satisfaction of the Board and on such indemnity as the Board deems adequate being given, a new certificate in lieu thereof will be given to the party entitled to such lost or destroyed certificate. The sum of Rs. 50/- shall be paid to the Company for every certificate issued under this clause, and the Company shall also be paid all expenses incurred in investigating the evidence of loss.

#### TRANSFER AND TRANSMISSION OF SHARES

8. Subject to the provisions of Sec.111 of the Act or any statutory modification thereof for the time being in force the Board may, at its own absolute and uncontrolled discretion and without assigning any reason decline to register or acknowledge any transfer of any shares.
- 8.1 Subject to the provisions of the Act and the Articles, the Board shall have the same right to refuse to register a person entitled by transmission to any shares as if he were the transferee named in an ordinary transfer presented for registration.
- 8.2 Except in the case where the member pledges his shares in the Company with the Company or unless expressly permitted by a resolution passed at a meeting of the Board, no Shareholder may pledge, mortgage, charge or otherwise encumber any of its Shares or any interest in any of its Shares or enter into any agreement in respect of the votes attached to any of its Shares.

#### TRANSFER AND ESCROW OF SHARES

9. Upon allotment of the Class A Equity Shares by the Company, the Class A Shareholder shall deposit all share certificates in respect of such Class A Equity Shares, with the Escrow Agent along with duly executed transfer deeds in blank relating to the said shares in order to secure the due performance by the Class A Equity Shareholder as a Captive User of its obligations under the Power Sharing Agreement. The Captive User agrees to keep the blank transfer deeds valid and for



this purpose periodically replace such share transfer deeds as may be required by the Escrow Agent.

- 9.1 The Board may appoint a person to be the Escrow Agent, and the Escrow Agent will be paid such remuneration as may be decided by the Board and his powers and duties shall be determined by the Board at the time of appointment and may be varied from time to time by a resolution of the Board either at a meeting or by circulation. The Board may also change the Escrow Agent from time to time.
- 9.2 The Escrow Agent is empowered to sell/ transfer such number of shares as directed by the Board in writing on the occurrence of an Act of Default to such other person nominated by the Board who are eligible to be Class A Equity Shareholder and/or to any of the existing Class A Equity Shareholders at par value and the person who acquires the Shares shall also be subject to the same rights and privileges as are applicable to the transferor or seller of the Shares. Every Class A Equity Shareholder unconditionally agrees and appoints the Escrow Agent as their Power of Attorney Holder to effect sale/ transfer of the Shares held by them in the Company and deposited with the Escrow Agent in such lots as the Board may direct the Escrow Agent and agrees and confirms that the Escrow Agent will act as Power of Attorney Holder of them individually and collectively for signing such instruments, documents for the above purpose.
- 9.3 Every Class A Equity Shareholder hereby unconditionally agrees and confirms that so long as they continue as Class A Shareholder, the Escrow Agent appointed by the Board shall be their Power of Attorney Holder for the purposes mentioned under previous Articles mentioned above and his act shall be binding on them. The authority granted in Article 9.2 shall be irrevocable.
- 9.4 If a holder (Proposing Transferor) of one or more Class A Equity Shares desires to transfer his Class A Equity Shares, such holder shall give notice in writing to the Company that he desires to transfer the same. Such notice shall constitute the Board as his agent for transferring the equity share to any member of the Company or person selected by the Board. The Transfer Notice shall not be revocable except with the consent of the Board of Directors. At a suitable time after receipt of such notice, the Board may nominate a person to purchase the shares at par value (Purchasing Member), and give notice thereof to the Proposing Transferor and within a period of 5 days after being served with such notice, the Proposing Transferor shall be bound, upon



payment of the par value, to transfer the shares to the Purchasing Member. The Escrow Agent upon written directions from the Board deliver the share certificates and transfer deeds to the Company in order to complete and register such transfer.

#### PROVISIONS FOR CLASS B EQUITY SHARES

- 9.5 Subject to Section 108 of the Act, Class B Equity Shares may be transferred by a member or other person entitled to transfer to any existing member of the Company, but no shares shall be transferred except as provided under the Articles.
- 9.6 The Board, on the service of the transfer notice by the proposing transferor on the Company, shall be entitled to choose any member/s, to whom the share can be transferred.
- 9.7 Except where the transfer is made to any member, a member or the person entitled to transfer any share (Proposing Transferor), shall give notice in writing (Transfer Notice) to the Company that he desires to transfer the same. Such notice may specify the sum fixed by him as the sale price, and shall constitute the Board as his agent for transferring the equity share to any member of the Company or person selected by the Board at the price so fixed or, at the option of the purchaser, at the fair value to be ascertained as provided hereunder. The Transfer Notice shall not be revocable except with the consent of the Board of Directors.
- 9.8 If the Board find member(s) or person(s) selected as aforesaid willing to purchase the share (Purchasing Member), it shall give notice thereof to the Proposing Transferor and within a period of 45 days after being served with such notice, he shall be bound, upon payment of fair value, as may be agreed between the Proposing Transferor and Purchasing Member to transfer the shares to the Purchasing Member.
- 9.9 In the event of any disagreement between the Proposing Transferor and the Purchasing Member as to the fair value of the share, the auditors of the Company shall certify the value there of which shall be deemed to be the fair value. The fair value so fixed shall be binding on the Proposing Transferor and the Purchasing Member who shall bear equally the auditors fee for issuing such a certificate.
- 9.10 If in any case the Proposing Transferor after having been bound as aforesaid, defaults in transferring the shares, the Company may receive



the purchase consideration and shall thereupon subject to the provisions of the Act, cause the name of the Purchasing Member to be entered in the Register of Members as holder of the said shares and shall hold the purchase consideration in trust for the Proposing Transferor, the receipt of the purchase consideration by the Company shall be a good discharge to the Purchasing Member and after his name has been entered in the Register in purported exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person.

- 9.11 If the Company does not within a period of 90 days of being served with the Transfer Notice, find a member or person selected as aforesaid willing to purchase the equity shares and give notice in the manner aforesaid, the Proposing Transferor shall at any time within 90 days afterward be at liberty to sell and transfer the equity share to any person at any price.
- 9.12 The Company in a General Meeting may make and from time to time vary rules as to the mode in which any Share specified in any Notice served on the Company pursuant to the articles hereof, shall be offered to the members, as to their rights in regard to the purchase thereof and in particular may give any member or class of members a preferential right to purchase the same.
- 9.13 The Directors may in their absolute and uncontrolled discretion, refuse to transfer any Share or Shares without assigning any reason, and shall equally be entitled, in their absolute and uncontrolled discretion to refuse the registration of any transfer. The Board shall further have the right to refuse to register any transfer, which in their opinion is in contravention of any of the Articles. No transfer shall be made or registered without previous sanction of the Board.
- 9.14 Any person or persons becoming entitled to any Class A Equity Shares by any court or other coercive sale or by reason of insolvency of a member or by reason of pledge or hypothecation of Shares or merger or demerger or amalgamation or any arrangement of corporate restructuring, partnership, association, etc. in any similar manner, shall offer such Shares to other members to be purchased by such members of the Company and the provisions of Article 9.10 to Article 9.15 shall apply.
- 9.15 Subject to the provisions of the Articles, a member may transfer any share (other than Class A Equity Shares) held by him/her to his/her



spouse or relative as defined in the Act, by way of gift or for any pecuniary consideration.

- 9.16 On the death of a member, the surviving joint holder(s) where the member was a joint holder shall be the only person recognized by the Company as having any title to or interest in the shares. The executors or administrators or a holder of a succession certificate in respect of the estate of a deceased member not being one of the joint holders, shall be the only persons whom the Company may be bound to recognize as having any title to the Shares registered in the name of such member.
- 9.17 Notwithstanding anything stated in the Articles, the Board may refuse to register the transmission by operation of law and right to any Shares or interest of any member in the Company, and the provisions of Article 9.10 to Article 9.15 supra shall apply to such Shares.

### GENERAL MEETING

- 10 General Meetings other than the annual general meeting shall be called extra-ordinary general meetings. Any business to be transacted at any extra-ordinary general meeting shall be ordinary business. Proceedings of the meeting shall be governed by the Act. The Company shall hold meeting and annual general meeting as provided under Section 166 of the Act.
- 11 Two members present in person shall be the quorum for a General Meeting.
- 11.1 The Board may, whenever they think fit call an extra-ordinary general meeting, subject to provisions of the Act.
- 11.2 If at any time there are not within India Directors capable of acting, who are sufficient in number to form a quorum, any Director or any two members of the Company may call an extra-ordinary general meeting in the same manner, or as nearly as possible, as that in which such a meeting may be called by the Board.
- 11.3 A General Meeting of the Company may be called by giving not less than 7 days notice in writing.
- 11.4 An Extra-ordinary General Meeting may be called by giving shorter notice than that specified in 11.3 above if consent is accorded thereto by



members holding not less than 95% of the Share Capital of the Company.

- 11.5 Every member of the Company and holding any equity shares of the Company shall have a right to vote on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid up equity.
- 11.6 Proxy(ies) shall be entitled to vote on a poll and proxy shall be a member of the company of the same class of shares.
- 11.7 Sections 171 to 186 of the Act shall apply to the Company in regard to meetings.

#### BOARD OF DIRECTORS

12. The number of Directors shall not be less than two and not more than nine. Directors are not required to hold any shares in the Company as qualification shares.

The Company shall have not more than three Permanent Directors. Permanent Directors shall hold office for life and shall be entitled to nominate their successors-in-office upon their vacation of office as directors on account of death, resignation or any other reason.

The following shall be the First Directors:

1. Mr. Arvind Kumar Gupta
2. Ms. Sudha Gupta

Mr. Arvind kumar Gupta shall be the First Permanent Director. Mr. Arvind kumar Gupta shall be entitled to appoint two other persons to be Permanent Directors. The affirmative vote of Mr. Arvind kumar Gupta shall be required for passing of all resolutions. As and when a Permanent Director is appointed by Mr. Arvind kumar Gupta in his place, the affirmative vote of the appointee will be required.

13. Each Director shall receive out of the funds of the Company remuneration for his services such amount as the Board may fix, for each meeting of the Directors attended by him/her. The Board may pay all reasonable travelling and other expenses incurred by any Director to attend any meeting of the Board or General Meeting. The Company in a General Meeting may, by passing a special resolution



under section 314 of the Act, to provide for payment of any percentage of net profits of the Company to the Director by way of remuneration in addition to or in lieu of the fee payable to them or him.

- 13.1 If any Director, being willing, is called upon to perform extra services or to make any special exertion in going or residing away from any of the purposes of the Company as or in giving special attention to the business of the Company as a member of the Board or committee of Directors or otherwise the Company may, subject to the provisions of the Act, provide for remuneration to the Director so doing and such remuneration may be either in addition to or in substitution of his share in the remuneration from time to time provided for the Directors.
14. The Company may in General Meeting elect any person to be a Director and subject to the provisions of any agreement for the time being in force the Company may by ordinary resolution remove any Director except the Permanent Directors.

#### BOARD MEETINGS

15. The Board of Directors shall meet at least once every calendar quarter and in the event that a meeting of the Board is not held during any such quarter, any director may call a meeting of the Board on three days prior notice to the other Directors. All notices for meetings of the Board shall be in writing, specifying the agenda containing all relevant documents thereto and shall be sent to each of the Directors by speed post acknowledgement due and through email.

The Board of Directors at a meeting of the Board shall have the power at any time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an additional Director in the Board or as an alternate Director in pursuance of section 313 of the Act, but the total number of the Directors shall not at any time exceed the maximum number of the Directors fixed under these Articles.

All resolutions of the Board of Directors shall be either taken at a meeting of the Board of Directors or by a circular resolution as per Article 15.4.

All matters at the Board meetings or by way of circular resolution shall be passed by a majority vote of the Directors voting.

Subject to the restrictions contained in the Act, any resolution in writing signed and circulated by such members of the Board as shall form a majority





for the time being in the Board of Directors shall have the same effect and validity as a resolution of the Board duly convened.

16. The quorum for any Board or committee meeting committee of the Company shall be two Directors or one third of the total strength (any fraction contained in that one-third is being rounded to one) whichever is higher. At any meeting of the Board of Directors an interested Director shall be entitled to vote and his vote shall be deemed to be valid as that of a disinterested Director.
17. The Board of Directors may delegate any of its power subject to and in accordance with the provisions of the section 292, to any Director, Manager, Managing Director or other principal officer of the Company or Committee of Directors to such extent and manner as the Board may deem fit. Any power so delegated may be revoked at any time or made to confirm to any conditions or regulation as may be required by the Board from time to time.
18. If it is provided by any agreement, deed or other document securing or otherwise in connection with any loan taken by the Company or in connection with taking of any shares by person, firm or Company that any person or persons shall have power to nominate a Director to the Board of Directors of the Company then and in case of taking of any such loan or shares or entering into such agreement the person or persons having such powers may exercise his power from time to time and appoint a Director accordingly. Such Director may be removed from office at any time by the person or persons in whom the power under which he was appointed is vested and another Director may be appointed in his place but while holding such office he shall not be liable to retire by rotation nor hold any qualification shares.

#### MANAGING DIRECTOR

19. The first Managing Director shall be Mr. Arvind kumar Gupta, who shall hold the office for life. His successors shall be appointed by the Board and in the event of a successor being nominated by Mr. Arvind kumar Gupta, such nominee shall be reappointed as Managing Director.

The business of the Company shall be carried on, conducted, and managed by the Managing Director, of the Company. The Managing Director



shall have all the powers to execute and carry out various objects of the Company enumerated in the Memorandum and Articles of Association of the Company except those that are specifically and exclusively conferred on the Board by the Act.

The Managing Director shall have full control and authority over the management of the Company including (but without prejudice to the generality of the forgoing):

- i. To open and close banking accounts
- ii. To sign, draw, accept, endorse or execute cheques, promissory notes, bills of exchange and other negotiable instruments or authorise any person to do so
- iii. To appoint and dismiss employees and fix their terms of service
- iv. To enter into Power Sharing Agreements and to vary the terms thereof
- v. To refer to any disputes to arbitration.
- vi. To borrow any money from bankers or others and secure those loans.
- vii. To do all matters relating to the operations of the Company.
- viii. To appoint Escrow Agent for the purpose of Article 9.1 and to fix his remuneration and to define and confine the powers and duties of the Escrow Agent.

#### ACCOUNTS AND AUDIT

20. Once at least in every year the accounts of the Company shall be examined and the correctness of the accounts ascertained by one or more auditors, who shall be appointed at the General Meeting of the Company. The accounts may also be audited for any period less than or more than a year if the Board thinks fit after obtaining necessary permission from the Registrar of Companies wherever required. The first Auditors of the Company may be appointed and their remuneration fixed by the Board.

#### DIVIDENDS

21. The profits of the Company shall be divisible among the members as follows. Out of the amount set apart for distribution for the Equity Shareholders, 1% shall be distributed among the Class A Shareholders in proportion to the amount of capital paid up on the Class A Equity Shares held by them. The balance 99% shall be distributed among the Class B Shareholders in proportion to the amount paid up on the Class B Equity Shares held by them.



The Company in Annual General Meeting may declare a dividend to be paid to the members but no Dividend shall exceed the amount recommended by the Directors. No dividend shall be payable except out of the profits of the financial year or any other undistributed profits and no dividend shall carry interest as against the Company.

The Directors may from time to time pay the members such interim dividend as in their judgment the position of the Company justifies.

#### MISCELLANEOUS

22. The Board shall provide a Common Seal of the Company and for the safe custody of the seal. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors previously given. The seal shall be affixed only in the presence of and subscribed by a Director or such other persons as the Board may appoint for the purpose.
23. Subject to the provisions of the Act, no member shall be entitled to inspect the Company's Books without the permission of the Board of Directors or require disclosure of the information respecting any details of the Company's operations or any matter which is or may be in the nature of the trade secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company which in the opinion of the Directors, it will not be expedient in the interest of the members of the Company to communicate the public.
24. Every person who is a subscriber to the Memorandum and Articles and or who intends to be or becomes a member of the Company shall, subject to the provisions of any law in force, be bound by the provisions of the Memorandum and Articles of Association of the Company and any matter of dispute arising between the Company and any such person as regards mutual rights, obligations or otherwise shall be subject to the jurisdiction of the court having jurisdiction over the registered office of the Company in respect of the disputed matter.
25. Every Director, Manger, Auditor or Officer of the Company or any person (whether an Officer of the Company or not) employed by the Company shall be indemnified out of the funds of the Company against any liability incurred by him as such Director, Manager, Auditor or Employee in defending any proceeding whether civil or criminal in which judgment is given in this favour or in which he is



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acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the court.

Sl.No	Signature, Name, address, Description and occupation of the Subscribers	Signature, name, Address, Description & Occupation of witness
1	Sd/- Arvind Gupta S/o late O.P. Gupta No. 17, Bishop Garden R A Puram Chennai – 600 028 Business	Sd/- K. Senthil No. 16, P.A. Koil Triplicane Chennai – 600 005 Service
2	Sd/- Sudha Gupta W/o Arvind Gupta No. 17, Bishop Garden R A Puram Chennai – 600 028 Business	

Place: Chennai  
Dated: 14/06/2008



For GITA POWER & INFRASTRUCTURE PVT. LTD.

  
Director

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