

NOTICE

Notice is hereby given that an Extraordinary General Meeting (EGM) of the Company will be held at shorter notice at the Registered Office of the Company at "Dare House", No.2, N.S.C Bose Road, Chennai – 600 001, India on Thursday, March 31, 2016, at 5.30 p.m. to transact the following business:

SPECIAL BUSINESS:**Item No 1: Amendment of Articles of Association of the Company**

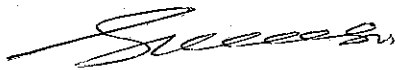
To consider, and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 14(1) and other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company be and are hereby amended and replaced with the Articles of Association annexed hereto."

"RESOLVED FURTHER THAT Mr. N Srinivasan, Director, Mr. S S Gopalarathnam, Managing Director, Mr. Takahiko Shibakawa, Wholetime Director and Mr. Suresh Krishnan, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such necessary steps as may be necessary to give effect to the above resolution."

By Order of the Board

For **Cholamandalam MS General Insurance Company Limited**



Suresh Krishnan

Company Secretary

Date: 31.03.2016

Place: Chennai

Notes:

a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

b. A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total paid up share capital of the Company. In case a proxy is proposed to be appointed by the member holding not more than ten percent of the total paid up share capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other member. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions / authority, as applicable. A proxy holder needs to show his identity at the time of attending the meeting.

c. The members of the company have given their consent to convene the extraordinary general meeting at a shorter notice.

d. A STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013, IS ANNEXED HERETO.

Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

The documents referred in the Notice and statement under Section 102 of the Companies Act, 2013, if any, are open for inspection at the Company's registered office and copies thereof shall also be made available for inspection in physical or in electronic form at the registered office of the Company up to the time of the extraordinary general meeting.

A Route Map along with Prominent Landmark for easy location to reach the venue of Extra Ordinary General Meeting is annexed with the notice of Extra Ordinary General Meeting.

Statement pursuant to Section 102 of the Companies Act, 2013

The following Statement sets out the material facts relating to the special business set out in the accompanying notice dated March 31, 2016:

ITEM No. 1 :

Pursuant to the Guidelines on "Indian Owned and Controlled" dated October 19, 2015 ("**Guidelines**"), issued by the Insurance Regulatory and Development Authority of India, the Shareholders' Agreement dated February 6, 2003, entered into between the shareholders of the Company and the Company ("**Shareholders' Agreement**") has been amended on March 18, 2016, so as to make the Shareholder's Agreement compliant with the Guidelines. A share purchase agreement was also entered into by and amongst Tube Investments of India Limited (Tube Investments), Mitsui Sumitomo Insurance Company, Limited (MSI) and the Company on March 18, 2016, to record the transfer of 14% of the equity share capital of the Company aggregating to 4,18,32,798 (Four Crore Eighteen Lakhs Thirty Two Thousand Seven Hundred and Ninety Eight) equity shares held by Tube Investments to MSI ("**Share Purchase Agreement**").

It is now proposed that the Articles of Association of the Company be amended to align them with the duly amended Shareholders' Agreement and Share Purchase Agreement dated March 18, 2016, and to the Guidelines. Pursuant to Section 14(1) of the Companies Act, 2013, a special resolution is required to be passed for alteration of the Articles of Association of the Company.

Memorandum of Interest:

None of the Directors or Key Managerial Personnel or their respective relatives are interested, financially or otherwise, in the resolution set out at Item No 1 of this notice.

The Board recommends the above resolution for approval of the shareholders.

ATTENDANCE SLIP

Name & Address of the Shareholder:

I/ We hereby certify that I /We am / are registered Member / Proxy for the registered Member of the Company and hereby record my / our presence at the Extra Ordinary General Meeting of the Company being held on Thursday, March 31, 2016 at 5.30 p.m at the registered office of the Company or at any adjournment thereof in respect of such resolutions as mentioned in the notice.

_____	_____	_____
Member folio / Client ID No.*	Member's / Proxy's name	Signature of
	Member / in Block letters	
	Proxy	

*Applicable for members holding shares in electronic form

NOTE: Members / Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the meeting.

FORM NO. MGT - 11
PROXY FORM

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):
Registered Address :
E-mail ID
Folio No./ Client ID:
DP ID:

I/We being the Member(s) of _____ equity shares of Rs. 10 each of the above named Company, hereby appoint:

1. Name: _____
Address:
E-mail Id:
Signature:....., or failing him/her

2. Name: _____
Address:
E-mail Id:
Signature:....., or failing him/her

3. Name: _____
Address:
E-mail Id:
Signature:....., or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company, to be held on the March 31, 2016, at 5.30 p.m. at the registered office of the Company and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution No	
Special Business	
1. Amendment of Articles of Association of the Company	

Affix
Revenue
Stamp

Signed: this _____ day of _____ 2016

Signature of Member(s): _____

Signature of the Proxy holder(s): _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LIMITED

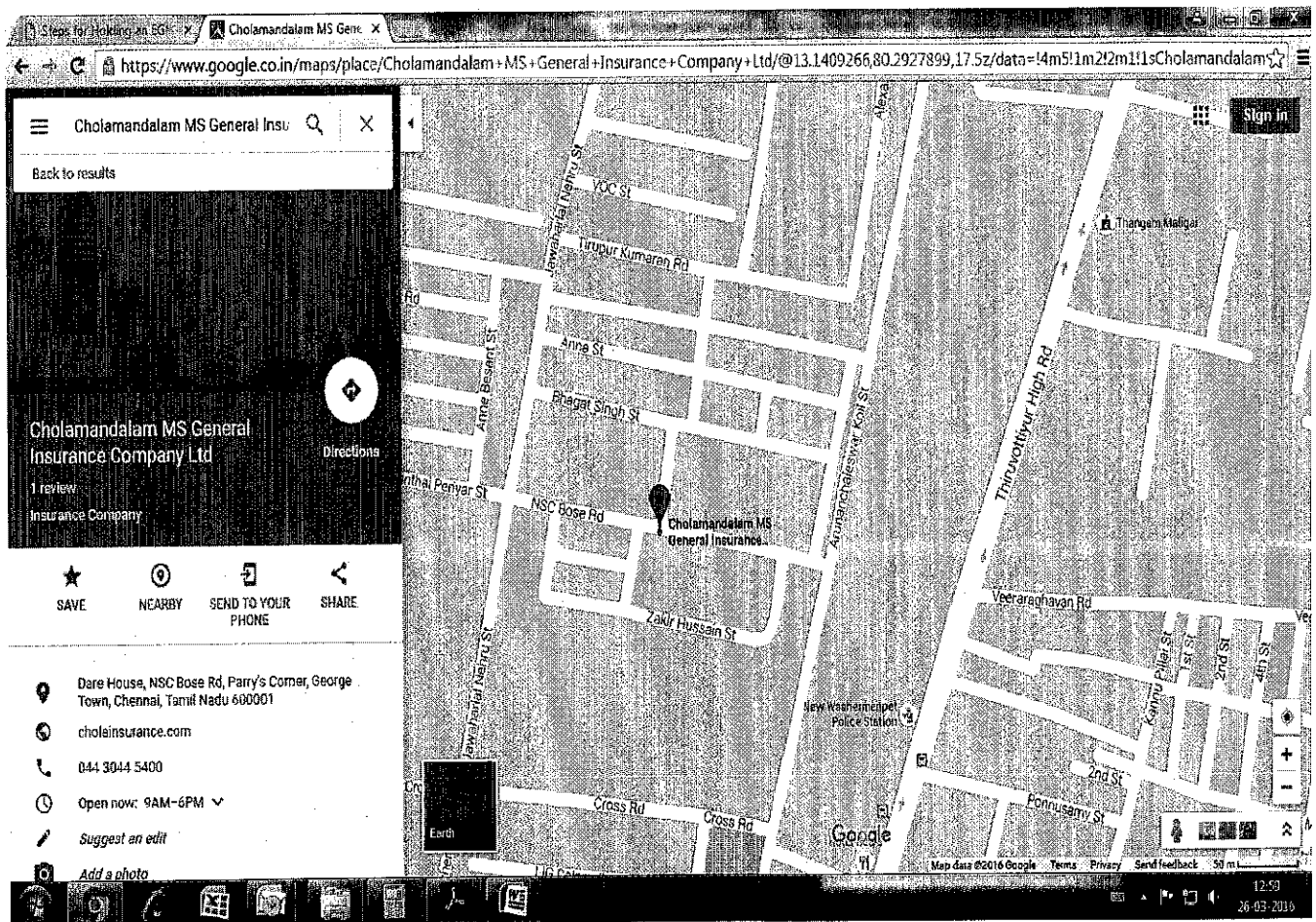
ROUTE MAP ALONGWITH PROMINENT LANDMARK

Day: Thursday

Date: 31.03.2016

Time: 05.30 p.m.

Venue: "Dare House" No.2, N.S.C Bose Road, Chennai - 600001.



***ARTICLES OF ASSOCIATION
OF
CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LIMITED
CONSTITUTION OF THE COMPANY**

1. The Regulations contained in Table 'A' in the Schedule I to the Companies Act, 1956 shall not apply to this Company except so far as they are embodied in the following Articles, which shall be the regulations for the management of the Company. Provided that if these Articles do not make any provision for any matter and the regulations of Table 'A' contain the provisions relating to such matters, then the regulations of Table 'A' shall apply to such matters.

INTERPRETATION

2. In these Articles, unless there be something in the subject or context inconsistent therewith, the following words or expressions shall have the following meanings:

“The Act” or “the said Act” means the (Indian) Companies Act, 2013 or the (Indian) Companies Act, 1956 (to the extent applicable) including the rules and regulations made thereunder, and as the same may from time to time be amended, re-enacted or replaced.

“Affiliates” means, with respect to any person, any other person directly or indirectly controlling, controlled by or under common control with such first person.

“These Articles” means these Articles of Association as originally framed or the regulations of the Company for the time being in force.

“Board” or the “Board of Directors” means the board of directors of the Company.

“Business” means the business of the Company.

“Business Day” means a day (other than a Saturday or Sunday) on which banks generally are open for business in Chennai and Tokyo.

“Business Plan” means the annual business plan, including sections dealing with the budget, Japanese and Korean business, automobile insurance and reinsurance, for the Company from time to time approved by the Board.

“Capital” means the share capital of the Company from time to time.

“Chairman” means the chairman from time to time of the Board.

“Control Guidelines” means the guidelines issued by the IRDA on October 19, 2015 with respect to Indian ownership and control of Indian insurance companies.

“Corporate Governance Guidelines” means the corporate governance guidelines issued for insurance companies by the IRDA from time to time, including all amendments, modifications and variations thereto.

“The Company” or “this Company” means Cholamandalam MS General Insurance Company Limited.

*the entire articles of association was substituted in terms of resolution passed at the Extraordinary General Meeting held on 14th April, 2003

“Debenture” includes debentures and debenture-stock.

“Director” includes any person occupying the position of a director of the Company, by whatever name called.

“Dividend” includes all dividend payments and any bonus.

“Group” means the Murugappa Group, or, as the case may be, the MS Group;

“Independent Director” means a Director appointed as an independent director as per the provisions of the Act and applicable laws and who shall hold office pursuant to the Act.

“Intellectual Property Rights” means patents, copyrights, rights in designs, trade marks, rights in trade or business names or internet domain names, topography and database rights, moral rights, rights in confidential information (whether registered or unregistered, and including applications for any such rights) and any intellectual property rights having the same or similar effect anywhere in the world.

“Insurance Act” means the Insurance Act, 1938 and any re-enactment, amendment and modifications thereof as in effect from time to time (including the Insurance Laws (Amendment) Act, 2015).

“IRDA” means the Insurance Regulatory and Development Authority of India.

“Key Management Persons” has the meaning ascribed to such term under the Shareholders’ Agreement.

“Managing Director /CE” means the Managing Director of the Company as defined in the Act.

“Member(s)” means members of the Company holding Share(s) of any class of the Company and also includes the beneficial owner(s) as defined in the Depositories Act, 1996.

“Memorandum” means the Memorandum of Association of the Company.

“Month” means a calendar month.

“MS” means Mitsui Sumitomo Insurance Company, Limited, a company incorporated under the laws of Japan, whose registered office is at No.9, Kanda Surugadai, 3-Chome, Chiyoda-Ku, Tokyo 1018011, Japan.

“MS Director” means any Director nominated by MS.

“MS Group” means MS and its Affiliates.

“Murugappa Group” means Murugappa Shareholders and their Affiliates and other companies specified to be a part of Murugappa group under the Shareholders Agreement.

“Murugappa Director” means any Director nominated by the Murugappa Shareholders.

“Murugappa Shareholders” shall mean the Tube Investments of India Limited, Kartik Investments Trust Limited, Ambadi Enterprises Limited, Murugappa Management Services Limited, Ambadi Investments Private Limited and Presmet Private Limited.

“Net Worth” means the tangible net worth of the Company from time to time, as shown in the last audited accounts of the Company.

“Nomination and Remuneration Committee” means the committee constituted in terms of these Articles.

“Office” means the registered office of the Company for the time being.

“Ordinary Resolution” and "Special Resolution" shall have the meaning assigned thereto respectively by Section 189.

“Paid-up” includes credited as fully paid-up.

“Postal Ballot” means postal ballot as defined under Section 192A and includes voting by shareholders by postal or electronic mode instead of voting personally by presenting for transacting business in a general meeting.

“Register of Members” means the register of members of the Company prepared and maintained in accordance with sections 150 and 151 of the Act.

“Regulatory Approvals” means any necessary approvals required by any competent supranational, governmental or regulatory agencies or authorities.

“Seal” means the Common Seal for the time being of the Company.

“Section” means a section of the Act.

“Share” means an equity share in the issued capital of the Company with the face value of Rs.10/- (Rupees ten only) each.

“Shareholders” means (i) the Murugappa Shareholders (collectively) and (ii) MS (and Shareholder shall be construed accordingly).

“Shareholders’ Agreement” means the Shareholders’ Agreement dated 6 February 2003, executed among the Murugappa Shareholders, MS and the Company and includes any amendments made therein from time to time.

“Small Shareholder” means a small shareholder as defined in the Act.

“Writing” and “Written” shall include printing, lithography or part printing and part lithography and any other mode or modes of representing or reproducing words in visible form.

The words importing singular shall include the plural and vice versa.

The words importing masculine gender shall include the “feminine gender” and vice versa.

The term “persons” shall include corporations, the Central and State Governments, firms, individuals, trusts, societies, associations and other bodies whether incorporated or not.

Subject as aforesaid and except where the subject or context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act as in force at the date on which these regulations become binding on the Company.

A reference in these Articles to a specific Section shall be deemed to be a reference to that section of the Act.

Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and reference to any statutory provision shall include any subordinate legislation from time to time under that provision.

Reference to days, months and years are to calendar days, calendar months and calendar years, respectively, unless defined otherwise or inconsistent with the context or meaning thereof.

The words “directly or indirectly” mean directly or indirectly through one or more intermediary persons or through contractual or other legal arrangements, and “direct or indirect” shall have the correlative meanings.

The marginal notes hereto shall not affect the construction hereof.

SHARE CAPITAL

3. * The authorised share capital of the Company is Rs.324,00,00,000/- (Rupees three hundred and twenty four crores only) divided into 32,40,00,000 (Thirty two crores and forty lakhs) equity shares of Rs.10/- (Rupees ten only) each. Subject to the provisions of the Act and these Articles, the Company shall have powers to increase, consolidate, subdivide, reduce or otherwise alter its Capital from time to time. Subject to the provisions of the Act, and these Articles, the equity share capital of the Company may be issued with voting rights or with differential rights as to Dividend, voting or otherwise. The minimum Paid-up Capital shall be Rs.5,00,000/- (Rupees five lakhs only) or such other amount as may be prescribed. Subject to the provisions of the Act and the Insurance Act, all applicable Government and Reserve Bank of India approvals and these Articles, the Shareholders shall hold the Shares in the following ratio:

Murugappa Shareholders	60%
MS	40%

- 3A. Any increase of the Company's share capital, the Murugappa Shareholders and the MS Group will subscribe to the shares or equity securities, pro-rata to their shareholding in the Company.
- 3B. Unless in accordance with Clause 5 of the Shareholders Agreement or otherwise agreed by the Shareholders, there shall be no alteration to the capital structure of the Company and no issue of Shares or other securities permitted which would or might result in the dilution of either Shareholder's aggregate shareholding as set out in Schedule 2 to the Shareholders Agreement (as increased in accordance with the provisions of Clause 5 of the Shareholders Agreement).
4. (1) Subject to the provisions of Section 80, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by Special Resolution, determine.
- (2) On the issue of Redeemable Preference Shares under the provisions of this Article, the following provisions shall take effect:
- (a) No such shares shall be redeemed except out of profits of the Company, which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption.
 - (b) No such shares shall be redeemed unless they are fully Paid-up.
 - (c) The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company's share premium account, before the shares are redeemed.
 - (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for Dividend be transferred to a Reserve Account to be called "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Capital shall except as provided under Section 80 or herein apply as if the Capital Redemption Reserve Account were Paid-up share capital of the Company.

* Substituted in terms of resolution passed at the 11th Annual General Meeting held on July 28, 2012

- (f) Subject to the provisions of Section 80 and this Article, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and failing that in such manner as the Directors may think fit.

(3) 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 the issue of the shares of the class be deemed to be varied by the creation or issue of the shares ranking pari passu therewith.

- 5. Any unclassified shares (whether forming part of the original Capital or any increased Capital) may be issued either with the sanction of the Company in a general meeting or by the Board of Directors and upon such terms and conditions and with such rights and privileges annexed thereto as directed by the General Body sanctioning the issue of shares and, if no such direction be given and in all other cases, as the Directors shall determine and in particular such shares may be issued with a preferential or qualified right as to Dividends and in distribution of the assets of the Company and any preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

SHARES AND CERTIFICATES

- 6. The shares in the Capital shall be numbered progressively according to their several denominations and except in the manner provided herein, no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

- 7. The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 and shall cause to be made the return as to allotment provided for in Section 75.

- 8. (1) If capital or funding is required in order for the Company to meet regulatory capital adequacy requirements imposed by any relevant authorities, the Shareholders will negotiate in good faith whether they will contribute capital or otherwise provide or procure funding to the Company but neither Shareholder shall be obliged to contribute capital or provide or procure funding to the Company. If the Shareholders' agree that it is practicable to raise finance by any issue of Shares, the same shall be offered to the Shareholders pro rata their shareholdings.

(2) If the Board considers at any time that the Company requires further finance for the purpose of the Business, the Board will consider whether or not to approach the Company's bankers or other financial institutions or, in appropriate circumstances, to seek such further finance from the Shareholders. The Shareholders shall not be obliged to provide any further finance unless they agree on the amount and method of providing the finance.

(3) If the Shareholders agree to provide the Company with further finance, such finance shall (if permitted by law) be provided as follows, unless otherwise agreed:

- (a) On a contribution to the equity of the Company (with the exception of a contribution by MS under its option to purchase shares from Murugappa Group under clause 5 of the Shareholders' Agreement), the Shareholders shall contribute at the same time and on the same terms pro rata to their existing shareholdings as at the date of the contribution.

- (b) If any other finance is to be provided to the Company, for example by way of preference shares, if permitted by the Insurance Act, or debt each Shareholder shall contribute the same amount at the same time and on the same terms. Such contribution shall be on an arms' length basis.

(4) Subject to sub-Articles 8(1), 8(2) and 8(3) above, where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of

one year from the allotment of shares in the Company, the Board decides to increase the subscribed Capital by the allotment of further shares then subject to any directions to the contrary which may be given by the Company in a general meeting and subject only to those directions, such further shares shall be offered to the persons, who at the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit to the Capital paid upon those shares at that date and such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given, if he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

(5) Notwithstanding anything contained in sub-Article 8(4), the further shares therein referred to may be offered to any persons whether or not those persons include the persons referred to in sub-Article 8(4) in any manner whatever, either:

- (a) if a Special Resolution to that effect is passed by the Company in a general meeting; or
- (b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting by Members who, being entitled so to do, vote in person or, where proxies are allowed, by proxies exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

(6) Nothing in sub-Articles 8(4) and 8(5) of this Article shall apply to the increase of the subscribed Capital caused by exercise of options attached to Debentures issued or loans raised by the Company to convert such Debentures issued or loans raised by the Company or to subscribe for shares in the Company in the cases permitted by sub-clause (b) of sub-section (3) of Section 81.

- 9. Subject to the provisions of the Act and these Articles, the shares in the Capital for the time being (including any shares forming part of any increased Capital) 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 or (subject to compliance with the provisions of Section 79) at discount and at such times as they may from time to time think fit and proper and with full power subject to the sanction of the Company in the general meeting to give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or subject to as aforesaid at a discount such option being exercisable at such times and for such consideration as the Directors think fit.
- 10. In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 8 and 9, the Company in a general meeting may determine that any shares whether forming part of the original Capital or of any increased Capital shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79) at a premium or at par as such general meeting shall determine and with full power to give any person (whether a Member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79) at a premium or at par such option being exercisable at such times and for such consideration as may be directed by the Company in a general meeting and the Company in a general meeting may make any other provision whatsoever for the issue allotment, removal of difficulty in apportionment of shares or disposal of any shares.
- 11. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any share herein shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares

and whose name is on the Register of Members shall for the purpose of these Articles be a Member.

12. (1) 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 the allottee in the Register of Members 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.

(2) 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 these Articles require or fix for the payment thereof.
13. (1) Except as required under the Act or by or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any benami, equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share (except only by these Articles or by law otherwise provided) or any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

(2) Notwithstanding anything else contained in these Articles, where any share(s)/security(ies) are issued and/or held in dematerialised form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto shall be governed by the Depositories Act, 1996 and the rules/bylaws made thereunder and/or in pursuance of any other law applicable in force from time to time.
14. (1) None of the funds of the Company shall be applied in giving any financial assistance for or in connection with the purchase or subscription of any shares in itself or its holding company save as provided by Section 77.

(2) Notwithstanding anything contained in these Articles, the Company may subject to the provisions of the applicable laws, buy-back its own share(s) and/or other security(ies) and deal with such bought back share(s) and/or security(ies) in such manner as may be provided in such laws and such power to buy-back and to deal in the Share(s) or security(ies) may be exercised by the Board of Directors subject however to the restrictions placed by law.
15. Subject to the provisions of these Articles (including, but without limitation, sub-Articles 8(1), 8(2) and 8(3)), the Company may from time to time in a general meeting alter the conditions of its Memorandum by increase of its Capital by creation of new shares of such amount as it thinks expedient. Subject to the provisions of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as directed by the general meeting creating the same and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to Dividends and in the distribution of assets of the Company provided that any preference Shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.
16. The Company may from time to time by Special Resolution reduce its Capital in any way authorised by law and in particular may pay off any paid up Capital upon the footing that it may be called up again or otherwise and may if and so far as is necessary alter its Memorandum by reducing the amount of its Capital and of its shares accordingly.
17. The Company may in a general meeting alter the conditions of its Memorandum as follows:
 - (a) Consolidate and divide all or any of its Capital into shares of larger amounts than its existing shares.

- (b) Subdivide its shares or any of them into shares of smaller amounts than originally fixed by Memorandum subject nevertheless to the provisions of the Act and of these Articles.
 - (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 Capital by the amount of the shares so cancelled.
- 18. If at any time the Capital by reason of issue of preference shares or otherwise is divided into different classes of shares, all or any of their rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 and whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions contained in these Articles as to general meetings (including the provisions relating to quorums at such meetings) shall mutatis mutandis apply to every such meeting.
- 19. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the Capital as payment of or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully Paid-up or partly Paid-up otherwise than in cash and if so issued shall be deemed to be fully Paid-up or partly Paid-up as aforesaid.
- 20. The certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal.
- 21. Except where shares are allotted in dematerialised form, every Member shall be entitled to receive within three months after allotment or within two months after application for registration of transfer or within such other period as the conditions of issue shall provide, one certificate for all the shares registered in his name, or if the Board so approve to several certificates each for one or more of such shares, but in respect of each additional certificate, there shall be paid to the Company a fee of Rs.2/- or such less sum as the Board may determine. The Board may in any case or generally waive the charging of such fees. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount Paid-up thereon.
- 22. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of the certificate for the share or shares to one of the several joint shareholders shall be sufficient delivery to all such holders. Subject as aforesaid where more than one share is so held, the joint holders shall be entitled to apply jointly for issue of several certificates in accordance with these Articles.
- 23. Any person (whether the registered holder of the shares or not) being in possession of any share certificates for the time being may surrender the said share certificate(s) to the Company and apply to the Company for issue of two or more fresh share certificate(s) comprising the same shares bearing the same distinctive number comprised in the said certificate(s) and in such separate lots as he may desire in lieu of such share certificate(s) so surrendered or for the consolidation of shares comprised in such surrendered certificate(s) into one certificate and the Directors shall issue one or more such share certificate(s) as the case may be in the name of the person or persons in whose names the original certificate(s) stood and the new certificate(s) so issued shall be delivered to the person who surrendered the original certificate or to his order provided that the certificate(s) so split up are not less than the marketable lot per certificate. No fee shall be charged for the same.
- 24. If any certificate be worn out or defaced destroyed or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, then, upon production thereof of such share certificates to the Directors they 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 thereof to the satisfaction of the Board and on such indemnity as the Directors deem adequate being given a new certificate in lieu thereof shall be given to the registered holder of the shares to which such lost or destroyed certificate shall relate.

25. For every certificate issued under the last preceding Article there shall be paid to Company the sum of Rs.2/- or such smaller sum as the Board may determine. The Board may in any case or generally waive the charging of such fee.
26. Subject to the provisions of Section 76, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolute or conditional) for any shares in or Debentures of the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or Debentures of the Company, but so that the commission shall not exceed such percentage or such other limits as may be prescribed under the Act or under other applicable laws, if any in respect of such securities as may be specified in the Act or other applicable laws if any. The Company may also pay on any issue of shares or Debentures such brokerage as may be lawful and reasonable.

CALLS

27. The Board, may from time to time, subject to the terms on which any shares may have been issued make such calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotments thereof made payable at fixed times and each Member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board. A call may be made payable in instalments.
28. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
29. The Board, from time to time, may at its discretion extend the time fixed for payment of any call and may extend such time as to call of any of the Members who resides at distance or for some other cause, as the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.
30. If any 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 and the Board shall be at liberty to waive payment of such interest either wholly or in part.
31. If by the terms of issue of any shares or otherwise any amount is made payable on allotment or at any fixed date or instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.
32. On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Members as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the Board meeting at which any call was made was duly constituted, nor any other

matter whatsoever but the proof of matters as aforesaid shall be conclusive evidence of the debt.

33. The Board may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the Members paying such sum in advance and the Board agree upon. Moneys so paid in excess of the amount of the calls shall not rank for Dividends or participate in profits. The Board may at any time repay the amount so advanced upon giving to such Member three months' notice in writing.

JOINT HOLDERS

34. Where two or more persons are registered as holders of any shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:
- (a) Shares may be registered in the name of any person, company or other body corporate but not more than such number of persons as may be permitted by law, shall be registered jointly as Members in respect of any shares.
 - (b) The certificates of shares registered in the names of two or more persons shall be delivered to the person first named on the Register.
 - (c) The joint holders of a share shall be jointly and severally liable for and in respect of all calls and other payments which ought to be made in respect of such share.
 - (d) If any share stands in the names of two or more persons, the person first named in the register shall as regards receipt of share certificates, Dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
 - (e) In the case of the death of any one or more of the persons named in the register of Members as the joint holders of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
 - (f) If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, provided that if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands first or higher on the register of Members shall alone be entitled to vote in respect of such shares, but the other or others of the joint holders in whose names shares stand shall for the purpose of these Articles be deemed joint holders thereof and shall be entitled to be present at the meeting.
 - (g) A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the register of Members in respect of the shares.

FORFEITURE, SURRENDER AND LIEN

35. If any Member fails to pay any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof or remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the share transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such payment.
36. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non payment of the call at or before the time and at the place appointed (if payable to any person other than the Company), to the person appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
37. If the requisition of any such notice as aforesaid is not complied with, any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
38. When any share shall have been so forfeited, notice of the resolution shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be in any manner invalidated by any commission or neglect to give such notice or to make such entry as aforesaid.
39. Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose off or annul the forfeiture either to the original holder thereof or to any other person on such conditions as they think fit. All certificates in respect of forfeited or surrendered shares must be delivered to the Company forthwith for cancellation.
40. 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 and expenses, owing upon or in respect of such share at the time of the forfeiture together with interest thereon, from the time of forfeiture until payment at 12 per cent per annum, and the Board may enforce the payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
41. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of such share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
42. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof shall constitute a good title to such shares and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money nor shall his title to such shares be affected by any irregularity or invalidity in the proceeding in reference to such forfeiture, sale or disposal.

The Directors may subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms as they think fit.

43. The Company shall have first and paramount lien upon all the shares (not being fully Paid-up) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares held solely or jointly with any other person whether the period for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 9 hereof is to have full effect and such lien shall extend to all Dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
44. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee or curators or other legal curator and default shall have been made by him or them in the payment of moneys called in respect of such shares for thirty days after such notice.
45. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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.
46. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor the application of the purchase money and after his name has been entered in the register in respect of such share the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
47. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto distinguishing it or them in such manner as they may think fit from the old certificate or certificates.

TRANSFER AND TRANSMISSION OF SHARES

48. (1) The instrument of transfer of any shares in the Company shall be executed both by 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.
- (2) The Company shall not register a transfer of shares in or Debentures of the Company, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or Debentures or if no such certificate is in existence, along with the letter of allotment of the shares or Debentures and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares or Debentures. Provided that where on an application made in writing to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and transferee has been lost, the Company may register the transfer on such terms as to indemnity or otherwise as the Board may think fit.

- (3) An application for the registration of the transfer of any share or shares may be made either by the transferor or by the transferee, provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in accordance with Section 110.
- (4) For the purpose of sub-Article 48(3) notice to the transferee shall be deemed to have been duly given if despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered in the ordinary course of post.
- (5) Nothing in sub-Article 48(4) shall prejudice any power of the Board of Directors to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
- (6) Nothing in this Article shall prejudice the power of the Board of Directors to refuse to register the transfer of any share, to a transferee whether a Member or not.
49. The Board shall have power on giving not less than seven days previous notice by advertisement in a newspaper circulating in the district in which the Office is situated to close the transfer books, the Register of Members or register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
50. Subject to the provisions of Section 111A, the Board without assigning any reason, may within two months from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and in the case of shares not fully Paid-up may refuse to register a transfer to a transferee of whom they do not approve provided that the registration of the transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever unless the Company has a lien on the shares. In case of refusal to transfer shares the Company shall within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer.
51. The executors or administrators or holders of a succession certificate or the legal representatives of a deceased (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognise such executors or administrators or holders of succession certificate or the legal representatives unless they shall have first obtained Probate or Letters of Administration or Succession Certificate or other legal representation as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate upon such terms as to indemnity or otherwise as the Board, in its absolute discretion may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased Member as a Member.
52. Subject to the provisions of the preceding two Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by 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 that he sustains the character in respect of which he purports to act under these Articles or of his title as the Board may think sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares.

53. Any person becoming entitled to a share by reason of the death or insolvency of the holders shall be entitled to the same Dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 the meetings of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if notice is not complied with within sixty days, the Board may thereafter withhold payment of all Dividends, bonus or other moneys payable in respect of the share until the requirements of the notice have been complied with.
54. Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board.
55. No fee shall be payable to the Company in respect of the transfer or transmission of any shares in the Company.
56. 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 of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have notice of such equitable right, title or interest to notice prohibiting registration.
57. Subject to the provisions of the Act and these Articles, the Directors shall have the same rights to refuse to register a person entitled by transmission to any shares or its nominee as if he were the transferee named in an ordinary transfer presented for registration.
58. Every transmission of shares shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

CONVERSION OF SHARES INTO STOCK

59. The Company may, by Ordinary Resolution of the Company in a general meeting convert any Paid-up shares into stock and reconvert any stock into Paid – up shares of any denomination.
60. The holders of stock may transfer the same, or any part thereof in the same manner as, and subject to the same regulations 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 amount shall not exceed the nominal amount of the shares from which the stock arose.
61. The holders of the stock shall, accordingly to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, participation in the profits, voting at meetings of the Company and other matters, as if they had held the shares from which the stock arose; but no such privilege or advantage (except Dividends, participation in the profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares have conferred that privilege or advantage.
62. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to Paid-up shares shall apply to stock and the words “share” and “Shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

BORROWING POWERS

63. (1) The Board of Directors may from time to time but with such consent of the Company in a general meeting as may be required under Sections 292 and 293, or under these Articles, raise any money or any monies or sums of money for the purpose of the Company provided that the monies to be 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 at a general meeting exceed the aggregate of the Paid-up Capital and its free reserves that is to say reserves not set apart for any specific purpose and in particular, but subject to the provisions of Section 293, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of Debentures, perpetual or otherwise including Debentures convertible into shares of this or any other company or perpetual annuities and in security of 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 that every resolution passed by the Company in a general meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

(2) The Directors may by a resolution at a meeting of the Board delegate the above power to borrow money otherwise than on Debentures to a Committee of Directors or the Managing Director if any, within the limits prescribed.

(3) Subject to the provisions of the above sub-Articles, the Board may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any of the part of the property of the Company (both present and future) including its uncalled Capital for the time being, or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as to them may seem expedient.

Any trust deed for securing of any Debentures and/or any mortgage deed and/or other bond for securing payment of monies borrowed by or due by the Company and/or any contract or any arrangement made by the Company with any person, firm, body corporate, government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the Capital or provide assistance in any other manner, may provide for the appointment, from time to time, by any such mortgagee, lender, trustee, or holders of Debentures or contracting party aforesaid, or one or more persons to be a Director(s) of the Company such Trust Deed, mortgage Deed, bond or contract may provide that the person appointing a Director as aforesaid may from time to time remove any Director so appointed by him and appoint any other person in his place and reviewed for filling up any casual vacancy created by such person vacating as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or Debenture(s) or on the termination of such contract and any person so appointed as Director under mortgage or bond or Debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these Articles.

(4) Such Debentures, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

- (5) Any such Debentures, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares of the Company or otherwise. Provided that the Debentures, bonds or other securities conferring the right to allotment or conversion into shares or the option or right to call for allotment of shares shall not be issued except with the sanction of the Company in a general meeting.
64. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fair and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled Capital for the time being and Debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
65. Any Debentures or other securities may be issued at a premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting.
66. If any uncalled Capital is included in or charged by any mortgage or other securities, the Board may, subject to the provisions of the Act and these Articles, make call on the Members in respect of such uncalled Capital in trust for the person in whose favour such mortgage or security is executed.
67. The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the Debentures of the Company and the register required to be kept in respect of such mortgages, charges and Debentures.
68. The Board shall exercise following powers on behalf of the Company and the said power shall be exercised only by a resolution passed at a meeting of the Board:
- (a) Power to make calls on shareholders in respect of money unpaid on their shares.
 - (b) Power to issue Debentures.
 - (c) Power to borrow money otherwise than on Debentures.
 - (d) Power to invest funds of the Company.
 - (e) Power to make loans.
69. (1) The Board may by a resolution passed at a meeting delegate to any committee of the Board or to Managing Director, if there is one, the powers specified in the sub-Articles 68(c), (d), (e).
- (2) Every resolution delegating the power set out in sub-Article 68(c) shall specify the total amount outstanding at any one time up to which the monies may be borrowed by the said delegate.
- (3) Every resolution delegating the power set out in sub-Article 68(d) shall specify the total amount up to which the funds may be invested and the nature of investments which may be made by the delegate.
- (4) Every resolution delegating the power set out in sub-Article 68(e) shall specify the total amount up to which loans may be made by the delegate, the purpose for which the loans may be made and the maximum amount of the loan that may be made for each such purpose in individual cases.

RESERVE AND DEPRECIATION FUNDS

70. The Board may from time to time before recommending any Dividend set apart any and such portion of the profits of the Company as they think fit as a reserve fund to meet contingencies or for the liquidation of any Debentures, debts or other liabilities of the Company, for equalisation of Dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Board in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investments as they may think fit and from time to time deal with and vary such investments and dispose of all or any part thereof or the benefit of the Company and may divide the reserve fund into such special funds as they think fit, with full power to transfer the whole or any portion of a reserve fund to another reserve fund or a division of a reserve fund and also with full power to employ the reserve funds or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power, however to the Board in its discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
71. The Board may, from time to time before recommending any Dividend, set apart any and such portion of the profits of the Company, as they think fit, as a depreciation fund applicable at the discretion of the Board, for providing against any depreciation in the investments of the Company or for rebuilding, restoring, replacing or for altering any part of the buildings, work, plant, machinery or other property of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the Company or for extending and enlarging the building, machinery and property of the Company with full power to employ the assets constituting such depreciation fund in the business of the Company and that without being bound to keep the same separate from the other assets.
72. All moneys carried to any reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation, for the payment of Dividend and such moneys and all the other moneys of the Company may be invested by the Board in or upon such investments or securities as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the Board may from time to time think proper.

GENERAL MEETINGS

73. (1) In addition to any other meetings, annual general meetings of the Company shall be held at such intervals as are specified in Section 166(1) and subject to the provisions of Section 166(2) at such times and places as may be determined by the Board.
- (2) Every annual general meeting shall be called for at a time, during business hours, on a day that is not a public holiday and shall be held either at the Office or at some other place within the city, town or village in which the Office is situated.
74. All other meetings of the Company other than those referred to in the preceding clause shall be called extraordinary general meetings.
75. The Board may, whenever they think fit, and shall, on the requisition of the holders of not less than one tenth of the Paid-up Capital as at the date on which the requisition is made carrying right of voting in regard to the matter in respect of which the requisition is made, forthwith proceed to convene an extraordinary general meeting and in the case of such requisition the provisions of Section 169 shall apply.
76. At least twenty one clear days' notice in writing, of every general meeting, annual or extraordinary and by whomsoever called, specifying the day, place and hour of meeting and the general nature of the business to be transacted thereat shall be given in the manner hereinafter provided to such persons as are under Articles or the Act entitled to receive notice from the Company provided that in the case of an annual general meeting

with consent in writing of all the Members entitled to vote there at and in the case of any other meeting with consent of the Members holding not less than 95 per cent (95%) of such part of the Paid-up Capital as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. Such notice shall be given in the same manner to every Director even if he is not a Member including alternate Director whether resident in India or abroad. A Director whether he is a Member or not is entitled to receive notice of, and attend and speak at, general meetings.

In the case of an annual general meeting, if any item of special business viz., business other than (i) the consideration of the accounts, balance sheets and reports of the Board and Auditors (ii) the declaration of Dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such item of business, including in particular the nature and extent of the interest, if any, therein of every Director and the manager (if any). Where any such item of business relates to or affects any other company the extent of shareholding interest in that other company of every Director and manager if any, of the Company shall also be set out, in the statement if the extent of such shareholding and interest is not less than twenty per cent of the Paid-up share Capital of that other company. Where any item of business consists of the accord of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

77. Notice of every meeting shall be given to every Member in any manner authorised by sub-sections (1) to (4) of Section 53 and these Articles. It shall be given to the persons entitled to a shares in consequence of the death or insolvency of a Member, by sending it through the post in prepaid letter addressed to them by name, or by the title of the representative of the deceased, or assignees of the insolvent, or by like description, at the addresses, 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 giving the notice in any manner in which it might have been given if the death or insolvency had not occurred. Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Office under sub-section (3) of Section 53, the explanatory statement need not be annexed to the notice as required by Section 173, but it shall be mentioned in the advertisement that the statement has been forwarded to the Members.
78. Notice of every meeting of the Company shall be given to the auditor(s) for the time being of the Company, in any manner authorised by Section 53 in the case of any Member(s).
79. The accidental omission to give any such notice to or the non-receipt of notice by any of the Members or persons entitled to receive the same shall not invalidate the proceedings at any such meeting.
80. (1) Where, by any provision contained in the Act or in these Articles special notice is required of any resolution, notice for the intention to move the resolution shall be given to the Company not less than Fourteen days before the meeting at which it is moved, exclusive of the day on which notice is served or deemed to be served and the day of the meeting.
- (2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolutions in the same manner as it gives notice of the meetings, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles not less than seven days before the meeting.
81. Subject to Section 192A, the Board may decide to pass any resolution requiring approval of shareholders through Postal Ballot. In such case, a notice shall be sent to all the shareholders along with the draft of the resolution(s) explaining the reasons therefore and

requesting them to send their assent or dissent in writing on a Postal Ballot within 30 days or within such period or in such manner as may be prescribed by the Act or any rules made thereunder in this regard.

PROCEEDINGS AT GENERAL MEETINGS

82. The quorum for any general meeting shall be at least five (5) Members present in person including at least one Murugappa Shareholder and MS present when the relevant business is transacted unless otherwise agreed in writing by the Shareholders. A corporation being a Member shall be deemed to be personally present if it is represented, in accordance with Section 187. The President of India or Governor of the state shall be deemed to be a Member personally present if he is represented in accordance with Section 187A.
83. If the quorum specified in Article 82 is not present within thirty minutes from the time when the general meeting should have begun or if during the general meeting there is no longer a quorum, the general meeting shall be adjourned to the following week, to be held on the same day (or, if that day is not a Business Day the next succeeding day which is a Business Day) and at the same place. The Members present at the adjourned general meeting shall form the quorum of such general meeting.
84. The Chairman (if any) of the Board shall be entitled to take the chair at every general meeting, whether annual or extraordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or shall decline to take the chair, the Members present shall choose another Director as Chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of the Members to be Chairman of the meeting.
85. The election of the Chairman, if necessary, shall be carried out in accordance with Section 175.
86. No business shall be discussed at any general meeting, except election of a Chairman, whilst the chair is vacant.
87. The Chairman with the consent of the meeting may and shall if so directed by the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at a meeting from which the adjournment took place. Subject to the provisions of the Act it shall not be necessary to give any notice of an adjournment or of the date, the time or the place of the adjourned meeting or of the business to be transacted thereat.
88. At any general meeting, a resolution put to the vote of meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) ordered by the Chairman or demanded by any Member or Members having the right to vote on the resolution in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been Paid-up which is not less than one tenth of the total sum Paid-up on all the shares conferring that right or on which an aggregate sum of not less than Fifty Thousand Rupees has been Paid-up and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
89. In the case of equality of votes the Chairman shall both on a show of hands and at a poll (if any) not have a casting vote in addition to the vote or votes to which he may be entitled as a Member.
90. If poll is demanded as aforesaid the same shall be taken at such time (not later than forty eight hours from the time when the demand was made) and place and either by open voting or by ballot as the Chairman shall direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of

the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or the persons who made the demand.

91. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from the office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
92. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
93. The demand for a poll, except on the questions of the election of the Chairman and of an adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
94. The Company shall cause minutes of all proceedings of every general meeting to be kept in accordance with the provisions of Section 193 by making within 30 days of the conclusion of every such meeting concerned, entries thereof in the books kept for that purpose.
95. At every general meeting there shall be laid on the table the Directors' report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited statement of Accounts), the proxy register with proxies and the register of Directors' holdings maintained under Section 307. The auditors report shall be read before the Company in a general meeting and shall be open to inspection by any Member.
96. A Copy of each of the following resolutions (together with a copy of the statement of material facts annexed under Section 173 to the notice of the meeting in which such resolution has been passed) or Agreement shall, within 30 days after the passing or making thereof be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar:
 - (a) Special Resolutions
 - (b) Resolutions which have been agreed to by all the Members but which if not so agreed to, would not have been effective for their purpose unless they had been passed as Special Resolution.
 - (c) Resolution of the Board or Agreement relating to the appointment, re-appointment or the renewal of the appointment or variations of the terms of appointment of a Managing Director.
 - (d) Resolutions or agreements which have been agreed to by the Members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless there had been passed by some particular majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind all the Members of any class of shareholders though not agreed to by all those Members
 - (e) Resolutions require the Company to be wound up voluntarily passed in pursuance of sub-section (1) of Section 484;
 - (f) Resolutions passed by the Company according to the consent to exercise by its Board of Directors any of the powers under clauses (a), (d) and (e) of Section 293(1); and
 - (g) Resolution passed by the Company approving the appointment of sole selling agents under Section 294 or 294AA.

A copy of every resolution which has the effect of altering these Articles and a copy of every agreement referred to in the above items (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after passing of the resolution or making the agreement.

97. Subject to the provisions of Section 193, the Company shall cause to be kept minutes of all proceedings of general meetings which shall contain a fair and correct summary of the proceedings thereat and a book containing such minutes shall be kept at the Office and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Board may determine for the inspection by any Member without charge. Any Member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of Re.1/- or every one hundred words or fractional part thereof required to be copied. The minutes aforesaid shall be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in the said book which shall have its pages consecutively numbered. Each page of the book shall be initialled or signed and the last page of the record of the proceedings of each meeting in the book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of the death or inability of the Chairman to sign as aforesaid within that period, by a Director duly authorised by the Board for that purpose.

VOTES OF MEMBERS

98. No Member shall be entitled to vote either personally or by proxy for another Member at any general meeting or meeting of a class of shareholders either upon a show of hands or upon poll 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 any right of lien and has exercised the same.
99. (1) On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and on a poll the voting right of every holder of equity shares whether present in person or by proxy, shall be in proportion to his share of the Paid-up equity Capital.
- (2) The voting rights of the holders of preference shares, issued by the Company, shall be in accordance with Section 87.
- (3) Where a resolution is passed by Postal Ballot, voting right of every holder of Shares shall be in proportion to his share of the Paid-up equity Capital.
- (4) All matters at any general meeting shall be decided by a simple majority of votes unless otherwise required under law or these Articles.
100. On a poll taken at a meeting of the Company, a Member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be need not, if he votes, use all his votes or cast in the same ways all the votes he uses.
101. 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 poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy; if any Member be a minor the vote in respect of his share shall be by his guardian or any one of his guardians, if more than one.
102. (1) Subject to the provisions of these Articles, votes may be given either personally or by proxy. A corporation being a Member may vote by representative duly authorised in accordance with Section 187, and such representative shall be entitled to speak, demand a poll, vote, appoint a proxy and in all other respects exercise the rights of a Member and shall be reckoned as a Member for all purposes.

Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.

(2) Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or the hand of its officer or an attorney, duly authorised by it.

(3) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of that power or authority shall be deposited at the Office before the commencement of the meeting or such other time as may be fixed by the Board, however, but not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default, the instruments of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

(4) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in either of the forms set out in Schedule IX of the Act.

(5) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

103. (1) No objection shall be made to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

(2) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

104. (1) The Board shall be responsible for the overall direction and supervision of the management of the Company as required under the Act and the Control Guidelines.

(2) Subject to the provisions of Sections 252, 258 and 259 and these Articles the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors and may alter their qualifications and the Company may (subject to the provisions of Section 284) remove any Director before the expiration of his period of office and appoint another qualified person in his place. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been so removed.

* (3) Subject to sub- article 104(7) and unless varied by the shareholders, the Board shall comprise nine (9) Directors, three (3) Directors of which shall be Murugappa Directors, three (3) Directors shall be MS Directors, two (2) Directors shall be Independent Directors and one (1) Director shall be the Joint Nominee of Murugappa Shareholders and MS. "Joint Nominee" being defined as a person nominated jointly by the Murugappa Shareholders and MS.

(4) Each Shareholder may appoint or remove a Director nominated by it by written notice, together with the consent/resignation letter as the case may be, to the Company signed by it or on its behalf. The appointment or removal shall take effect when the notice is delivered to the Company and is approved by the Board.

*Substituted in terms of resolution passed at the Extraordinary General Meeting held on May 28, 2004

- (5) The Independent Directors shall be individuals of recognised qualification and appropriate experience and may be of any nationality.
 - (6) None of the Independent Directors shall be a director, officer, employee or advisor of any member of the Murugappa Group or the MS Group, unless the Shareholders agree otherwise.
 - (7) The Independent Directors shall be identified and recommended by the Nomination and Remuneration Committee and shall be appointed by the Board, in accordance with the provisions of the Act and the Corporate Governance Guidelines.
105. The first Directors shall be:
 1. Mr. M A Alagappan
 2. Mr. M Anandan
 3. Mr. V Natarajan
 106. (a) Subject to applicable law, any Director who may be away for 3 months from the State/Union Territory in which the meetings of the Board are ordinarily held may at any time recommend to the Board the appointment of any person as an alternate Director and may at any time recommend to the Board the termination of such appointment. The Board of Directors shall make such appointment or termination accordingly. Such appointment shall terminate automatically in any event if the appointing Director shall for any reason cease to be a Director.
 - (b) An alternate Director appointed under sub-Article 106(a) shall not hold office as such for a period longer than permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State/Union Territory in which meetings of the Board are ordinarily held. An alternate Director is not entitled to attend or vote at any meeting at which the original Director in whose place he has been appointed is in attendance.
 - (c) If the term of office of the original Director is determined before he so returns to the State/Union Territory aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original, and not to the alternate Director.
 107. Subject to the provisions of Section 252 and the provisions of these Articles, the Company may elect a Small Shareholder Director. The procedure relating to the appointment and the tenure of his office and other terms and conditions relating to regulation of his office shall be governed by the provisions of the Act.
 108. Subject to the provisions of Section 262 and also complying with the provisions of these Articles, the Board shall have power to fill up any casual vacancy in the Board.
 109. The Board of Directors shall have power to appoint additional Directors subject to the provisions of Section 260 and these Articles in a manner maintaining the ratio prescribed in these Articles.
 110. The Company may agree with any financial institution, Company or any other authority, person, State or other institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of Directors on the Board of Directors as may be agreed and from time to time remove and reappoint them and to fill in vacancy caused by such Directors otherwise ceasing to hold office. Such nominated Directors shall not be required to hold any qualification shares and shall not be required to retire by rotation. The Director appointed under this Article is herein referred to as “Institutional Director” in these Articles.

111. Any Trust Deed for securing Debentures may, if so arranged, provide for the appointment from time to time by the Trustees thereof or by the holders of the Debentures of some person to be Director and may empower the Trustees or holders of the Debentures from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means a Director for the time being in the office under this Article. A Debenture Director shall not be bound to hold any qualification shares and shall not be required to retire by rotation. The Trust Deed may Contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
112. No share qualifications will be necessary for being appointed as or holding the office of a Director.
113. Subject to the provisions of Sections 198, 309, 310 and 311, the remuneration and expenses payable to any Director of the Company other than the Managing Director shall be as hereinafter provided.
- (1) Every Director (other than the Managing Director) shall be paid sitting fees within the limits as may be prescribed by the Act or Central Government from time to time for each meeting of the Board or of a committee of the Board attended by him with powers to directors from time to time to revise such fee but so as not to increase the same beyond the maximum remuneration of a director as may be prescribed by the Act or Central Government from time to time for each meeting.
 - (2) The Company shall bear all expenses of all Directors which relate to travel, accommodation and other incidental expenses incurred within India.
 - (3) All travel expenses of the MS Directors and the Murugappa Directors incurred outside India (including expenses incurred in travelling to and from India) shall be borne by MS in the case of MS Directors, and by the Murugappa Shareholders, in the case of the Murugappa Directors. All accommodation and other incidental expenses of the MS Directors and the Murugappa Directors incurred outside India shall be borne by the Company.
 - (4) #All expenses relating to travel, accommodation and other incidental expenses incurred outside India (including expenses incurred in travelling to and from India) of the Independent Directors, directors nominated jointly by Murugappa shareholders and MS (Murugappa shareholders and MS having the same meaning as defined in the agreement) with respect to the business of the Company shall be borne by the Company.
- * (5) (a) “A director who is neither in the whole time employment of the company nor a Managing Director may be paid remuneration either :
- (a) by way of monthly, quarterly or annual payment with the approval of the Central Government or
 - (b) by way of commission.
- if the company by special resolution authorizes such payment, provided that the remuneration paid to such director or where there is more than one such director, to all such directors together shall not exceed such percentage or sum as may be prescribed under the Act from time to time or such sum as may be approved by Central Government.

Substituted in terms of resolution passed at the Extraordinary General Meeting held on 28th May, 2004.

* Substituted in terms of resolution passed by the shareholders at the Extraordinary General Meeting held on October 26, 2010.

- (b) The aforesaid commission shall be divided among all the Directors in such manner as the Board may decide subject to such maximum as the Board of Director determines. In the absence of such determination, the said commission shall be divided equally among all the Directors other than the Managing Director for each year.
 - (c) If any such Director holds Office for a period less than one year during the financial year of the Company, then the said remuneration payable to him under clause (1) above shall be computed proportionate to the period for which he has held Office during the year.
 - (d) ***The existing clause 5(d) mentioned below deleted vide Special resolution passed by the shareholders at the Extraordinary General Meeting held on October 26, 2010.*
114. Directors may also in their discretion pay to any invitee for the purpose of attending a meeting of the Board or a committee thereof such sum as the Directors may consider fair compensation including for travelling and incidental expenses.
 115. Subject to the provisions of the Act and these Articles, if any Director be called upon to perform extra service or special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Board) the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration provided.
 116. Notwithstanding any vacancy in their body, the continuing Directors may act but so that if the number falls below the quorum for the Board meetings as per the provisions of Article 134, the Directors shall not, except for the purpose of filling up vacancies or for summoning a general meeting act as long as the number is below the quorum.
 117. The office of a Director shall ipso facto be vacated on the happening of any of the events provided for in Section 283.
 118. Subject to the provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.
 119. Subject to the provisions of Section 297, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, material or services or for underwriting the subscription of any shares in or Debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company be avoided nor shall any contract between the Company and any such relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which Director is a member or Director be avoided nor shall any Director so contracting or being such a member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

*** 5(d) If there is Managing Director during portion of a year only, then the commission payable to the Directors shall be only 1% of the net profit for such year as aforesaid.*

120. Every Director who is in anyway whether directly or indirectly concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299. A general notice, renewable in the last month of each financial year of the Company as provided for in Section 299(3)(b), that Director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of the concern or interest in relation to any contract or arrangement so made and after such general notice, it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or the firm provided that such general notice is given at a meeting of the Board of Directors or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given provided that this Article will not apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any of the Directors or two or more of them together holds or hold not more than two percent of the Paid-up share capital in the other company
121. The Company shall keep one or more registers in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 applies, to the extent they are applicable in each case, as per the requirements of provisions of Section 301.
122. A Director may be or become a director of any company promoted by the Company or in which he may be interested as vendor, member or otherwise and no such Director may be accountable for any benefit received as director or member of such company.
123. (a) Every Director, (including a person deemed to be a Director by virtue of the explanation of sub-section (1) of Section 303) Managing Director, manager or Secretary of the Company shall, within twenty days of his appointment to or as the case may be relinquishment of any of the above offices in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303.
- (b) Every Director and every person deemed to be a Director by virtue of sub-section (10) of section 307, and every manager shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section
124. Subject to the provision of Section 300, no Director shall, as a Director take part in the discussions of or vote in respect of any contract or arrangement in which he is any way whether directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to the exceptions provided for in Section 300.
125. Except as otherwise provided by these Articles all the Directors shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.

RETIREMENT OF DIRECTORS

126. (1) At the first annual general meeting all the Directors and at the annual general meeting in every subsequent year one third of such of the Directors for the time being as are liable to retire by rotation (or if their number is not three or a multiple of three the number nearest to one-third) shall retire from office.
- (2) The remaining Directors shall be appointed in accordance with the provisions of the Articles.

- (3) Subject to the provisions of Section 255, the Board may appoint any person as a non-rotational Director or designate any Director as a non-rotational Director on the Board and the Directors so appointed or designated shall not be required to retire by rotation. Provided, the power to appoint or designate any Director as a non-rotational Director shall also include power to re-designate such Director as a rotational Director.
127. Subject to Section 256, the Directors to retire by rotation under the last preceding Article at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
128. A retiring Director shall be eligible for re-appointment.
129. Subject to provisions of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.
130. (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place.
- (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
- (a) at that meeting or at the previous meeting a resolution for the reappointment of such Directors has been put to the meeting and lost; or
 - (b) the retiring Director has, by a notice in writing addressed to the Company or the Board, expressed his unwillingness to be so re-appointed; or
 - (c) he is not qualified or is disqualified for appointment: or
 - (d) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any provisions of the Act: or
 - (e) the provision to sub section (2) of Section 263 is applicable to the case.
131. (1) No person, not being a retiring Director, shall be eligible for election to the office of Director at any general meeting unless he or some other Member intending to propose him has at least fourteen clear days before the meeting, left at the Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person, or as the case may be to such Member, if the person succeeds in getting elected as a Director.
- (2) On the receipt of the notice referred to in sub-Article 131(1) the Company shall inform its Members of the candidature of a person for the office of Director or the intention of a Member to propose such person as a candidate for that office, as required under the Act.

PROCEEDINGS OF DIRECTORS

132. Meetings of the Board shall be held at least once every calendar quarter. Board meetings shall in addition be convened whenever any Director so requires. At least fifteen (15) days written notice shall be given to each Board member of any Board meeting, unless at least one Murugappa Director and one MS Director approve a shorter notice period in writing. Notice may be given by fax or by e-mail or by written notice at the address notified from time to time by the relevant Director to the Company. Any notice shall be followed by an agenda, not later than one week before the date of the meeting,

identifying in reasonable detail the matters to be discussed at the meeting together with copies of any relevant papers to be discussed at the meeting.

133. Subject to the provisions of Section 285 and Article 132, the Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meeting as it think fit.
134. Subject to Section 287, the quorum for transacting business at any Board meeting shall (unless the Shareholders agree otherwise) be at least one-third of the total number of Directors rounded off to the next higher whole number including at least one Murugappa Director and at least one MS Director present when the relevant business is transacted. The quorum shall be present throughout the meeting and, to the extent permitted by law, an alternate director shall be counted in the quorum in the same capacity as the Director in whose place he is appointed.
135. If the requisite quorum is not present within thirty (30) minutes from the time when the meeting of the Board should have begun or if during the meeting there is no longer a quorum, the meeting shall stand adjourned for twenty one (21) days, to be held at the same time and at the same place. If the required quorum is not present within thirty (30) minutes from the time that the adjourned meeting should have begun, the presence of at least one-third of the total number of Directors rounded off to the next higher whole number shall form the quorum for the adjourned meeting. Only matters specified in the agenda for the meeting shall be discussed at the relevant meeting unless at least one Murugappa Director and one MS Director shall agree otherwise in writing.
136. The Chairman, if any, or the Managing Director on his own motion or the Secretary of the Company shall upon the request in writing of any Director or if directed by the Managing Director or Chairman, if any, convene a meeting of the Board by giving a notice in writing to every Board member in accordance with Article 132.
137. The Board shall have a Chairman. The Chairman shall hold office until the close of the third annual general meeting following his or her assumption of office. For so long as the aggregate number of Shares held by the Murugappa Group exceeds that of the MS Group, Murugappa Shareholders shall have the right to nominate the Chairman. If and for so long as the aggregate number of Shares held by the Murugappa Group is reduced so as to become equal to that of the MS Group, following the completion of the three (3) year tenure of the then incumbent Chairman nominated by the Murugappa Shareholders, the Chairman shall be nominated on an alternating triennial basis by the Murugappa Shareholders and MS (with MS having the first nomination). The Chairman shall not have any veto or casting vote at meetings of the Board or at any general meetings. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their members to be Chairman of the meeting.
138. The Board shall decide on matters by simple majority vote. Each Director shall have one vote. No action or decision relating to the matters set out below (“Reserved Matters”) shall be taken unless such action or decision is authorised pursuant to a Board resolution in respect of which affirmative votes of at least one (1) Murugappa Director and one (1) MS Director have been cast. If such action or decision has been authorized by the Board in accordance with this Article 138 and such action on decision is also required to be approved in a general meeting of the shareholders, the Shareholders shall use their respective votes in the Company to ensure that such action or decision is also approved by the general meeting of the shareholders:
 - (a) Memorandum and Articles

altering the Memorandum and/or the Articles or other constitutional documents of the Company;

- (b) Changes in share capital

changing the authorised or issued share capital of the Company, including, but not limited to, any issue of warrants or equity-linked securities, either as a public offering or on a preferential or private placement basis other than in accordance with clause 5 of the Shareholders' Agreement or Article 138(p);
- (c) Change in nature of business

materially changing the nature or scope of the Business;
- (d) Business Plan

adopting or amending the Business Plan;
- (e) Dividends

The Company declaring or paying any Dividend or distribution;
- (f) Acquisitions and disposals

The Company acquiring or disposing of (whether in a single transaction or series of transactions) any business (or any material part of any business);
- (g) Subsidiaries, partnerships and joint ventures

The establishment, organisation and exercise of voting rights as a shareholder by the Company of or in relation to any subsidiary or participation by the Company in any material partnership, joint venture, profit-sharing agreement, technology licence or collaboration;
- (h) Material litigation

Major decisions relating to the conduct (including the settlement) of material legal proceedings to which the Company is a party; for these purposes material means a potential liability or claim of more than equivalent in Rupees to US\$2.5 million or ten percent (10%) of the Net Worth of the Company, whichever is the higher;
- (i) Chief Executive

Appointing or removing anyone as the Chief Executive Officer of the Company;
- (j) Auditors, Company Secretary, Managing Directors and Wholetime Directors

Appointing, reappointing or removing the Company's auditors, the Company Secretary, the Managing Director and Wholetime Directors (as defined in the Act);
- (k) Intellectual Property Rights

The Company making any material acquisition or disposal (including any material acquisition or grant of any licence) of or relating to any Intellectual Property Rights;
- (l) Winding-up

Any proposal to wind up the Company or other voluntary proceeding seeking liquidation, reorganisation, readjustment or other relief under any bankruptcy, insolvency or similar law or the consent by the Company to a decree or order for relief or any filing of a petition under such law or to the appointment of a trustee, receiver or liquidator or any other voluntary action by the Company in furtherance of its bankruptcy, reorganisation, liquidation, dissolution or termination of its corporate status;

(m) Committees

The establishment and abolition of committees (including the rules of organisation and management thereof) to be responsible for considering and implementing such matters as may be delegated to them by the Board;

(n) Important Organisations

The establishment or abolition of any division of the Company which reports to the Chief Executive Officer;

(o) Annual Recruitment Plan

The establishment, abolition or any material change of the annual recruitment plan including the annual head count;

(p) Shares

The approval of any offering of Shares other than on a pre-emptive basis;

(q) Directors

Any increase or decrease in the number of Directors comprising the Board and the delegation of powers to or from the Board;

(r) Power of attorney

Any grant of a power of attorney or any amendment or revocation thereof except for matters in the ordinary course of business;

(s) Others

Any matters to be decided by a Special Resolution under the Act or these Articles.

139. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or these Articles are for the time being vested in or exercisable by the Board generally.

140. (1) Subject to the restrictions contained in Section 292 and as required under the Act, the Board may delegate any of their powers to a committee of Directors consisting of such Director or Directors or one or more Directors and a Member or Members as it thinks fit or to any Managing Director(s), manager or any other principal officer of the Company or a branch office or to one or more of them together and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part and either as to persons or purposes, but every Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise shall have the like force and effect as if done by the Board, provided that such delegation shall not be in respect of the matters enumerated in sub clauses (a)(b)(c)(d) or (e) of clause (1) (as modified by explanation II thereof) of Section 292 save and except permitted by and subject to the restrictions and limitations contained in clause (2), (3) and (4) of Section 292.

(2) In particular the Board shall establish an Audit Committee and an Investment Committee both of which shall consist of a minimum of three (3) members, namely one (1) Murugappa Director, one (1) MS Director and at least one (1) Independent Director. If there are no independent Directors, the Audit Committee and the Investment Committee shall each consist of two (2) Murugappa Directors and two (2) MS Directors. The Board shall also establish a Management Committee which shall consist of a minimum of four (4) members, namely two (2) Murugappa Directors and two (2) MS Directors.

- (3) Each committee of the Board shall have such powers and responsibilities as may be delegated to it by the Board from time to time.
141. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by regulations made by Directors under Article 140.
142. A resolution shall be deemed to have been duly passed by the Board or by a committee thereof, if the resolution has been circulated in draft, together with necessary papers, if any, to all the Directors or to all the members of the committee, at their usual address and has been approved in writing by a majority of such Directors or members as are entitled to vote on the resolution.
143. All acts done by any meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment or any of them has been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed was qualified to be a Director and had not vacated his office or his appointment had been terminated provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
144. (1) The minutes of the meetings of each meeting the Board shall be prepared in English by the Company Secretary appointed by the Board within fifteen (15) business days after such meeting and shall be signed by the Chairman.
- (2) The Company shall cause minutes to be duly entered in a book or books provided for the purpose:
- (a) of the names of the Directors present at such meetings of the Board, and of any committee of the Board;
 - (b) of all orders made by the Board and committees of the Board;
 - (c) of all resolutions and proceedings of the meetings of the Board and committees of the Board; and
 - (d) in the case of each resolution passed at a meeting of the Board, or committees of the Board the names of those Directors, if any dissenting from or not concurring in the resolution. Every such book shall be maintained and the minutes entered therein and signed in the manner laid down by Section 193 and the minutes so entered and signed shall be received as conclusive evidence of the proceedings recorded therein.

POWERS OF THE BOARD

145. Subject to the provisions of the Act, the Memorandum and these Articles, the control of the Company shall be vested in the Board and the Board shall be responsible for the overall direction and supervision of the management of the Company. The Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or in other statute or by the Memorandum or by these Articles or otherwise to be exercised or done by the Company in a general meeting provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or in any other Act or in the Memorandum or these Articles or any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in a general meeting but no regulations made by the Company in a

general meeting shall invalidate any prior act of the Board which would have been valid if those regulations had not been made.

146. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by the Articles, but subject to the restrictions contained in the last preceding Article and subject at all time to the provisions of these Articles, it is hereby declared that the Board shall have the following powers, that is to say, power:

(1) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

(2) to pay and charge to the Capital account of the Company any commission or interest lawfully payable under the provisions of Sections 76 and 208.

(3) subject to Sections 292, 297 and 360 to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and if any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory

(4) at their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partly, in cash or in shares, bonds, Debentures, mortgages or other securities of the Company and any such shares may be issued either as fully Paid-up or with such amount credited as Paid-up thereon as may be agreed upon and any such bonds, Debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Capital or not so charged.

(5) to secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the time being or in such manner as they may think fit.

(6) to accept from any Member, so far as may be permissible by law, surrender of his shares or any part thereof on such terms and conditions as shall be agreed.

(7) to appoint any person to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(8) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer any difference to arbitration either according to Indian law or according to any foreign law and either in India or abroad, and observe, perform or challenge any award made thereon.

(9) to act on behalf of the Company in all matters relating to bankrupts or insolvents.

(10) to make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company.

(11) subject to the provisions of Sections 292, 292(1)(a), 295, 369, 372A and 373, to invest and deal with any moneys of the Company, not immediately required for the purposes thereof upon such security, or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49, all investments shall be made and held in the Company's own name.

(12) to determine from time to time who shall be entitled to sign, on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, Dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.

(13) to distribute by way of bonus amongst the staff of the Company a share in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.

(14) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and the wives, widows and families or the dependants or connection of such persons by building or contributing to the building of houses, dwelling or chawls or by grants of money, pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of interest and recreation, hospitals and dispensaries, medical and other attendance and other assistance subject to the limits laid down by Sections 293 and 293A as the Board shall think fit and Subject to provisions of the Act to subscribe or contribute or otherwise to assist or to guarantee moneys to charitable, benevolent, religious, scientific, national, or other institutions; bodies, and objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation or of public and general utility or otherwise.

(15) to appoint and at their discretion, remove or suspend such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments or remuneration and to require security in such instances and of such amount as they may think fit and from time to time to provide any management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.

(16) to comply with requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with.

(17) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Board and to fix their remuneration.

(18) subject to Section 292, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board and to authorise the member for the time being of any such local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Board thinks fit and may at any time remove any person so appointed and may annul or vary such delegation.

(19) at any time and from time to time by powers of attorney under the Seal to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these Articles and excluding the power to make calls and excluding also except in their limits authorised by the Board the powers to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any company or the shareholders, directors, nominees or managers of any company or firm or otherwise, in favour of any fluctuation body of persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegate or attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretion for the time being vested in them.

(20) subject to Sections 294, 297 and 300, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

(21) subject to Section 293, to sell, lease or otherwise dispose any of the properties or undertakings of the Company.

MANAGING DIRECTORS

147. Subject to the provisions of Sections 267, 268, 269, 316 and 311, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
148. Subject to the provisions of Sections 309, 310 and 311, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director under these Articles, receive such remuneration as may from time to time be approved by the Company.
149. Subject to the provisions of the Act, and in particular of the prohibitions and restrictions contained in Section 292, the Board may from time to time entrust to and confer upon the Managing Director or Managing Directors for the time being such of the powers exercisable under these Articles by the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as they think fit; and they may confer such powers, either collaterally with, or to the exclusion, and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
150. Subject to the provisions of the Act, the Managing Director or Managing Directors shall not, while he or they continue to hold that office, be subject to retirement by rotation in accordance with these Articles.
151. (1) Subject to the provisions of the Act, the Board of Directors may appoint from time to time appoint one or more persons as Wholetime Director or Wholetime Directors for such period and on such terms as they may deem fit and fix their remuneration subject to such sanction by a Special Resolution of the Company in a general meeting and of the Central Government as may be necessary, unless otherwise determined by the Company in a general meeting by a resolution passed at the time of fixing his remuneration or at any other general meeting and of the Central Government as may be necessary.
- (2) If a whole time Director retires by rotation at any annual general meeting and is reappointed as a Director at the same annual general meeting, his appointment as a Whole Time Director and the remuneration fixed for him shall continue to be in force.
- (3) Every Whole Time Director shall perform such functions and exercise such powers as the Board of Directors may from time to time determine.
- (4) In all other respects, all the provisions applicable to Managing Director shall apply to the Whole Time Directors.

REMUNERATION OF MANAGING DIRECTOR

152. The Managing Director(s) shall be paid for their respective services such remuneration on such terms as the Board may, from time to time determine subject to (i) such approval of the Government of India as may be required by law and (ii) the approval of the ordinary resolution in a general meeting.

POWERS TO BE EXERCISED SEVERALLY

153. All the powers and duties vested in the Managing Director(s) for the time being in accordance with the provisions of these Articles or by resolution of the Board of Directors may be exercised by any one of them.
154. The Managing Director(s) shall be entitled to charge and 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 for any remuneration that they may pay to such part-time employees.
155. The Managing Director(s), shall, subject to the provisions of the Act, the Memorandum and these Articles, and the supervision and control of the Directors have power to do all such acts and things which the Managing Director(s) shall think usual necessary or desirable in the management of the affairs of the Company. Without prejudice to their general powers conferred hereby, they shall have the following powers subject to the supervision and control of the Directors:
- (a) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment, and registration of the Company and subsequent to the registration fees and stamps paid in respect thereof and the costs of advertising, printing, stationary, brokerage, legal charges, furniture and fittings of the office and such other costs.
 - (b) To sell for cash or on credit and either a wholesale or a retail and for ready or future delivery and realise the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
 - (c) To determine, from time to time, who shall be entitled to sign on the Company's Dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
 - (d) To execute all deeds, agreements, contracts, receipt and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and demands of the Company.
 - (e) To institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.
 - (f) To enter into, vary or cancel all manners of contracts on behalf of the Company.
 - (g) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or vary description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Director(s) think fit.
 - (h) To acquire by purchase, lease, exchange, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office showrooms, godowns and other buildings in the State of Tamil Nadu or elsewhere Machinery, Engine, Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, Hardware and any other

materials of whatever description either on credit or for cash and for present or future delivery.

- (i) To plant, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
- (j) To erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Tamil Nadu or in any other place.
- (k) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (l) To pay all moneys due by the Company and look after the finance of the Company.
- (m) To open current and time-deposit accounts or other accounts with banker or bankers at their choice, and to operate on such accounts and also when necessary to overdraw or to take loans on such account on the security of the Company or of any of its assets.
- (n) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, Local Bodies, Port Trusts, Improvement Trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Governments and other local or corporate bodies in connection with any business or any subject of the Company.
- (o) Subject to provisions of the Act and these Articles, to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.
- (p) To receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods, or property lent; payable or belonging to the Company or for advances against and with or without security.
- (q) To make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director(s) may deem it.
- (r) To submit to arbitration and enforce the fulfilment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (s) To institute, appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pledging and other documents to engage and to instruct any Advocate, Solicitors and lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.
- (t) To make all manner of insurances.
- (u) To delegate all or any of the powers, authorities and discretions for the time being vested in the Managing Director(s) and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver register or causes to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the Common Seal of the Company. Provided that the Directors may from time to

time revoke withdraw alter or vary all or any of the above powers. Provided that the Managing Directors shall not exercise the power to:

- (a) make calls on shareholders in respect of moneys unpaid on the shares of the Company;
- (b) borrow moneys or make loans except within the limits previously fixed by the Directors at a Board meeting; or
- (c) invest funds of the Company.

SECRETARIES/SPECIAL OR EXECUTIVE DIRECTORS

156. (1) The Directors may appoint a Secretary or Secretaries to do such functions upon such terms and conditions and for such period as may be prescribed in the agreement appointing the Secretary or Secretaries.
- (2) (a) The Board of Directors shall have power, from time to time and at any time, to appoint any person who is in the employment of the Company, as “Special” or “Executive” Director on such terms and conditions as to remuneration and otherwise as the Board may deem fit, and at the discretion to remove or suspend such person from the said office. Any person so appointed shall not be a Director for any of the purposes of the Act, nor shall he have any of the powers of, or be subject to any of the duties of, a Director.
- (b) The use of the word “Director” in the said designation shall not be construed as constituting such person a Director for any of the purpose of the Act.
- (c) Subject as aforesaid, every person appointed as “Special” or “Executive” Director shall exercise such powers and discharge such duties as the Board of Directors may from time to time determine.

KEY MANAGEMENT PERSONS AND SECONDEES

- 156A. Additional or replacement members of the current Key Management Persons shall be suitably qualified and experienced in the insurance business. The Board shall appoint the Key Management Persons on the basis of the recommendations of Nomination and Remuneration Committee in accordance with these Articles, as applicable.
- 156B The head of the Japanese and Korean Division, the EVP, shall report to a whole-time director to be nominated by MS to the Board (the “WD”). The WD shall count as one of the nominee Directors of MS and shall be taken into consideration for purposes of computing the number of maximum Directors that MS would be entitled to nominate to the Board. The Board shall consider the appointment of WD as a wholetime Director on the Board. The WD shall report to the managing director/ CE of the Company. The WD shall be the rank of MG 9.
- 156C MS shall be entitled to nominate a person for appointment as an Executive Vice President (EVP) responsible for the Japanese and Korean Division of the Company. The EVP shall report to the WD. The function of the EVP shall be to develop and head the Japanese and Korean business of the Company.
- [156D The CE shall be responsible for the job and performance evaluation of all senior management (including the EVP).

- 156E The Company shall have such number of seconded employees (the “**Secondees**”) from MS as the parties to the Shareholders’ Agreement may mutually decide from time to time on such terms and conditions as may be mutually agreed to. Currently there shall be eleven (11) Secondees from MS, (i) one of whom shall be designated as the WD, (ii) another one of whom shall be designated as the EVP, (iii) the other 9 Secondees shall be designated as Vice Presidents/General Managers and who would not form part of the Key Management Persons as stated in Schedule 3 to these Articles. The need for such Secondees shall be based upon the anticipated volume of business from Japanese and Korean clients and is subject to review from time to time by the managing director / CE of the Company who shall supply details of such review to the Management Committee. Further, MS may second trainee(s) to the Company from time to time. The training cost will be borne by MS. The Company may also consider having one more secondee for a period as may be agreed upon to exclusively focus on the Korean business subject to review from time to time by the Management Committee.
- 156F Appointment of Key Management Person(s) (other than the CE, managing director and/or the principal officer), shall be subject to the approval of the Board as required under the Control Guidelines. If such Key Management Person(s) (other than the CE, managing director and/or principal officer) are nominated by MS, and if the Board and /or the Nomination and Remuneration Committee does not approve the appointment of such Key Management Person(s) nominated by MS, it shall request MS to make a fresh nomination, and upon receipt of the fresh nomination, the Board and/or the Nomination and Remuneration Committee shall follow the process specified in this Article 156F.

SEAL

157. The Board shall provide a Seal for the purpose of the Company and shall have powers from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a committee of the Board previously given and in the presence of a Director or some other person appointed by the Board for the purpose. The Company shall also be at liberty to have an official seal in accordance with Section 50 for use in any territory, district or place outside India.
158. Every Deed or other instruments to which the Seal is required to be affixed shall unless the same is executed by a duly constituted attorney be signed by one Director and the Secretary or some other person appointed by the Board for the purpose, provided nevertheless that share certificates shall be sealed in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force.

DIVIDENDS

159. (1) Subject to the rights of Members entitled to shares (if any) with preferential or special rights attached thereto the profits of the Company which shall from time to time be determined in respect of any year or other period shall be applied in the payment of Dividend on the equity shares of the Company but so that a partly Paid-up share shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully Paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where Capital is Paid-up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to participate in profits.
- (2) The Board shall agree upon a Dividend policy for the distribution of profits by the Company on the basis of principles of prudent financial management. The Board shall have regard, inter alia, to the need to maintain adequate working capital for the present needs of the Company and future growth in line with the Business Plan and to meet all capital adequacy requirements on solvency margin and distribution of Dividends. Subject thereto, the Board shall try to maximise the amount of Dividends to be distributed.

160. The Company in a general meeting may declare a Dividend to be paid to the Members according to their rights and interest in the profits and may fix the time for payment.
161. No larger Dividend shall be declared than is recommended by the Board but the Company in a general meeting may declare smaller Dividend.
162. No Dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits as per the provisions of the Act.
163. Where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof such profits and losses as the case may be shall, at the discretion of the Board, be so credited or debited wholly or in part to the Profit and Loss Account and in that case the amounts so credited or debited shall for the purpose of ascertaining the funds available for Dividends be treated as a profit or loss arising from the business of the Company and available for Dividend accordingly; if any shares or securities are purchased with Dividend or interest such Dividend or interest when paid may, at the discretion of the Board, be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.
164. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.
165. The Board may from time to time pay to the Members such interim Dividends as in their judgement the position of the Company justifies.
166. The Board may retain Dividends in respect of Shares on which the Company has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.
167. Any general meeting declaring a Dividend may make a call on the Members of such amount as the meeting fixed but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend and the Dividend may, if so arranged between the Company and the Members, be set off against the call.
168. 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 or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or Dividend payable to any Member all sums of money so due from him to the Company. Subject to the provisions of the Act and these Articles, Dividends due on any unpaid shares may be set off in the order of first against such amount as may be due in the form of interest on the unpaid call money, secondly against premium if any and finally against the amount unpaid in respect of the face value of such shares.
169. A transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
170. Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant, sent by post to the registered address of the Member or person entitled or in case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any Dividend lost to the Member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the Dividend by any other means. If several persons are registered as joint holders of any shares, any one of them can give effectual receipts for any Dividends or other moneys payable in respect thereof. No unclaimed Dividend shall be forfeited before the claim thereto becomes barred by law.

171. Where Capital is Paid-up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest, confer a right to participate in profits.
172. Subject to the provisions of the Act the Directors may retain the Dividends payable upon shares in respect of which any person is, under these Articles, entitled to become a Member or which any person under these Articles is entitled to transfer until such a person shall become a Member in respect of such shares or shall duly transfer the same.
173. No unclaimed or unpaid Dividend shall be forfeited by the Board. All unpaid Dividends shall be dealt with, in accordance with Sections 205-A and 205-B.
174. Any general meeting declaring a Dividend may make a call on the Members for such amount as the meeting fixes, but so that the call on each Member shall not exceed the Dividend payable to him and so that the call be made payable at the same time as the Dividend, and the Dividend may, if so arranged between the Company and the Members, be set off against the calls.

CAPITALISATION OF PROFITS

175. Any general meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of any reserve or reserves or any Capital redemption reserve fund in the hands of the Company and available for Dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account, be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of Dividend and in the same proportion on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued shares, Debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that any sum standing to the credit of share premium account or a Capital redemption reserve fund may for the purpose of this Article only be applied in the paying up of the unissued shares to be issued to Members as fully Paid-up bonus shares.
176. A general meeting may resolve that any surplus monies arising from the realisation of any capital assets of the Company or any investment representing the same or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the Members on the footing that they receive the same as Capital, but so that no distribution amounting to a reduction of Capital be made except with the sanction (if any) for the time being required by law.
177. For the purpose of giving effect to any resolution under the preceding two Articles the Board may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Participants and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the Dividend or capitalised fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 and the Board may appoint any person to sign such contracts on behalf of the persons entitled to the Dividend or capitalised fund and such appointment shall be effective.

BOOKS AND DOCUMENTS

178. The Company shall prepare its accounts and other financial statements in accordance with Generally Accepted Accounting Principles and all applicable Indian accounting standards. All financial records shall be maintained in English language. The accounting year of the Company shall begin on 1 April and end on 31 March of the following year. The Board shall cause to be kept proper books of accounts in accordance with Section 209 with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company.
179. The books of accounts shall be kept at the Office or, subject to the proviso to Section 209, at such other place as the Board think fit and shall be open to inspection by the Directors during the business hours.
180. The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors.
181. The Directors shall from time to time, in accordance with Sections 210, 212, 215, 216, 217 and 221, cause to be prepared and to be laid before the Company in a general meeting such Profit and Loss Accounts, Balance Sheets and reports as are referred to in those Sections.
182. A copy of every such Profit and Loss Account and Balance Sheet (including the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet) shall, at least twenty one days before the meeting at which the same are to be laid before the Members, be sent to the Members, to holders of Debentures issued by the Company (not being Debentures which *ex facie* are payable to the bearer thereof), to trustees for the holders of such Debentures and to all persons entitled to receive notices of general meetings of the Company. However, with consent in writing of all the Members entitled to receive notices of general meetings, the same it may be circulated at a shorter notice. In addition, copies of monthly and quarterly unaudited accounts of the Company shall be supplied to the Shareholders.

AUDIT

183. Auditors shall be appointed and their rights and duties regulated in accordance with the provisions of the Act. The Company's joint auditors will be M/s. Price Waterhouse and M/s. S B Billimoria & Co. or such other firm of accountants of recognised standing as the Shareholders may agree from time to time.
184. Every account of the Company when audited and approved by general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. When any such error is discovered within that period correction in the accounts for subsequent year shall be carried out.

DOCUMENTS AND NOTICE

185. (1) Notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered to any Member personally or sent by prepaid registered airmail or by legible fax addressed to the intended recipient to his registered address in India. In respect of the overseas participants, such notices, demands or other communications shall be sent by fax or courier to the fax number or address as the respective overseas participant may from time to time notify to the Company.
- (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, services of the document or notice shall not be deemed to be effected unless it is sent in the manner

intimated by the Member and such service shall be deemed to have been effected in the case of notice of a meeting at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

186. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company any address within India for the service of documents on him or the sending of notices to him.
187. A document or notice may be served or given by the Company on or to the persons entitled to share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to him by name or by the title of representative of the deceased or assignee of the insolvent or by any like description, at the address (if any) supplied for the purpose by the person claiming to be so entitled or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency has not occurred.
188. Documents or notices of every general meeting shall be given or served in same manner herein before authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company.
189. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of each share which previous to his name and address being entered on the Register of Members, shall have been duly served on the person from whom he derives his title to such share.
190. Any document or notice to be served or given, by the Company may be signed by a Director or some person duly authorised by the Board and the signature may be written, printed or lithographed.
191. All documents or notices to be served or given by Members on or to the Company or any officer thereof shall be served or given by sending them to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

AUTHENTICATION OF DOCUMENTS

192. Save as otherwise expressly provided in the Act or these Articles, documents or proceedings requiring authentication by the Company may be signed by a Director or an authorised officer of the Company and need not be under its Seal.

WINDING UP

193. The liquidator on any winding up (whether voluntary, under supervision, or compulsory), with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the Company in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit.

SECRECY CLAUSE

194. (1) Subject to sub-Article 194(2), no Member shall be entitled to visit or inspect the Company's works without the permission of the Directors or to require discovery of any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate

to the conduct of the business of the Company and which in the opinion of the Director will be inexpedient in the interest of the Members to communicate to the public.

(2) Each Shareholder may examine the separate books, records and accounts to be kept by the Company and each Shareholder shall be entitled to receive all information in such form as the Board determines to keep it properly informed about the business and affairs of the Company and generally to protect its interests as a Shareholder.

INDEMNITY AND RESPONSIBILITY

195. Subject to the provisions of Section 201 every Director, officer or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor shall be indemnified out of the funds of the Company against all claims and it shall be the duty of the Directors out of the funds of the Company to pay all Costs, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, about the execution or discharge of his duties or supposed duties (except such if any, as he shall incur or sustain through or buy his own wilful act, neglect or default) including expenses and in particular and so as to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, officer, or auditor, in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the Court.
196. Subject to the provisions of the Act, no Director, Auditor or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses, happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be vested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, firm or company to or with whom any monies, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.
197. Subject to the provisions of Section 201 the Managing Director and every Director, manager, Secretary and other officer or employee 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 the judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 in which relief is given to him by the court.

SHAREHOLDERS AGREEMENT

198. Subject to applicable laws, the Shareholders and the Company shall act in accordance with the provisions of the Shareholders' Agreement.
199. Where the rights of MS under the Shareholders' Agreement stand modified in accordance with Schedule 5 of the Shareholders' Agreement, Articles 8(3), 104(3), 134, 137, 138, 140(2) and 183 shall not apply and the provisions of Schedule 1 to these Articles shall apply.
200. Where the rights of MS under the Shareholders' Agreement stand modified in accordance with Schedule 6 of the Shareholders' Agreement, Articles 8(3), 82, 104(3), 134, 137, 138, 140(2), 183 and 194(2) shall not apply and the provisions of Schedule 2 to these Articles shall apply.

SCHEDULE 1

Where this Schedule 1 applies pursuant to Article 199 of these Articles, Articles 3B, 8(3), 104(3), 134, 137, 138, 140(2) and 183 shall read as follows:

- 3B Unless in accordance with Clause 5 of the Shareholders Agreement or otherwise agreed by the Shareholders, there shall be no alteration to the capital structure of the Company and no issue of Shares or other securities permitted which would or might result in the dilution of either Shareholder’s aggregate shareholding as set out in Schedule 2 to the Shareholders Agreement (as increased in accordance with the provisions of Clause 5 of the Shareholders Agreement), provided that nothing in this Article 3B shall prevent an alteration to the capital structure of the Company, where in any case the requirements of Section 62 of the Act have been complied with.
8. (3) Notwithstanding the provisions of Sub-articles 8(1) and 8(2), each of the Shareholders shall be free to provide the Company with further finance in whatever manner the relevant Shareholder in its absolute discretion, deems appropriate, if permitted by law, and subject to clause 5.18 of the Shareholders’ Agreement.
104. (3) Subject to sub-Article 104(7) the Board shall comprise a maximum of twelve (12) Directors. A certain number shall be Murugappa Directors, a certain number shall be MS Directors and a certain number shall be Independent Directors in accordance with the following table:

1.	Number of Directors on Board*	8	9	10	11	12
2.	Number of MG Directors	3	4	5	5	6
3.	Number of MS Directors	2	2	2	3	3
4.	Number of Independent Directors	3	3	3	3	3

* *Provided however that the number of Murugapppa Directors shall at all times exceed the number of MS directors on the Board, in accordance with the provisions of the Control Guidelines..*

134. The quorum for transacting business at any Board meeting shall be at least one third of total number of Directors, rounded off to the next higher whole number, including at least one Murugappa Director, provided that quorum shall not be constituted unless, at the beginning of and throughout such meeting, the number of Murugappa Directors present exceeds the number of MS Directors present, in accordance with the provisions of the Control Guidelines. If the requisite quorum is not present within thirty (30) minutes from the time when the meeting should have begun or if during the meeting there is no longer a quorum, the meeting shall be adjourned for twenty-one (21) days, to be held at the same time and at the same place. The presence of one-third of the total number of Directors rounded off to the next higher whole number shall form the quorum for the adjourned meeting, provided that the number of Murugappa Directors present exceeds the number of MS Directors present at such adjourned meetings, in accordance with the provisions of the Control Guidelines. Only matters specified in the agenda for the meeting shall be discussed at the relevant meeting unless at least one Murugappa Director and one MS Director shall agree otherwise in writing.

At any meeting where any Reserved Matter under Article 138 is to be discussed, at least one MS Director, must also be present at the beginning and throughout the meeting to constitute a quorum, provided that the number of Murugappa Directors present exceeds the number of MS Directors present at such meeting, in accordance with the provisions of the Control Guidelines.

137. The Board shall have a Chairman. The Chairman shall hold office until the close of the third annual general meeting following his or her assumption of office. The Chairman shall be nominated by the Murugappa Shareholders.
138. Notwithstanding anything to the contrary contained in these Articles, the parties to the Shareholders' Agreement shall use their respective powers to ensure, so far as they are legally able, that no action or decision relating to any of the matters set out below (**Reserved Matters**) is taken (whether by the Board or any committee of the Board or in a general meeting of shareholders or by any of the officers or managers within the Company) unless such action or decision has been authorised pursuant to a Board resolution, as specified in 104(3) above, in respect of which the affirmative votes of at least one (1) Murugappa Director and one (1) MS Director have been cast. If such action or decision has been authorised by the Board in accordance with this Article 138 and such action or decision is also required to be approved in a general meeting of the shareholders, the Shareholders shall use their respective votes in the Company to ensure that such action or decision is also approved by the general meeting of the shareholders.

Reserved Matters

- (a) Memorandum and Articles of Association

altering the Memorandum and/or Articles of Association or other constitutional documents of the Company;

- (b) changes in share capital

changing the authorised or issued share capital of the Company, including, but not limited to, any issue of warrants or equity-linked securities, either as a public offering or on a preferential or private placement basis, other than in accordance with Clause 5 of the Shareholders' Agreement;

- (c) dividends

the Company declaring or paying any dividend or distribution; and

- (d) Winding-up

any proposal to wind up the Company or other voluntary proceeding seeking liquidation, reorganisation, readjustment or other relief under any bankruptcy, insolvency or similar law or the consent by the Company to a decree or order for relief or any filing of a petition under such law or to the appointment of a trustee,

receiver or liquidator or any other voluntary action by the Company in furtherance of its bankruptcy, reorganisation, liquidation, dissolution or termination of its corporate status.

140. (2) The Board shall establish an Audit Committee and an Investment Committee both of which shall consist of a minimum of three (3) members, of which at least one (1) shall be nominated by MS.

(2A) The Board shall establish a Business Committee which shall consist of a minimum of 5 members, namely 3 Murugappa Directors, 1 MS Director and 1 Independent Director, provided that, at all points of time, the number of Murugappa Directors exceeds the number of MS Directors on the Business Committee. The Business Committee shall always be subject to the superintendence of the Board.

(2B) The Board shall also establish a Management Committee which shall consist of a minimum (4) members, of which at least one shall be nominated by MS, provided that, at all points of time, the number of Murugappa Directors exceeds the number of MS Directors on the Business Committee. The Management Committee shall always be subject to the superintendence of the Board.

(2C) The Board shall establish the Nomination and Remuneration Committee which shall comprise of one (1) Murugappa Director, one (1) MS Director and two (2) Independent Directors.

(2D) The committees (other than those specified in Article 2A and 2B) shall be constituted and their affairs shall be conducted in accordance with the applicable Corporate Governance Guidelines and their powers would be recommendatory in nature in terms of the regulations, guidelines and circulars issued by the IRDA from time to time.

- 147A The Managing Director/CE shall be nominated by the Murugappa Shareholders to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall consider the nomination(s) of the Murugappa Shareholders and recommend candidate(s) to the Board for the position of the Managing Director/CE. The Board shall appoint the Managing Director/CE as prescribed under the Control Guidelines, subject to the prior approval of the IRDA.

183. Auditors shall be appointed and their rights and duties regulated in accordance with the provisions of the Act. The Company's joint auditors will be M/s. Price Waterhouse and M/s. S B Billimoria & Co. or such other firm of accountants of recognised standing as the Murugappa Shareholders may determine from time to time.

SCHEDULE 2

Where this Schedule 2 applies pursuant to Article 200 of these Articles, the provisions of Articles 8(3), 82, 104(3), 134, 137, 138, 140(2), 183 and 194(2) shall read as follows:

8. (3) Notwithstanding the provisions of Sub-articles 8(1) and 8(2), each of the Shareholders shall be free to provide the Company with further finance in whatever manner the relevant Shareholder in its absolute discretion, deems appropriate, if permitted by law, and subject to clause 5.18 of the Shareholders' Agreement.
82. The quorum for any general meeting shall be at least five (5) Members including at least one (1) Murugappa Shareholder. A corporation being a Member shall be deemed to be personally present if it is represented, in accordance with Section 187. The President of India or Governor of the state shall be deemed to be a Member personally if he is represented in accordance with Section 187A.
104. (3) The composition of the Board shall be as determined by the Murugappa Shareholders, provided that MS shall be entitled to nominate one Director.
134. The quorum for transacting business at any Board meeting shall be at least one third of the total number of Directors, rounded off to the next higher whole number, including at least one Murugappa Director. At any meeting where any Reserved Matter under Article 138 is to be discussed, at least one MS Director must also be present when any Reserved Matter is discussed to constitute a quorum.
137. The Board shall have a Chairman. The Chairman shall hold office until the close of the third annual Shareholders' Meeting following his or her assumption of office. The Chairman shall be nominated by the Murugappa Shareholders.
138. Questions arising at any meeting of the Board shall be decided by a majority of votes with each Director having one (1) vote. No action or decision relating to the matters set out below "Reserved Matters" shall be taken unless such action or decision is authorised pursuant to a Board resolution in respect of which affirmative votes of at least one (1) Murugappa Director and one (1) MS Director have been cast. If such action or decision has been authorized by the Board in accordance with this Article 138 and such action on decision is also required to be approved in a general meeting of the shareholders, the Shareholders shall use their respective votes in the Company to ensure that such action or decision is also approved by the general meeting of the shareholders:
 - (a) Change in nature of business

Materially changing the nature or scope of the Japanese and Korean business, including those aspects of the Japanese and Korean business which relate to automobile insurance and reinsurance;
 - (b) Business Plan

Adopting or amending those aspects of the Business Plan which relate to Japanese and Korean business including those aspects of Japanese and Korean business which relate to automobile insurance and reinsurance;
 - (c) Winding-up

Any proposal to wind-up the Company or other voluntary proceeding seeking liquidation, reorganisation, readjustment or other relief under any bankruptcy, insolvency or similar law or the consent by the Company to a decree or order for relief or any filing of a petition under such law or to the appointment of a trustee, receiver or liquidator or any other voluntary action by the Company in furtherance of its bankruptcy, reorganisation, liquidation, dissolution or termination of its corporate status;

(d) Important Organizations

The establishment or abolition of the division of the Company responsible for Japanese and Korean Business.

140. (2) In particular, the Board shall establish an Audit Committee and an Investment Committee both of which shall consist of a minimum of three (3) members, of which at least one (1) shall be nominated by MS. The Board shall also establish a Management Committee which shall consist of a minimum of four (4) members, of which at least one shall be nominated by MS.
183. Auditors shall be appointed and their rights and duties regulated in accordance with the provisions of the Act. The Company's joint auditors will be M/s. Price Waterhouse and M/s. S B Billimoria & Co. or such other firm of accountants of recognised standing as the Murugappa Shareholders may determine from time to time.
194. (2) Each Shareholder shall be entitled to receive all information in such form as the Board determines to keep it properly informed about the business and affairs of the Company and generally to protect its interests as a Shareholder. The Murugappa Shareholders (but not MS) may also examine the separate books, records and accounts to be kept by the Company.

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.

SI. No.	Name of Subscriber	Address, Description and Occupation of Subscriber	Signature of Subscriber
1	M A Alagappan	17, Chittaranjan Road Chennai -600 018 S/o. AM M Arunachalam Company Director	Sd/- M A Alagappan
2	A Vellayan	2, Greenways Road Chennai -600 028 S/o. M V Arunachalam Company Director	Sd/- A Vellayan
3	M M Murugappan	12, Boat Club Road Chennai – 600 020 S/o. Late M M Muthiah Company Director	Sd/- M M Murugappan
4	Partho S Datta	Broad Water No.7, Boat Club Road, 3 rd Avenue R A Puram, Chennai – 600 020 S/o. Late Mr. Arun kumar Dutt Company Executive	Sd/- Partho S Datta
5	M Anandan	AL –192, 12 th Main Road Anna Nagar, Chennai – 600 040. S/o. R Munusamy Company Executive	Sd/- M Anandan
6	S Bhaskar	20/B Cart Track Road Maduvankarai , Guindy Chennai – 600 090 S/o. V Srinivasan Company Executive	Sd/- S Bhaskar
7	Sanjeev Jha	58, M G Road Shastri Nagar Chennai – 600 041 S/o. Sitaram Jha Company Executive	Sd/- Sanjeev Jha
8	Ambadi Trading Company Ltd. Rep. by Mr. S K Subramanian, No.7, Ist street, Sundaram Colony, Tambaram Sanitorium, Chennai –47 S/o. S R Kamakshi Sundaram Company Executive	“Tiam House” 28, Rajaji Salai Chennai – 600 001	Sd/- S K Subramanian
9	Murugappa Management Services Limited Rep. by Mr. S K Subramanian, No.7, Ist street, Sundaram Colony, Tambaram Sanitorium, Chennai –47 S/o. S R Kamakshi Sundaram Company Executive	“Tiam House” 28, Rajaji Salai Chennai – 600 001	Sd/- S K Subramanian

10	New Ambadi Estates P Ltd. Rep. by Mr. P V Sridhar 3/234, Subramanya Nagar II street, Madipakkam Chennai - 600 091 S/o. P N Viswanathan Company Executive	No.2, Jehangir Street Chennai - 600 001	Sd/- P V Sridhar
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Names, Address, Description, Occupation and Signature of witness to the above signatures.

Sd/-
P Sujatha
24, Natesa Nagar, V Main Road
Virugambakkam, Chennai – 600 092
W/o. A P Narayanan
Company Executive