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**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**GSPL India Transco Limited**

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## व्यापार प्रारंभ करने का प्रमाण पत्र

कम्पनी अधिनियम 1956 की धारा 149(3) के अनुसरण में

कॉर्पोरेट पहचान संख्या : U40200GJ2011SGC067450

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स  
GSPL INDIA TRANSCO LIMITED

जिसका निगमन, कम्पनी अधिनियम, 1956(1956 का 1) के अंतर्गत दिनांक तेरह अक्टूबर दो हजार ग्यारह को किया गया था और जिसने निर्धारित प्रपत्र में घोषणा प्रस्तुत की है या विधिवत सत्यापित किया है कि उक्त कम्पनी ने, अधिनियम की धारा 149(2) (क) से (ग) तक की शर्तों का अनुपालन कर लिया है और व्यापार करने के लिए हकदार है।

यह प्रमाण पत्र आज दिनांक बीस अक्टूबर दो हजार ग्यारह को अहमदाबाद में जारी किया जाता है।

### Certificate for Commencement of Business

Pursuant of Section 149(3) of the Companies Act, 1956

Corporate Identity Number : U40200GJ2011SGC067450

I hereby certify that the GSPL INDIA TRANSCO LIMITED which was incorporated under the Companies Act, 1956(No. 1 of 1956) on the Thirteenth day of October Two Thousand Eleven, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given at Ahmedabad this Twentieth day of October Two Thousand Eleven.

Signature void  
Digitally signed by Registrar of Companies, Gujarat, Dadra and Nagar Haveli  
Date: 2011.10.20 10:51:11  
DN: cn=Registrar of Companies, Gujarat, Dadra and Nagar Haveli

Registrar of Companies, Gujarat, Dadra and Nagar Haveli

कम्पनी रजिस्ट्रार, गुजरात, दादरा एवं नगर हवेली

\*Note: The corresponding form has been approved by RAMDAS GUPTA, Deputy Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006.  
The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता :  
Mailing Address as per record available in Registrar of Companies office:

GSPL INDIA TRANSCO LIMITED  
GSPC BHAVAN, B/H UDYOG BHAVAN, SECTOR-11,  
GANDHINAGAR - 382011,  
Gujarat, INDIA







प्रारूप 1  
पंजीकरण प्रमाण पत्र

कॉर्पोरेट पहचान संख्या : U40200GJ2011SGC067450

2011 - 2012

मैं एतद्वारा सत्यापित करता हूँ कि मैसर्स

GSPL INDIA TRANSCO LIMITED

का पंजीकरण कम्पनी अधिनियम 1956 (1956 का 1) के अंतर्गत आज किया जाता है और यह कम्पनी लिमिटेड है।

यह निगमन पत्र आज दिनांक तेरह अक्तूबर दो हजार न्यूरह को अहमदाबाद में जारी किया जात है।

Form 1  
Certificate of Incorporation

Corporate Identity Number : U40200GJ2011SGC067450

2011 - 2012

I hereby certify that GSPL INDIA TRANSCO LIMITED is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the company is limited.

Given at Ahmedabad this Thirteenth day of October Two Thousand Eleven.

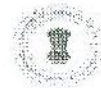
Signature valid  
Digitally signed by Registrar of Companies, Gujarat, Dadra and Nagar Haveli  
DN: cn=Registrar of Companies, Gujarat, Dadra and Nagar Haveli, o=Registrar of Companies, Gujarat, Dadra and Nagar Haveli, ou=Registrar of Companies, Gujarat, Dadra and Nagar Haveli, email=Registrar of Companies, Gujarat, Dadra and Nagar Haveli

Registrar of Companies, Gujarat, Dadra and Nagar Haveli

कम्पनी रजिस्ट्रार गुजरात ददरा एवं नगर हवेली

\*Note: The corresponding form has been approved by VILAS SAMBHAJI HAJARE, Assistant Registrar of Companies and this certificate has been digitally signed by the Registrar through a system generated digital signature under rule 5(2) of the Companies (Electronic Filing and Authentication of Documents) Rules, 2006. The digitally signed certificate can be verified at the Ministry website ([www.mca.gov.in](http://www.mca.gov.in)).

कम्पनी रजिस्ट्रार के कार्यालय अभिलेख में उपलब्ध पत्राचार का पता  
Mailing Address as per record available in Registrar of Companies office.  
GSPL INDIA TRANSCO LIMITED  
GSPC BHAVAN, B/H UDYOG BHAVAN, SECTOR-11,  
GANDHINAGAR - 382011,  
Gujarat, INDIA





**THE COMPANIES ACT, 1956**  
**[COMPANY LIMITED BY SHARES]**  
**MEMORANDUM OF ASSOCIATION**  
**OF**

**GSPL India Transco Limited**

- I. The name of the Company is **GSPL INDIA TRANSCO LIMITED**.
- II. The Registered Office of the Company will be situated in the State of Gujarat.
- III. **A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**
  - 1) To prospect, explore, develop, drill, produce, acquire, store, process, refine liquefy, regassify, transport, transmit, distribute, supply, sell, market, import, export, natural gas (NG), liquefied natural gas (LNG), compressed natural gas (CNG), and other forms of natural gas, hydrocarbons, associated substance, oil and other related liquid or gaseous substances and to set-up, participate in setting-up of ports, import terminals and facilities for receiving, storing, transporting, distributing, supplying, through vessels, tankers, pipelines or any other mode of transportation and regassification, compression, other related processing plants for natural gas, LNG, CNG or other gaseous or liquid hydrocarbons and to carry on the above business in India or abroad." To lay, design, develop, construct, fabricate, install and maintain gas processing / liquefaction / regasification plants, metering station/compressing facility, distribution centres, installation including gas terminals, gas storages, machinery apparatus, pipes, valves, fittings, meters and allied accessories necessary and useful for transportation, distribution, storage of gas in any form or other materials as mentioned above.
  - 2) To generate, accumulate, transmit, distribute, purchase, sell and supply electricity power or any other energy from the conventional/non conventional (e.g. fuel / electricity / hydro / thermal / wind / solar / tidal / bio mass) energy sources for captive use or on a commercial basis to consumers and others or to any State Electricity Board and agency/agencies in the line of activity of energy generation, transmission and distribution and to construct, lay down, establish, acquire, operate and maintain power/energy generating stations, including building, structures, works, machineries, equipment, cables and to undertake or to carry on the business of managing, owing, controlling, erecting, commissioning, operating, running leasing or transferring to third person/s power plants and plants based on conventional or non-conventional energy sources.
  - 3) To act as technical advisors, consultants for undertaking pre-feasibility/market survey, techno economics feasibility reports, detailed project reports, basic know how, design, detailed, engineering including engineering procurement, construction, testing, revamping, design, development, fabrication, installation, maintaining gas processing/liquefaction/regassification plants, distribution centres, gas terminals, gas storages/ power plants and plants based on conventional or nonconventional energy sources.

- #B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE :**
1. To acquire real or leasehold estate and to purchase, lease or otherwise acquire or provide in any place in which any part of the business of the Company may from time to time be carried on, all such offices, warehouses, workshops, buildings, houses for employees and directors, machineries, engines, plants and appliances as may be considered requisite for the purpose of carrying on the business of the Company or any part thereof.
  2. To form, constitute, float, lend money to assist and control similar associations or undertakings whatsoever.
  3. To promote, subsidize and assist companies, syndicates and partnerships of all kind in any manner as may be thought fit in connection with any of the above objects of the Company.
  4. To hold, use, work, manage, improve, carry on, develop the undertaking, lands and movable estate or property and assets of any kind of the Company or any part thereof.
  5. To dispose of any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as may be thought fit and to accept payment or satisfaction for the same in cash or otherwise.
  6. To subscribe for, take or otherwise acquire and hold shares, stocks, debentures or other securities of any other Company having objects altogether or in part similar to those of the Company or carrying on any business capable of being conducted so as directly to benefit the Company.
  7. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, or any other useful institutions in their objects or purposes or for any exhibitions but not for political objects.
  8. To establish and maintain or procure the establishment and maintenance of any contributory or noncontributory pension or superannuation funds for the benefit of and give or procure the giving of donation, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company or who are/were at any Director or officers of the Company or of any such other company as aforesaid and the wives, widows, families and dependants of any such persons and also to establish and subsidise and subscribe to any institutions, associations, club or funds calculated to be for the benefit of or to advance the interest and well-being of the Company or of any such other company as aforesaid and make payment to or towards the insurance of any such persons as aforesaid and to any matters aforesaid either alone or in conjunction with any such other company as aforesaid.
  9. To provide for the welfare of Directors, employees, or ex-employees of the Company and the wives, widows and families of the dependants or connections of such persons by building or contributing for the building, houses, dwelling or quarters, or by grants of money, pensions, gratuities, allowance, bonus, profit sharing bonus or benefits or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds, profit sharing or other scheme or trust and by providing or subscribing, or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendants and other assistance as the Company shall think fit.
  10. To establish, provide, maintain and conduct or otherwise subsidize educational and training institutions, research and development centers, laboratories and experimental workshop for scientific and technical research and experiments and undertake and carry on with all scientific and technical research experiments and tests of all kinds and to promote studies and research both scientific and technical investigation and invention by providing subsidizing or assisting

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**# Pursuant to a Special Resolution passed at the Extra-ordinary General Meeting held on 27th April, 2012.**

laboratories workshops, libraries, lectures, meeting and conferences and by providing the remunerations of scientific or technical professor or teachers and by providing for the award or exhibition, scholarship prizes and grants to students or otherwise and generally to encourage promote and reward studies, researches, investigation, experiment, tests and invention of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.

11. To appoint any Directors or Managers of any subsidiary company or of any other company in which this Company is or may be interested.
12. To aid pecuniarily or otherwise, any association, body or movement having similar object, the solution, settlement or labour problems or the promotion of industry or trade.
13. To acquire and undertake all or any part of the business property and liabilities of any person, company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company which can be capable of being conducted so as directly to benefit the Company and to subsidise or assist any such persons or company financially or otherwise.
14. To vest any movable or immovable property rights or interests acquired by or belonging to the Company in any person or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
15. To lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealing with Company and to guarantee the performance of any contract or obligation and the payment of money to any such person or companies and generally to give guarantee and indemnities.
16. To guarantee the payment of money secured or unsecured by or payable under in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments, of any person whatsoever, whether incorporated or not and generally to guarantee or become sureties for the performance of any contracts or obligations.
17. To undertake and execute any trust, the undertaking of which may seem to the Company desirable either gratuitously or otherwise.
18. To carry on business or branch of a business which this Company is authorised to carry on by means or through the agency of any subsidiary or other companies and to enter into any arrangement with such subsidiary Company for taking the profits and bearing the loss at any business or branch so carried on, or for financing any such business or branch so guaranteeing its liabilities or to make any other arrangements which may seem desirable with reference to any business or branch so carried on including power at any time and either temporarily to close any such branch or business.
19. To pay all preliminary expenses of any company promoted by the Company or any company in which this Company is or may contemplate being interested including in such preliminary expenses all or any part of the cost and expenses of owners of any business or property acquired by the Company.
20. To procure the incorporation, registration or other recognition of the Company in any country, state or place outside India and to establish and maintain local registers and branch places of business in any part of the world subject to law in force.
21. To create any depreciation fund, reserve fund, sinking fund, insurance fund, educational fund or any other special fund or reserves whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purposes conducive to the interest of the Company.
22. Subject to the provisions of the Companies Act, 1956, to place, to reserve or to distribute as dividends or bonus share among the members or otherwise to apply any money received by way of premium on shares or debentures issued at a premium by the Company and any money received in respect of dividends accrued on or arising from the sale of forfeited shares.

23. To establish, promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly, calculated to benefit the Company and to place or guarantee the placing of subscribed for or otherwise acquired all or any part of the shares, business capable of being conducted so as directly or indirectly to benefit the Company.
24. To pay out of the funds of the Company all costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company and the issue of its capital including any undertaking or other commissions, broker's fees and charges in connection therewith and to remuneration (by cash or other assets or by the allotment of fully or partly paid shares) or by a call or option on shares, debentures, debenture-stocks, or securities of this or any other company or in any other manner whether out of the Company's capital or profits or otherwise to any person or persons for services rendered in introducing any property or business to the Company, in placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture-stocks or other securities of the Company as the directors may think proper.
25. To draw, make, accept, endorse, discount, issue, negotiate, assign and otherwise deal with cheques, drafts, bills of exchange, promissory notes, hundies, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
26. To insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect this Company.
27. To open account or accounts with any firm or Company or with any bank or banks or bankers or shroffs to pay into, withdraw money from such account or accounts.
28. To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to the objects or business herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
29. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns and undertakings having similar objects and generally of any assets, property or rights.
30. To take part in the management, supervision and control of the business or operation of any company or undertaking having similar objects and for that purpose to appoint and remunerate any directors, trustees, accountants or other experts.
31. Subject to the provisions of the Act, to pay for any properties, rights or privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash or otherwise.
32. To amalgamate, enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on any business or transaction which may seem capable of being carried on or conducted so as, directly or indirectly to benefit the Company.
33. To lend, invest or otherwise employ or deal with money belonging to or entrusted to the Company in securities and shares or other movable or immovable property or without security upon such terms and in such manner as may be thought proper from time to time, to vary such transactions and investments in such manner as the Directors may think fit subject to the provisions of the Companies Act, 1956.
34. To purchase or otherwise acquire, protect, prolong and renew any patents, rights, inventions, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account the same and to grant licence or privileges in respect of the same.
35. To pay or satisfy the consideration for any property, rights, shares, securities or assets whatsoever which the Company is authorised to purchase, or otherwise acquire either by payment in cash

or by the issue of shares, or other securities of the Company, or in such other manner as the Company may agree to, partly in one mode and partly in another.

36. To search for and to purchase, protect, prolong, renew or otherwise acquire from any Government, State or Authority, any patents, protections, licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account, to work develop, carry out, exercise and turn to account the same.
37. To furtherance of the aforesaid objects of the Company:
  - [a] to enter into negotiations with and enter into arrangements and contracts and conclude the same with foreign and/or Indian parties and other persons for obtaining by grant, licence, and/or on other terms, formulate and other rights and benefits, and to obtain technical and engineering information, assistance and service know-how and expert advice for installation of plant and machinery, production and manufacture of any products, and
  - [b] to pay for technical know-how, technical and engineering assistance and information and/or service rights or privileges acquired by the Company either in shares of the Company or partly in cash or otherwise,
  - [c] to pay to promoters such remuneration and fees and otherwise recompensate them for their time and for the service rendered by them.
38. To do above things as may be incidental or conducive to the attainment of above objects, as principals and as or through agents, brokers, trustees, contractors, either alone or in partnership or in conjunction with others.
39. Subject to the provisions of Sections 58 A of the Companies Act, 1956 and the rules made thereunder and the directives of the Reserve Bank of India, to borrow or raise or secure the payments of money or to receive money on deposit at interest for any of the purpose of the Company and at such time and from time to time and in such manner as may be thought fit and in particular by the issue of debenture or debenture-stocks, convertible into shares of this or any other company or perpetual annuities and as security for any such money so borrowed, raised or received or for any such debentures or debenturestocks so issued to mortgage, pledge or charge the whole or any part of the property, assets, or revenue and profits of the Company present or future including its uncalled capital by special assignments 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 seem expedient and to purchase, redeem or pay off any such securities and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be, provided that the Company shall not carry on banking business as defined in the Banking Regulation Act, 1949.
40. To enter into any agreements and to take all necessary or proper steps with Governments or with other authorities imperial, supreme, national, local, municipal or otherwise of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of carrying out the objects of the Company directly or indirectly or effecting any modifications in the constitution of the Company or furthering interests of its members and to oppose any such steps taken by any other Company, firm or person which may be considered likely directly or indirectly to prejudice the interest of the Company or its members and to promote or assist the promotion, whether directly or indirectly of any legislation which may appear to be in the interests of the Company and to oppose and resist, whether directly or indirectly, any legislation which may seem disadvantageous to the Company.
41. To apply for, promote and obtain any Act of Parliament or legislature, charter, privilege, concession, licence or authorisation of Government, State or Municipality, provisional order or licence of the Board of Trade or other authority for enabling the Company to carry out any of the objects into effect or for extending any of the powers of the Company for effecting any modification of the constitution of the Company for any other purpose which may seem calculated, directly or indirectly to prejudice the interests of the Company.

42. To make and/or receive donations, gifts or income to or from such persons, institution or trusts and in such cases and whether of cash or any other assets as may be thought directly or indirectly to benefit the Company or any of the objects of the Company and also to remunerate any person or corporation introducing or assisting in any manner the business of the Company.
43. To establish and support or aid in the establishment of and support associations, institutions, companies, societies, funds, trusts and conveniences for the benefit of the employees or ex-employees or of persons having dealing with the Company or the dependents, relatives or connections of such persons and in particular friendly or other benefit societies and to grant pensions, allowances and bonuses either by way of annual payments or by way of lumpsum and to make payments towards insurance and to form contribute to provident and benefit funds, or to such persons.
44. To indemnify members, officers, directors, agents and employees of the Company against proceedings, cost, damages, claims and demands in respect of anything done or ordered to be done by them for and in the interest of the Company or any loss, damage or misfortune whatsoever which shall happen in the execution of the duties of their offices or in relation thereto.
45. To establish agencies in India and elsewhere for sale and purchase to regulate and discontinue the same subject to law in force.
46. Subject to the provisions of the Act, the company shall have power to borrow any sum or sums of money for the purpose of the company such terms and conditions and from such person or persons, firms, bank or any financial, industrial, institutions or any government or semi-government corporation as the company may deem fit.
47. To establish, provide and/or market and give on hire all or any of the following infrastructure or service namely : Laying of optical fibre Cable Network, Internet Service Provider (ISP) License, ISP Backbone services for transferring Bandwidth from one place to another telecommunication and information services with or without the help of internet technology including telephone services, cellular telephone services, electronic mail services, net connectivity, E-mail service, internet access services, on line services such as internet technology, video-conferencing, electronic communication services, cellular mobile telephone services or basic telecom services, data communication services and value added infotech, cyber and telecommunication services.
48. To carry on all kinds of exploration business, and in particular to search for prospect, examine and explore mines and ground supposed to contain minerals or precious stones, and to search for and obtain information in regard to mines, mining claims, mining districts and localities and to purchase or otherwise acquire and to sell, dispose off and deal with mines and mining rights and property supposed to contain minerals or precious stones of all kinds and undertakings connected therewith and to work, exercise, develop and turn to account mines, and mining rights and any undertakings connected therewith and to buy, sell, dress, refine, manipulate, prepare for the market and deal in minerals of all kinds.
49. To carry on any other business (manufacturing or otherwise) which may in the opinion of the Board of Directors capable of being conveniently carried on in connection with above objects or any other objects calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

**C. THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE : NIL**

And it is hereby declared that :-

- IV. The liability of the members is limited.
- \*V. The Authorised Share Capital of the Company is Rs. 2200,00,00,000 (Rupees Two Thousand Two Hundred Crores only) divided into 220,00,00,000 (Two Hundred Twenty Crores only) Equity Shares of Rs. 10 each.

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\* Pursuant to an Ordinary Resolution passed at the Extra-ordinary General Meeting held on 31st March, 2012

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

Sr. No.	Names, Addresses, Descriptions, Occupation and Signature of the subscribers	Number of Equity shares taken by each subscriber	Name, Address Description and Occupation of the Common Witness
1.	<b>Gujarat State Petronet Limited</b> Represented by Tapan Ray S/o Durgadas Ray Managing Director GSPC Bhavan, B/h Udyog Bhavan, Sector-11, Gandhinagar-382011 Occupation : Service Sd/-	50000 (Fifty Thousand)	Common Witness to all the subscribers  <b>Kiran Kumar Patel</b> S/o Keshavilal M. Patel B-305, Padmawati Apartment Sector :- 29, Gandhinagar :- 382029  Occupation : Company Secretary CP 6352 Sd/-
2.	<b>Ravindra Agarwal</b> S/o Kailash Baboo B-302, Sukirit Enclave, Near Kaushaliya Bunglows, Ramdevnagar, Satellite Ahmedabad-380015 Occupation : Service Sd/-	10 (Ten)	
3.	<b>Manish Seth</b> S/o Jugal Kishore Seth 181-Vibhusha Bunglows, Nr. Anuradha Aradhana Soc, Bopal-Ghuma Road, Ahmedabad-380058 Occupation : Service Sd/-	10 (Ten)	
4.	<b>Sanjay Sengupta</b> S/o Subodh Sengupta 26, Sunrise Bunglows P.O Indroda, Gandhinagar-382007 Occupation : Service Sd/-	10 (Ten)	
5.	<b>Bose Babu Nallapaneni</b> S/o Narasimha Rao Nallapaneni Plot No-58 Sector-8 Gandhinagar-382008 Occupation : Service Sd/-	10 (Ten)	
6.	<b>Reena Desai</b> D/o Kiranbhai Desai B-5, Navkruti Flats, S M Road, Ambawadi, Ahmedabad, 380015 Occupation : Service Sd/-	10 (Ten)	
7.	<b>Micheal Weir</b> S/o Robert Charles Weir 46-A Safal Vihaan Nr. Eklavya School, Sarkhej Ahmedabad-382210 Occupation : Service Sd/-	10 (Ten)	
	TOTAL	50,060 (Fifty Thousand Sixty)	

Place : **GANDHINAGAR**

Dated this 3<sup>rd</sup> day of October, 2011



THE COMPANIES ACT, 1956  
[COMPANY LIMITED BY SHARES]  
ARTICLES OF ASSOCIATION\*  
OF  
**GSPL India Transco Limited**

TABLE 'A' EXCLUDED

1. **Table 'A' not to apply**

No regulations contained in Table 'A' in the First Schedule to the Companies Act, 1956, or the Schedule to any previous Companies Act, shall apply to this Company, except in so far as the same are repeated, or contained in, or expressly made applicable, by these Articles or by the Act. The regulations for the management of the Company and for the observance of the members thereof and their representatives, shall subject to any exercise of the statutory powers by the Company with reference to the repeal or alteration of, or addition to, its regulations by Special Resolution, as prescribed by the Companies Act, 1956, be such as are contained in the said Articles.

The Company is a Public Company within the meaning of Section 3(1) (iv) of the Companies Act, 1956 and accordingly shall have a minimum paid-up Capital of Rs. 5,00,000 (Rupees Five Lakh) or such higher paid-up Capital as may be prescribed by the Act

**DEFINITIONS AND INTERPRETATIONS**

2. (i) The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents, unless there be in subject or context in consistent therewith.
- (ii) In the construction of these Articles unless inconsistent with the context, the singular shall include the plural and the masculine shall include the feminine and vice versa, and persons shall include bodies corporate, and the following words and expression shall have the following meanings:
- (1) "**Act**" shall mean the Companies Act, 1956 and includes any statutory modifications thereto or reenactment or replacement thereof;
- (2) "**Affiliate**", with respect to any Person, shall mean any other Person which, (a) is a holding company or subsidiary company of such first named Person or any subsidiary company of first named Person's Holding Company; or (b) directly owns or Controls such first named Person; or (c) is directly owned or Controlled by such first named Person.

Provided that neither the Government of Gujarat (GoG) nor any company Controlled by it shall be considered an Affiliate of GSPL unless such company independently satisfies criteria laid down in (a) to (c) above. Accordingly any GoG controlled entity (except GSPC) shall not be an Affiliate of GSPL by virtue of common control.

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\* New set of Articles adopted pursuant to a Special Resolution passed at the Extraordinary General Meeting held on 13<sup>th</sup> June, 2012.

Provided further that neither the Government of India (GoI) nor any Company Controlled by it shall be considered an Affiliate of either of IOCL, BPCL or HPCL unless such Company independently satisfies criteria laid down in (a) to (c) above. Accordingly, any GoI controlled entity shall not be an Affiliate of IOCL, BPCL or HPCL, as the case may be, by virtue of common control.

- (3) **“Annual General Meeting”** means the annual general meeting of the members of the Company held each year in accordance with the provisions of the Act;
- (4) **“Applicable Law”** means any and all applicable laws, including orders, rules, directions, regulations, and notifications made there under and judgments of any Court within India, code or standard (including environmental standards) issued by any Governmental Authority in India or any of the above as amended from time to time.;
- (5) **“Appropriate Government”** shall mean the Government of India when used with reference to IOCL, BPCL and /or HPCL and shall mean Government of Gujarat when used with reference to GSPL.
- (6) **“Articles of Association”** or **“AoA”** means the Articles of Association of the Company as amended from time to time.
- (7) **“Assets”** means any assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as now operated, hired, rented, owned or leased by a Person, including cash, cash equivalents, receivables, securities, accounts and notes receivable, real estate, plant and machinery, equipment, trademarks, brands, other intellectual property, raw materials, inventory, furniture, fixtures and insurance.
- (8) **“Auditors”** means the entity appointed as statutory auditors of the Company in accordance with the provisions of the Act;
- (9) **“Beneficial owner”** means a person or persons whose name is recorded as such with a depository;
- (10) **“Board”** or **“Board of Directors”** means the Board of Directors of the Company;
- (11) **“Board Meeting”** means the meeting of Board of Directors of the Company.
- (12) **“BPCL”** means Bharat Petroleum Corporation Limited and its successor and permitted assigns;
- (13) **“Business”** The business of the Company shall include and not be limited to the design, construction, development, operation and maintenance of the Project and developing requisite infrastructure for implementation of Project, upon receipt of necessary approvals and authorizations under Applicable Law.
- (14) **“Business Day”** means any day of the week (excluding Sundays and public holidays) on which commercial banks are open for business in Ahmedabad, India;
- (15) **“Business Plan”** means the Business Plan set out in the Article 136
- (16) **“Chairman”** means the chairman of the Company.
- (17) **“Closing”** means the issue and allotment of the Equity Shares to Promoters and completion of all other related activities.
- (18) **“Closing Date”** means the date of Closing.
- (19) **“Company”** shall mean GSPL India Transco Limited.
- (20) **“CGD”** or **“City Gas Distribution Network”** shall mean an interconnected network of gas pipelines and the associated equipments used for transporting natural gas from a bulk supply high pressure transmission main to the medium pressure distribution grid and subsequently to the service pipes supplying natural gas to

domestic, industrial or commercial premises and CNG stations situated in a specified geographical area.

- (21) **"Competitor"** shall mean:
- (i) an entity (other than a Promoter or its Affiliate), or an Affiliate of such entity, engaged in business of Gas infrastructure development and/or Transmission and/or Distribution and /or marketing/ trading/ import of Natural Gas; or
  - (ii) Any person (other than a Promoter or its Affiliates), who directly or indirectly, holds more than 20% of the issued and paid up equity share capital of such entity (excluding a financial investor); or
  - (iii) Any person (other than a Promoter or its Affiliates), in which such entity, directly or indirectly, holds more than 20% of the issued and paid up equity share capital (excluding a financial investor);
- (22) **"Control"** shall mean the power and ability to direct the management and policies of the controlled Person, whether through ownership of more than 50% of the voting shares of the controlled Person or by having the right to appoint majority directors of such Person or any right to control management, and the terms "Controls" and "Controlled by" and "under common Control" shall be construed accordingly;
- (23) **"Depository"** shall mean a Depository as defined in Section 2(1)(e) of the Depositories Act, 1996.
- (24) **"Director"** means a member of the Board of Directors of the Company;
- (25) **"Dividend"** shall include interim dividend and bonus;
- (26) **"Draw-down Schedule"** means the schedule of funds requirement for the Project as decided by the Board of Directors, as the case may be, detailing the quantum and periodicity of equity funds and debt funds required for the Project.
- (27) **"Encumbrances"** means any mortgage, charge, lien, claim, option, power of sale in favour of a Third Party, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest or an agreement, arrangement or obligation to create any of the foregoing ;
- (28) **"Equity Shares"** means the equity shares of the Company with a face value of Rs. 10 each or of such value as may be specified in the Memorandum of Association of the Company from time to time.
- (29) **"Fair Market Value"** means the fair market value of the Equity Shares, which shall be determined on the basis of the Company as a going concern. Such valuation shall be conducted by an Independent Expert and shall inter-alia consider various parameters such as the potential earnings, the goodwill of the Company, etc when calculating the fair market value of the Equity Shares. Such fair market value shall be determined considering an arm's length sale between a willing seller and a willing buyer.
- (30) **"Fully Diluted Basis"** means that the calculation is to be made assuming that all outstanding convertible securities (other than the Debentures), convertible loans, options including stock options (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof;
- (31) **"General Meeting"** shall mean and include general meeting of the members of the Company whether an Annual General meeting or an Extraordinary General meeting;
- (32) **"Governmental Authority"** means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law,

rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof.

- (33) **"GSPC"** means Gujarat State Petroleum Corporation Limited and its successor entities.
- (34) **"GSPL"** means Gujarat State Petronet Limited and its successors and permitted assigns
- (35) **"HPCL"** means Hindustan Petroleum Corporation Limited and its successors and permitted assigns
- (36) **"Indian GAAP"** means, in respect of any company, generally accepted accounting principles, standards and practices as applicable in India;
- (37) **"IOCL"** means Indian Oil Corporation Limited and its successors and permitted assigns
- (38) **"IPO"** means the initial public offering of the Equity Shares in accordance with Applicable Law.
- (39) **"Lenders"** shall mean the lenders advancing the money to the Company pursuant to the any Loan Agreement;
- (40) **"Lock-In Period"** means a period of five (5) years from the date of Incorporation of the Company.
- (41) **"Member(s) or Shareholder(s)"** unless otherwise provided, shall mean registered holder(s) of the Equity shares of the Company whose names are entered in the Register of Members.
- (42) **"Memorandum of Association" or "MoA"** means the Memorandum of Association of the Company
- (43) **"Natural Gas"** means gas obtained from bore-holes and consisting primarily of hydrocarbons and includes: (i) regasified liquid natural gas; (ii) compressed natural gas; (iii) gas imported through transnational pipe lines, including CNG or regasified liquid natural gas; (iv) gas recovered from gas hydrates as natural gas; (v) methane obtained from coal seams, namely, coal bed methane, but does not include helium occurring in association with such hydrocarbons;
- (44) **"Office"** shall mean the registered office of the Company for the time being;
- (45) **"Paid-Up Capital"** means the aggregate number of issued and paid up Equity Shares of the Company;
- (46) **"Person"** means any individual, corporation, partnership, limited liability company, joint venture, association or trust or any other entity or organization and may include a Promoter hereto;
- (47) **"Project"** means design, construction, development, operation and maintenance of the cross country Natural Gas transportation pipelines in respect of which Letter of Authorization has been awarded to the consortium comprising of Promoters as per letter no. Infra/ PL/ BID/ MBBVPL/ 01/ 2011 dated 7<sup>th</sup> July, 2011 (Mallavaram – Bhilwara-Bhopal-Vijaipur Natural Gas Pipeline project).
- (48) **"Promoter"** shall mean any of the GSPL, IOCL, HPCL or BPCL and all collectively shall be referred as the Promoters.
- (49) **"Register" or "Register of Members"** shall mean the register of members to be kept pursuant to the provisions of the Act.
- (50) **"Rupee" and "Rs."** means lawful currency of the Republic of India
- (51) **"Seal"** shall mean the common seal of the Company;

- (52) "SEBI" means the Securities and Exchange Board of India.
- (53) "Securities" means securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 and includes hybrids or derivatives.
- (54) "Share Capital" means the total issued share capital of the Company;
- (55) "Shares" shall mean Equity Shares of the Company.
- (56) "Shareholders' Meeting" means the meeting of Shareholders of the Company.
- (57) "Shareholding Percentage" Shareholding of each Promoter in the Company shall be in percentage given below
- (a) GSPL: 52% (fifty two per cent) of the total Paid-Up Capital;
  - (b) IOCL: 26% (twenty six per cent) of the total Paid-Up Capital;
  - (c) BPCL: 11% (eleven per cent) of the total Paid-Up Capital;
  - (d) HPCL: 11% (eleven per cent) of the total Paid-Up Capital
- (58) "Subsidiaries" has the meaning assigned to it in the Act;
- (59) "Transfer" (including with correlative meaning, the terms Transferred, Transferor, Transferee and Transferability) shall mean to sell, transfer, assign, pledge, convey, create an encumbrance on or otherwise alienate or dispose of in any manner whether or not voluntarily.

And subject as aforesaid, in addition to terms specifically defined hereinafter and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.

## **SHARE CAPITAL**

### **Share capital of the Company**

3. The Authorized Share Capital of the Company is as mentioned in Clause V of Memorandum of Association. The issued share capital of the Company shall always be fully paid up.

### **Alteration of Share Capital**

4. (a) Subject to the provisions of the Act, the Board may, from time to time, with the sanction of the Company in a general meeting, increase the authorized share capital by such sum to be divided into shares of such amount as the resolution shall prescribe. The Promoters shall be under obligation to subscribe to such share capital in the Shareholding Percentage, up to an enhanced authorised and issued share capital required for completion of the Project, all Equity Shares shall be of the same class and shall be issued on pari-pasu basis.
- (b) Any Capital raised by the creation of new Shares shall be considered part of the original Capital and shall be subject to the provisions herein contained with reference to the transfer and transmissions, forfeiture, lien, surrender, voting and otherwise.

### **Power to Pay Commission and brokerage**

5. The Company may exercise the powers of paying commissions and brokerage subject to and in accordance with the provisions of Section 76 of the Act.

### **Issue of further shares**

6. The Company shall issue fully paid-up shares as may be decided by the Board, to the Promoters in the Shareholding Percentage. Without prejudice to the provisions of these Articles and pursuant to the provisions of Section 81 of the Act, it shall be lawful for the Company to issue further shares in the manner set out in Section 81 of the Act as the Board thinks fit either at par or at a premium (if necessary by increasing the authorized capital of the Company).

The Board may issue and allot shares in the capital of the Company otherwise than for cash including, without limitation, as payment or part payment for any property sold or goods

transferred or machinery supplied or for services rendered to the Company or otherwise and any shares which may be so allotted may be issued as fully paid up and if so issued shall be deemed to be fully paid up shares.

Such shares shall rank pari passu with the existing Shares of the Company except for payment of dividend, which will be proportional basis.

**Shares with differential Voting rights**

7. Subject to Section 86 of the Act, the Company shall have the power to issue shares with differential right as to dividend, voting or otherwise in accordance with the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001 (as amended from time to time).

**Buy-back of shares/ Securities**

8. Notwithstanding any of the provisions of these Articles, the Company shall have the power, subject to and in accordance with the relevant provisions of the Act and other applicable provisions of law, and subject to such approvals, permissions and sanctions, if any, as may be necessary, to purchase, acquire or hold its own shares or other specified securities as defined in the Act, on such terms and conditions and in such manner, and upto such limits as may be prescribed by law from time to time, and make payment out of its free reserves or security premium account of the Company or out of the proceeds of an issue other than fresh issue of shares made, specifically for Buy-Back purpose provided that, nothing herein contained shall be deemed to effect the provisions of Sections 100 to 104 and Section 402 of the Act in so far as and to the extent they are applicable

**ALLOTMENT OF SHARES AND SHARE CERTIFICATES**

**Allotment of shares**

9. Subject to the provisions of these Articles and the Act, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as they think fit and with full powers to give to any person the right to call for the allotment of any shares either at par or at a premium for such time and for such consideration as the Directors may deem fit.

**Acceptance of shares**

10. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of the 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 of the Company shall for the purpose of these Articles be deemed to be a member.

**Trusts not recognized**

11. Save as herein otherwise provided, the Company shall be entitled to treat the person, whose name appears in the register in respect of any shares, as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as required under Section 187C of the Act or by any Applicable Law, be under any obligation to recognize any trust, benami or equitable, contingent or any other claim to interest (future or partial) in such share on the part of any other person whether or not it shall have express or other notice thereof.

**Registered address**

12. Every Member shall from time to time notify in writing to the Company a place in India to be registered as his address.

**Notice of Change of Name of Member**

13. No Member, who shall change his name, shall be entitled to recover any dividend or to vote, until the notice of the change of name be duly given to the Company and all formalities in that connection completed as required by the Directors of the Company in order that such change may be registered in the book of the Company.

**Who may be members**

14. Shares may be registered in the name of any Person, limited Company or other corporate

body. Provided that not more than three persons shall be registered as joint holders of any share.

#### **Share Certificates**

15. Subject to the provisions of the Companies (Issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof, share certificates shall be issued as follows :

The certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of and signed by (i) two Directors and (ii) the Secretary or some other persons duly authorized by the Board for the purpose.

#### **Members' right to certificate**

16. Every Member shall be entitled to one share certificate for all the shares of each class in his name or, if any Member so wishes, to several certificates each for one or more of such shares provided that the Directors may in their absolute discretion refuse to issue or split the share certificates into several certificates of smaller denomination of less than marketable lots, provided further that in the respect of each additional certificate which does not comprise shares in marketable lots, issued by the Directors such sum shall be charged as Directors think fit. Unless the conditions of issue of any shares otherwise provide, the Company shall within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within two month of receipt of the application for registration of the transfer, sub-division, consolidation or renewal of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares.

#### **Particulars to be written on Share certificates and maintenance of Register of members**

17. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the Company set out in the above rules or, in a form as near thereto as circumstances admit against the name of the person to whom it has been issued, indicating the date of issue in respect of any share held jointly by several person, the Company shall not be bound to issue more than one certificate.

#### **As to issue of new certificate**

18. If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or where the pages on the reverse for recording transfers have been duly utilized, then upon surrender thereof to the Company, the Board 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 Board thinks fit being given, a new certificate in lieu thereof shall be given to the person entitled to the shares to which such lost or destroyed certificate shall relate. Where a certificate has been issued in place of a certificate which has been defaced etc. lost or destroyed, it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of share certificate or is a duplicate issued for the one so defaced, etc. lost or destroyed, as the case may be, and in the case of a certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped, punched or printed in bold letters across the face thereof. For every certificate issued under this Article (except when issued on a sub-division or consolidation of share certificates into lots of the market unit or in replacement of those which are old, decrepit, worn-out or where the cages on the reverse for recording transfers have been fully utilized), the Board may charge such expenses incurred by the Company in investigating evidence as it may determine.

### **Particulars of new certificate to be entered in the Register**

19. Where a new share certificate has been issued in pursuance of the last preceding paragraph, particulars of every such certificate shall also be entered in a Register of Duplicate Certificates indicating against the name of the person to whom the certificate is issued, the number and date of issue of the certificate in lieu of which the new certificate is issued and the necessary changes indicated in the Register by suitable cross references in the "Remarks" column. All entries made in the Register of Duplicate Certificates shall be authenticated by the Secretary or such other person as may be authorized by the Board for purpose of sealing and signing the share certificate under Article (15) hereof.

### **Joint Holders**

20. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
- a. The joint-holders of any share shall be liable severally as well as jointly, in respect of all payments, which ought to be made in respect of such share.
  - b. On the death of anyone of such joint-holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit.
  - c. First holder named in the Register of Members may give effectual receipts for any dividend or return of capital payable to such joint-holders.
  - d. Only the person whose name stands first in the Register of members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint-holders.

## **DEMATERIALIZATION OF SECURITIES**

### **Dematerialization**

21. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize or rematerialize its shares and other securities (both present and future) held by it with the Depository and to offer its shares and other securities for subscription in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under, if any.

### **Options for investors**

22. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, then notwithstanding anything to the contrary contained in the Act or in these Articles, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

### **Securities in depositories to be in fungible form**

23. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 153 of the Act shall apply to depository in respect of the securities held by it on behalf of the beneficial owners.

### **Rights of depositories and beneficial owners**

24. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

- (b) Save as otherwise provided in 24(a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of this securities which are held by the depository.

**Service of documents**

- 25. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or such other modes as may be prescribed and the Company would be obliged to service the documents to the beneficial owner as per the details provided by the Depository.

**Transfer/Transmission of Securities held in Demat form**

- 26. Nothing contained in the Act or in these Articles, shall apply to a transfer or transmission of Securities where the company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form in a Depository. In such cases the provisions of the Depositories Act, 1996 as amended from time to time shall apply.

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**Allotment of securities dealt with in a depository**

- 27. Notwithstanding anything in the Act or these Articles, after any issue where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

**Distinctive numbers of securities held in a depository**

- 28. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

**Register and index of beneficial owners**

- 29. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of members and Security holders for the purpose of these Articles.

**Recognize and give effect to any Arrangement / Agreement among the Promoters**

- 30. The Company and the Promoters shall give effect to any arrangement/ agreement between Promoters from time to time. The Company shall carry out activities as per the said arrangement/ agreement and the Promoters shall exercise their voting powers at the Board / Committee of Directors and General Meeting of members in accordance with the said arrangement/ agreement.

**TRANSFER AND TRANSMISSION OF SHARES**

**Transfer of Shares**

**Agreement waiving right to transfers shares**

- 31. Notwithstanding anything contained in any document and subject to Article 33,
  - (i) Any of the Promoters shall not be entitled to Transfer any of its Shares (subscribed from time to time) for a period of Five (5) years from the date of Incorporation of the Company.
  - (ii) After the expiry of period of 5 years from the date of Incorporation of Company, any of the Promoters shall be entitled to transfer its Shares in accordance with the Articles.

### Transfer of Shares by Promoters

32. (A) Transfer of Equity Shares by Promoters shall be in accordance with following provisions:
- (i) In the event that any of the Promoters having a Third Party offer (such Promoter being the "Selling Party") and is desirous of Transferring Equity Shares, after expiry of the Lock-in Period, following information shall be immediately provided to the Company and the Promoters:
    - Name and details of Third Party ("Third Party Purchaser")
    - No. of Equity Shares offered ("Offered Shares")
    - Price per Equity Share offered by the Third Party Purchaser, ("Third Party Price"); and
    - Payments Terms i.e. schedule of payment of consideration by Third Party to Selling Party ("Payment Terms")
  - (ii) Upon receipt of the notice from the Selling Party as aforesaid, the Non-Selling Parties shall appoint the Independent Expert within Ten (10) days to determine the Fair Market Value of Equity Share of the Company ("Determined Value"). In case the Non-Selling Parties fail to appoint the Independent Expert within 10 days as aforesaid, the Board shall appoint the Independent Expert within next Five (5) days. The Independent Expert shall give report containing Determined Value to the Company and to each of the Promoters within Fifteen (15) days of its appointment.
  - (iii) upon receipt of the report of Independent Expert as aforesaid, the Selling Party shall have the right to determine whether it proposes to proceed with the Transfer of Offered Shares at a price per Equity Share equal to the Determined Value and on Payment Terms.;
  - (iv) In the event that pursuant to sub-clause (iii) above, the Selling Party proposes to proceed with the Transfer of the Offered Shares, the Selling Party shall give a notice of its intent to Transfer ("Notice of Intent") to each of the remaining Parties ("Non-selling Parties") within Seven (7) days of receipt of the report of Independent Expert containing Determined Value.
  - (v) Pursuant to receipt of the Notice of Intent, each of the Non-Selling Parties may exercise any one of the following options:
    - (a) To require the Selling Party to sell the Offered Shares at the Determined Value and on the Payment Terms to such Non-Selling Parties (such right being the "ROFR Option"); or
    - (b) To participate in the Transfer along with the Selling Party by offering the proportionate number of Shares for Transfer whether to the Third Party or to any other Non-Selling Party at the Determined Value (in case of Transfer to ROFR Parties) or at Third Party Price (in case of Transfer to Third Party Purchaser) and on the Payment Terms (such right being the "Tag Along Option")

The Non-Selling Parties who choose ROFR Option are referred to as "ROFR Parties" and the Non-Selling Parties who choose Tag Along Option are referred to as "Tag Along Parties".

The ROFR Parties shall intimate its decision to exercise ROFR Option through a written notice to the Selling Party (such written notice being "ROFR Notice") within Seven (7) days of receipt of Notice of Intent. The Tag Along Parties shall intimate its decision to exercise Tag Along Option through a written notice to the Selling Party (such written notice being "Tag Along Notice") within Seven (7) days of receipt of Notice of Intent. It is clarified for abundant caution that both the ROFR Notice as well as Tag Along Notice shall be binding on the

respective Promoters and shall evidence binding obligation of such Promoters towards exercise of ROFR Option or Tag Along Option as the case may be.

- (vi) In case one or more of the Non-Selling Parties exercise the ROFR Option and none of the Non-Selling Parties exercise Tag Along Option, the Selling Party shall offer the Offered Shares to all the ROFR Parties in proportion of their inter-se Shareholding Percentage in the Company. It is clarified for abundant caution that ROFR Option shall be exercised in respect of all (and not less than all) of the Offered Shares. The Transfer of the Offered Shares shall be completed within Sixty (60) days of receipt of the ROFR Notice.
- (vii) In case one or more of the Non-Selling Parties exercise Tag Along Option and none of the Non-Selling Parties exercise ROFR Option, the Selling Party shall offer the Third Party Purchaser to purchase Offered Shares as well as proportionate number of Shares offered by the Tag Along Parties through the Tag Along Notice also. However, in case the Third Party Purchaser does not agree to purchase any Shares in addition to the Offered Shares, the Selling Party and each of the Tag Along Parties shall Transfer such number of Shares as are in proportion to their Shareholding Percentage at that point of time. The Transfer to Third Party Purchaser shall take place at Third Party Price. The Selling Party shall cause the Transfer of the Offered Shares and any additional Shares (if any) to be completed within Sixty days of receipt of the Tag Along Notice.
- (viii) In case one or more Non-Selling Parties exercise ROFR Option and rest of the Non-Selling Parties exercise Tag Along Option, the Selling Party shall offer the Offered Shares as well as proportionate number of Shares offered by Tag Along Parties through Tag Along Notice to ROFR Parties. However, in case the ROFR Parties do not agree to purchase any Shares in addition to Offered Shares, the Selling Party and each of the Tag Along Parties shall Transfer such number of Shares as are in proportion to their Shareholding Percentage at that point of time. In case there are more than one ROFR Parties, the obligation of ROFR Parties to purchase the Offered Shares or any additional Shares shall be in proportion to the inter-se Shareholding of such ROFR Parties. The Selling Party shall cause the Transfer of the Offered Shares and any additional Shares (if any) to be completed within Sixty days of receipt of the Tag Along Notice.
- (ix) In case none of the Non-Selling Parties exercise either the ROFR Option or the Tag Along Option within Seven (7) days of receipt of the Notice of Intent as per sub-clause (v) above, the Selling Party shall be free to Transfer the Offered Shares to the Third party Purchaser at Third Party Price (being not less than the Determined Value) and on the Payment Terms within 60 days of expiry of Seven days period as aforesaid. Such Third Party must be financially sound and reputed party.
- (x) Any Promoter may Transfer its Equity Shares to any of its Affiliate only with the prior written consent of the all the other Promoters, which shall not be unreasonably withheld.
- (xi) Notwithstanding anything contained in these Articles, in the event that the proposed Transferee is a "Competitor" of either the Company or of Non Selling Party, then such Transfer shall be effected only with the prior written approval of all the Non-selling Parties and such approval shall not be unreasonably withheld.
- (xii) Independent Expert :  
If at the time an Independent Expert is required to undertake any valuation or perform any other task contemplated hereunder, each of the Promoter shall suggest the name of one reputed Category-I Merchant Banker having capability and adequate relevant experience to carry out fair market valuation. Out of panel of the suggested firms, tender will be invited to select the most competitive bidder as the Independent Expert.

All costs related to the Independent Expert and Valuation exercise shall be borne by the Selling Party.

- (B) Any Transfer of Equity Shares as contemplated above, shall only be permitted subject to the satisfaction of the following conditions:
- (i) Where the Transferee is a Third Party, prior to any Equity Shares being Transferred to it, execute a Deed of Adherence and agree to be bound by the terms of these Articles, as though an original Promoter hereto, unless otherwise agreed among all the remaining Promoters and the incoming new shareholder.
  - (ii) Where the Transferee is an Affiliate of the Promoter which has effected the Transfer,
    - (a) the Transferee shall at all times remain an Affiliate of the relevant Promoter. In the event that the entity ceases to be an Affiliate of the relevant Promoter, the entity shall forthwith retransfer the Equity Shares held by it to the relevant Promoter;
    - (b) prior to Transfer of Equity Shares to an Affiliate, such Affiliate shall execute a Deed of Adherence agreeing to be bound by the terms of these Articles, as though an original Promoter hereto;
    - (c) It is hereby clarified that in respect of any Equity Shares held by the Affiliate(s) of any Promoter, the Affiliate(s) shall have no independent rights and all such rights shall be exercised by the Promoter based on the aggregate shareholding i.e., shareholding of the Promoter along with its Affiliate(s).

#### **Privatization**

33. Notwithstanding anything contained in the Articles, the Promoters agree that when Appropriate Government decides to divest its controlling stake in any Promoter consequent to which such Promoter may become a non-government company and the Appropriate Government also gives specific directions to such Promoter to Transfer its Equity Shares in the Company, then such Promoter shall be entitled to Transfer its Equity Shares in the Company, subject to provisions of Article 32.
34. Subject to provisions of these Articles shares in the Company shall be transferred as required under applicable law.

#### **Transmission of Shares**

35. Subject to the provisions contained herein, any person becoming entitled to shares in consequence of the death, lunacy or insolvency of any Member, may with the consent of the Board (which they shall not be under any obligation to give) be registered as a Member in respect of such shares upon producing proper evidence of the grant of probate or Letters of Administration or Succession Certificate or such other evidence that sustains the capacity in which he proposes to act under this Article.

#### **Nomination**

36. Subject to, and in accordance with, section 109 A and 109 B of the Act:
- (a) Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner, as notified by the Company, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.
  - (b) Where the shares in, or debentures of, the Company are held by more than one person jointly the joint holders may together nominate, in the prescribed manner, as notified by the Company, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
  - (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner, as notified by the Company, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder

or holder of debentures of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner as notified by the Company.

- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint in the prescribed manner, as notified by the Company, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.
- (e) Any person who becomes a nominee by virtue of the provisions of section 109A, or the Articles herein, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-
  - a) to be registered himself as holder of the share or debentures, as the case may be; or
  - b) to make such transfer of the share or debentures, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.
- (f) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.
- (g) All the limitations, restrictions and provisions of the Act and these Articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.
- (h) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.
- (i) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.

#### **Register of Transfers**

37. The Company shall keep a book to be called "The Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares in the Company.

#### **Form of Instrument of Transfer**

38. The instrument of transfer of any share shall be in writing and all provisions of Section 108 of the Act and of any statutory modification thereof, for the time being shall be duly complied with in respect of all transfers shares and of the registration thereof.
39. The Company shall not record any such Transfer or such agreement or arrangement on its books or register and shall not recognize or register any equitable or other claim to, or any interest in, such Equity Shares which have been Transferred in any manner other than as permitted under these Articles.

40. Each certificate evidencing the Equity shares of the Company issued pursuant to these Articles, if the same are in physical form, shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO ALL THE TRANSFER RESTRICTIONS (INCLUDING WITHOUT LIMITATION, THE RESTRICTION ON TRANSFER OF SHARES FOR 5 YEARS FROM THE DATE OF INCORPORATION OF COMPANY EXCEPTING UPON PRIVITIZATION OF ANY PROMOTER COMPANY AND AS PER PROVISIONS OF ARTICLE 33) AS PER THE ARTICLES OF ASSOCIATION OF THE COMPANY AND ALL TRANSFERS NOT IN ACCORDANCE WITH THE ABOVE AND THE ARTICLES OF ASSOCIATION OF THE COMPANY, SHALL BE VOID."

41. The Promoters shall not, directly or indirectly, Transfer any Equity Shares of the Company or any legal or beneficial interest therein, except in compliance with these Articles.

**Refusal to register transfer**

42. Notwithstanding anything contained in these Articles and subject to the provisions of Section 111 of the Act and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules and Regulations made there under and other applicable laws, the Directors may in their absolute discretion decline to register any transfer of shares in accordance with the provisions of these articles.

The Company may decline to register a transfer of shares in respect of the shares upon which the Company has a lien or whilst any monies in respect of the shares desired to be transferred or any of them remain unpaid or where the Promoters have agreed to waive the right to transfer shares for a specific period of time and such refusal shall not be affected by the fact that the proposed being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

**Transfer to insolvent or person of unsound mind**

43. No transfer shall be made to an insolvent or a person of unsound mind.

**Transfer to be left at Office and evidence given**

44. Every instrument of transfer shall be left at the Office, duly stamped for registration accompanied by the certificate of the shares to be transferred such other evidence as the Company may require to prove the title of transferor or his right to transfer the shares, the transferee shall (subject to the Directors' right to decline to register hereinbefore mentioned) be registered as a Member in respect of such shares. The Directors may waive the production of any certificate upon satisfactory evidence to them of its loss or destruction and upon such terms as to, indemnifying the Company or otherwise as the Board may think fit.

**Where transfer to be retained**

45. All instruments of transfer which shall be registered shall be retained by Company but any instrument of transfer which the Directors decline to register shall be returned to the person depositing the same. The Directors may, however, cause to be destroyed all instruments of transfer (including those relating to debentures) lying with the Company after such period as Directors think fit, not being less than five years from the date of approval of transfer.

**Transfer Fee**

46. No fee shall be charged by the Board for transfer and on registration of each probate, letters of administration, certificate of death or marriage, power of attorney or other instrument.

**Closing of Transfer Books and Register**

47. The transfer Books and Register of members may, on giving seven days' previous notice by advertisement in terms of Section 154 of the Act, be closed during such time as the Board think fit not exceeding in the whole 45 (forty-five) days in each year and not exceeding 30 (thirty days) at any one time.

**Persons recognized on death of Shareholder**

48. On the death of any Member (not being one of several joint-holders of a share) the executors, legal heirs or administrators of such deceased Member or the person or persons to whom

succession Certificate has been granted by a competent court in respect of the shares held by such deceased members shall be the only persons recognized by the Company as having any title to such shares.

**Representative Shareholder to be registered or nominate another person**

49. Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member (herein referred to as a person entitled by transmission) shall produce to the Company such evidence as may be reasonably required by the Board to prove his title including in the case of death a Grant of Probate or Letters of Administration or Succession Certificate, as the case may be, from some competent Court in India and declare in writing his election either to be himself registered as a Member in respect of the share or instead of being registered himself to make such transfer as the deceased, bankrupt or insolvent person could have made.

**Registration of representative shareholder or his nominee**

50. If any person entitled to any shares by transmission shall give the required proof of his title and shall declare his election to be himself registered as a Member of the Company, the Directors may (but without any obligation on their part to do so) upon payment of such fee as shall be fixed by the Board place his name upon the Register in respect of the said shares and if such person as aforesaid shall give the requirement proof and nominate some other persons to be registered the person so nominating and the person so nominated shall respectively as transferor and transferee execute an instrument of transfer and the name of the transferee may subject to the regulations as to transfers hereinbefore contained, upon payment of such fee as shall be fixed by the Board, be placed upon the Register in respect of the said shares.

**Directors' right to refuse registration**

51. The Board shall have the same right to refuse to register the persons entitled to any shares by reason of the death, bankruptcy, insolvency, lunacy or infancy of any Member or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

**Company not liable for disregard of a notice prohibiting registration of a transfer**

52. The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by an apparently legal owner thereof (as shown or appearing in the register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any books of the Company and the Company shall not be bound or required to attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit. However, the Company shall be liable where a specific waiver of right to transfer shares has been agreed to between the Promoters and reflected in the Articles of Association of the Company.

**INCREASE AND REDUCTION OF CAPITAL**

**Capital Structure**

53. GSPL, IOCL, HPCL and BPCL shall, unless they unanimously agree otherwise, ensure that Shares in the Company are subscribed and held in the following proportion:

GSPL : 52 %

IOCL : 26 %

BPCL : 11 %

HPCL : 11 %

GSPL, IOCL, HPCL and BPCL shall pay for the Shares subscribed to by them after making adjustments for advances paid and / or all expenses including the preparation and submission of bids, incorporation of Company, Project studies or any other expenditure in relation to the Project incurred by any of them.

Provided that in case the Shares are transferred by Promoter(s) to any Third Party in accordance with the provisions of Articles 31, 32 or 33, the Shares shall be issued and subscribed by the then existing Promoter(s) and new shareholder(s) (who has signed Deed of Adherence in accordance with the provisions of these Articles) in proportion of Shares held by them at that point of time.

#### **Increase of Capital & terms of issue of new shares**

54. The Board may with the sanction of the Company in General meeting, if required, from to time by an ordinary resolution, increase the Share Capital by the creation of new shares of such amount as may be deemed expedient and as prescribed by such Resolution.

If the Company decides to raise paid-up equity share capital by issue of Equity Shares, the Company shall do the same in accordance with the provisions of the Act and Article 53. The Promoters / Shareholders shall be obliged to subscribe and pay share subscription money/ call money to the designated bank account within the time as may be decided by the Board of Directors.

#### **Equity Contributions & Cash Calls**

55. (i) The equity funds requirement of the Project shall be raised by the Company by issuing cash call to each of the Promoters as per the Drawdown Schedule and the Promoters agree and undertake to contribute accordingly. The Company shall ensure compliance with the Shareholding Percentage at all the times while raising the cash call and shall raise the cash calls accordingly. Such cash calls shall, unless otherwise provided, be made by the Board in the last week of each month preceding the month in which the cash call falls due as per the Drawdown Schedule, by issuance of a notice (each such notice being a "Cash Call Notice") specifying the amount to be contributed by each Promoter ("Cash Call Amount") and the date by when such contribution shall be made ("Cash Call Due Date"). Provided however, that notwithstanding the Drawdown Schedule, the Board shall have the absolute discretion, in case of emergencies (as determined by the Board) to issue Cash Call Notice on the Promoters, from time to time, after giving minimum 15 days notice. However, any Cash Call Notice must be accompanied by a fund utilization certificate ("Fund Utilization Certificate") in respect of funds utilized by the Company on the date of the Cash Call Notice. Such Fund Utilization Certificate shall be signed by the CFO of the Company. To the extent possible the Company will also provide details of proposed utilization of amount to be subscribed through Cash Call Notice.
- (ii) If any Promoter fails to contribute the Cash Call Amount pursuant to any Cash Call Notice, by the Cash Call Due Date, such Promoter shall be liable to pay to the Company the Cash Call Amount as per the Cash Call Notice, along with interest calculated on such Cash Call Amount at the rate of SBI Base Rate + 4% per annum from the Cash Call Due Date till the date such Cash Call Amount is received by the Company unless otherwise decided by the Board.
- (iii) If the Cash Call Amount along with interest is not received from any of the Promoters by the Company ("Non-paying Party") within fifteen (15) days from the Cash Call Due Date, the Company shall issue remedy notice to such Promoter ("Remedy Notice"). Upon receipt of such Remedy Notice, such Promoter shall be liable to forthwith pay Cash Call Amount together with interest as applicable within a period of 10 (ten) days from the date of the Remedy Notice, failing which all the rights of the Non-paying Party shall be suspended immediately upon the expiry of Remedy Notice and nominee Directors of Non-paying Party shall be deemed to have vacated their offices. Further the consequences set forth below shall follow.

- (iv) Further, the Board shall appoint an Independent Expert within 7 days of expiry of the Remedy Notice Period. The Independent Expert so appointed shall submit a report containing the Fair Market Value of the Equity Share of the Company in accordance with the terms of these Articles within 15 days of the appointment. Within ten (10) days of receipt of the report of the Independent Expert as above, all the remaining Promoters ("Paying Party") may choose either of the following:
  - a. The Paying Party, by issuing a written notice to the Non-paying Party (Buy-out Notice or Purchase Notice), require the Non-paying Party to sell to it in their inter-se shareholding, all, but not less than all, of the Equity Shares held by the Non-paying Party at 80% of the Fair Market Value of the Shares held by the Non-paying Party within thirty (30) days of the receipt of the Buy-out Notice. The Non-paying Party shall be bound to transfer its Equity Shares in accordance with the said Buy-out Notice. The Non-paying Party shall receive the aforesaid consideration after transfer of Equity Shares to Paying Party.
  - b. A Paying Party may, by issuing a written notice to the Non-paying Party (Sell-out Notice) require the Non-paying Party to buy all of the Equity Shares held by such Paying Party at 125% of Fair Market Value of such Equity Shares within thirty (30) days of the receipt of the Sell-out Notice. The Sell-out Notice shall be binding on the Non-paying Party and the Paying Party will transfer Equity Shares after receipt of aforesaid consideration in full from the Non-paying Party.
- (v) The Promoters shall contribute to further Equity Shares as per Drawdown Schedule to meet the project costs including any escalation thereof, if any. Further, the Promoters shall provide an undertaking to this effect if required by the Lenders of the Company.
- (vi) In case, the Promoters decide to undertake an Offer for Sale of shares as per SEBI guidelines to get the benefits of listing of the Company's Shares and there is proportionate reduction in the agreed Shareholding Percentage, the Promoters will use their reasonable endeavours to renegotiate in good faith, the rights of the Promoters.

**New capital to be considered part of original unless otherwise provided**

- 56. Any capital raised by the creation of new shares shall unless otherwise provided by the conditions of issue, be considered as part of the original capital and shall be subject to the same provisions with reference to the payment of calls, transfer and transmission of shares, lien or otherwise as if it had been part of the original capital.

**Reduction of Capital by paying off or by canceling capital**

- 57. Subject to the provisions of Section 100 to 105 of the Act the company may, from time to time, by Special Resolution reduce its Share capital in any way authorized by law and in particular by paying off capital or canceling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and the Directors may subject to the provisions of the Act, accept surrender of Shares.

**SUB-DIVISION AND CONSOLIDATION OF SHARES**

**Reduction of Capital and alteration of amount and denomination of shares**

- 58. The Company may in General Meeting by ordinary resolution alter the conditions of its Memorandum as follows:
  - a. Consolidate and divide all or any of its share capital into shares of larger amount than its existing Shares
  - b. Sub-divide its existing shares into shares of smaller amount than originally fixed by the Memorandum of Association subject to provisions of clause (d) of Sub-clause (1) of Section 94 of the Act.
  - c. Cancel any shares which at the date of such General Meeting have not taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

### **Sub-division into Preferred and Ordinary**

59. The Resolution whereby any share is sub-divided if confirmed, by a resolution passed by the class of shareholders whose rights will be affected thereby passed in manner prescribed in this Article, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantages as regards dividends, capital, voting or otherwise over or as compared with the other subject nevertheless to the provisions of Section 87 of the Act.

## **MODIFICATIONS OF RIGHTS**

### **Power to modify rights**

60. Whenever the capital is divided into different classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of Section 106 and 107 of the Act be modified, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or is (b) confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of not less than three-fourths of those shares, and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis, apply to every such meeting, but so that the quorum thereof shall be the Members holding or representing by proxy or attorney one-fifth of the nominal amount of the issued shares of that class. This article is not to derogate from any power the Company would have had if this Article were omitted.
61. A person entitled to a share by transmission shall, subject to the right of the Board to retain such dividends or money as herein provided, be entitled to receive and may give discharge for, any dividends or other moneys payable in respect of the share.

### **Register of Charges etc**

62. The Board shall cause a proper register to be kept in accordance with the Act, of all mortgage, debentures and charges specifically affecting the property of the Company and shall cause the requirement of the Act in that behalf to be duly complied with. The Company shall have power to keep in any State or country outside India a branch Register of Debenture Holders resident in that State or Country.

## **GENERAL MEETING**

### **When Annual General Meeting to be held**

63. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act, and subject to the provisions of Section 166(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called an "Annual General meeting" and shall be specified as such in the notice convening the meeting.

Every Annual General Meeting shall be called at such times during business hours and on such days (not being a public holiday) as the Board may from time to time determine; and it shall be held either at the Registered Office of the company or at such other place in the same city, town, village where the Registered office of the company is situated

### **Extra Ordinary General Meeting**

64. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings.

### **When Extra Ordinary General Meetings to be called**

65. The Board may, wherever it thinks fit, and it shall, on the requisition of such number of members who hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting forthwith proceed to call an Extra-ordinary General meeting, and in the case of such requisition the following provisions shall apply :

- (1) The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Office. The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (2) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the Member or members herein before specified.
- (3) If the Board does not, within twenty-one days from the date of deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of these matters on a day not later than forty-five days from the date of deposit, the requisitionists or such of them as are enabled so to do by virtue of Section 169(6)(b) of the Act may themselves call the meeting but any meeting so called shall not be held after three months from the date of deposit.
- (4) Any meeting called under this Article by the requisitionists shall be called in the same manner as nearly as possible as that in which meetings are to be called by the Board but shall be held at the Office.
- (5) Where two or more persons hold any shares jointly a requisition or notice calling a meeting signed by one or some of them only shall for the purpose of this Article have the same force and effects as if it had been signed by all of them.
- (6) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as are in default.

**Business at meeting called by requisition**

66. In the case of an Extra-ordinary Meeting called in pursuance of requisition, no business other than that stated in the requisition as the objects of the meeting shall be transacted.

**Notice of meeting**

67. (1) A general meeting of the Company may be called by giving not less than twenty-one days' clear notice in writing, specifying the place, day and time of the meeting with a statement of business to be transacted thereat.
- (2) A general meeting may be called after giving shorter notice than that specified in clause(1) of this Article if consent is accorded thereto:
- a. in case of an annual general meeting, by all the members entitled to vote thereat, and
  - b. in the case of any other meeting subject to the provisions of Section 171 of the Act, by members of the Company holding not less than 95% (ninety-five percent) of the voting rights.

Notice of every meeting of the company shall be given to every member of the company, to the Auditors of the company and to any person entitled to a Share in consequence of the death or insolvency of a member in any manner hereinafter authorized for the giving of notice to such persons

Provided that where the notice of General Meeting is given by advertising the same in a newspaper circulating in the neighborhood of the office under sub section 53 of the Act, the statement of material facts referred to in Section (3) of Section 173(2) of the Act need not be annexed to the notice as required by that Section but it shall be specified in the advertisement that the statement has been forwarded to the members of the company

**Content of the Notice**

68. Every notice of the meeting of the Company, shall specify the place and the day and hour of the meeting and shall contain a statement of business to be transacted thereat.

In case of any general meeting other than Annual General Meeting, there shall be annexed to the notice of the meeting, a statement setting out all the material facts concerning the various items of business, including in particular the nature and extent of interest, if any, of every Director, and the Manager, if any. Where any item of business consists of according approval to any documents, the time and place where the document can be inspected shall be specified in the statement aforesaid.

In the notice there shall also appear with reasonable prominence a statement that the Member entitled to attend and vote is entitled to appoint a proxy and that proxy need not be a Member.

**Accidental omission to give notice**

69. The accidental omission to give any such notice to any of the Members or the non-receipt by any Member of such notice shall not invalidate any resolution passed at any such meeting.
70. The Company and the Promoters or their nominees (as the case may be) shall take all actions necessary (including exercise of their voting rights at the annual or extraordinary general meeting of the shareholders (the "Shareholders Meeting"), for the purpose of giving effect to the provisions of these Articles.

**PROCEEDINGS OF GENERAL MEETING**

**Business of Meeting**

71. The ordinary business of Annual General Meeting shall be to receive and consider the Accounts, the balance Sheet and the Report of the Directors, and Auditors, to elect Directors in place of those retiring by rotation and otherwise, and appoint Auditors or other officers, to fix the remuneration of the Auditors, to declare dividends and to transact any other business which under these presents ought to be transacted at an Annual General meeting. All other business transacted at the Annual General Meeting and all business transacted at an Extraordinary General meeting shall be deemed special business.

**No business to be transacted except with previous notice**

72. No General Meeting – Annual or Extra-ordinary – shall be competent to enter upon, discuss, or transact any business which has not been specially mentioned in the notice or notices upon which it was convened.

**No business to be done while Chair vacant**

73. No business except the choice of a Chairman or the adjournment of the meeting shall be transacted or discussed at a General meeting while the Chair is vacant. Further business will be discussed after the chair is occupied

**No business to be done unless a quorum is present**

74. No business shall be transacted at any General meeting unless the requisite quorum is present at the time when the meeting proceeds to business.

**Quorum**

75. In order to constitute a valid quorum for a Shareholders' Meeting, at least 5 members present in person including one representative of GSPL and IOCL each shall be required to be present at such general meeting of Shareholders. The Chairman of the Board shall preside at all general meetings of the Shareholders. If the Chairman is absent or fails to serve as the presiding officer at any such general meeting of Shareholders, a Director nominated by GSPL or its Affiliates on the Board shall preside in the Chairman's place. No Shareholders' Meeting shall be held and no business shall be conducted at any meeting unless a valid quorum as per the requirements of this Article is constituted. If a meeting is held to be inquorate within 30 minutes from the time when the meeting should have begun, the meeting shall be adjourned till the same day of the next week at the same time and same 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, and at such adjourned meeting, the Shareholders present shall constitute the quorum and any resolution duly passed at such meeting shall be valid and binding on the Company, regardless of the presence or otherwise of any Shareholder provided that the agenda for such adjourned meeting shall be identical to the agenda for the original meeting

and no decision shall be taken by the Shareholders at such adjourned meeting on any matter not included in such agenda.

**Adjournment with onset of Meeting**

76. The Chairman may, with the consent of any meeting at which a quorum is present, adjourn the 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 the meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment meeting or for the business to be transacted at an adjourned meeting. If however, a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in case of original meeting.

**Resolution to be Passed by Company in General Meeting**

77. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.

**Question at General Meeting to be decided by show of hands**

78. A resolution in relation to any item referred for the approval of the Shareholders shall be deemed to be passed at a general meeting only if the resolution is passed in accordance these Articles and applicable provisions of the Companies Act.

The Promoters agree that they shall cause their respective representatives to cast their vote as per the recommendation of the Board.

Except where otherwise provided by the Act or by these Articles, every question to be decided by the General Meeting shall in the first instance be decided by show of hands. In case of an equality of votes the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

**What is to be the evidence of the passing of a Resolution where Poll not demanded**

79. At any General Meeting, unless a poll (on or before the declaration of the result of the show of hands) is demanded by the Chairman of his own motion or by a motion moved by a Member or members present in person or by proxy and holding shares in the Company which confer on him/them a voting power of not less than one-tenth of the voting power in respect of that resolution or on which an aggregate sum as prescribed under the Act has been paid up, a declaration by the Chairman that a resolution has been carried or not carried unanimously or by a particular majority and an entry to that effect in the Book of Proceedings of the Company shall be conclusive evidence of the facts without proof of the number or proportion of votes recorded in favour of or against such resolution.

**How a Poll is to be taken**

80. If a poll is demanded it shall (subject to the provisions of the next succeeding Article hereof) be taken in such manner and at such time and place as the Chairman of the meeting directs 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.

**Poll without adjournment**

81. Any poll duly demanded on the election of Chairman of a meeting or in any question of adjournment shall be taken forthwith at the meeting and without adjournment.

**Business may proceed notwithstanding demand for Poll**

82. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the business on which a poll has been demanded.

**Chairman's decision conclusive**

83. The Chairman of the 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. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive

#### **Minutes of General Meeting**

84. Minutes of proceedings of General Meeting shall be kept in terms of Section 193 of the Act and any such minutes if signed by any person purporting to have been the Chairman of the meeting to which it relates or by the person who shall preside as Chairman at the next succeeding meeting shall be deemed as evidence of the facts therein stated without further proof.

#### **Minutes to be kept at the Registered office**

85. The books containing minutes of proceedings of General Meeting of the company shall be kept at the Registered Office of the Company and shall during business hours (subject to such reasonable restrictions as the Company in General Meeting may from time to time impose so that not less than two hours in each day be allowed for inspection) be open to the member for inspection without any charge

#### **Members right for a copy of minutes**

86. 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 any minutes referred to above at a charge as may be provided in the Act

#### **Postal Ballot**

87. The Board, subject to the provisions of Section 192A of the Act, may and in case of resolutions relating to such business as declared by the Central Government by notification to be conducted by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the Company.

### **VOTES OF MEMBERS**

#### **Votes**

88. Upon show of hands every member present in person or by proxy or by duly authorized representative shall have one vote, and upon a poll, every member present in person or by proxy or by duly authorized representative, shall have one vote for every share held by him.

#### **Procedure where Corporation is a Member of the Company**

89. Where a Corporation/ body corporate is a Member of the Company, a person duly appointed by a resolution of its Board to represent such Corporation/ body corporate at meeting of the Company in accordance with the provisions of Section 187 of the Act, shall not be deemed to be a proxy, but shall be entitled to vote for such Corporation/ body corporate on a show of hands and to exercise the same powers on behalf of the Corporation/ body corporate which he represents as if he were an individual Member of the Company, including the power to appoint a proxy and the production at the meeting a copy of such resolution duly signed by one Director or Company Secretary of such Corporation/ body corporate and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

#### **Joint-holders**

90. Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such share, as if, he were solely entitled thereto and if, more than one of such joint-holders be present at any meeting personally or by proxy than one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Provided always that a person present in any meeting personally shall be entitled to vote in preference to a person present by proxy, although the name of such person present by a proxy stands first on the register in respect of such shares. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

### **Votes in respect of deceased and bankrupt Members**

91. Any person entitled under the transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were registered holder of such shares; provided that at least 48 hours before the time of the holding of the meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

### **Proxy Permitted**

92. A member of the Company entitled to attend a 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 on a show of hands or on a poll. No member shall appoint more than one proxy to attend on the same occasion. The proxy so appointed shall not have the right to speak at the meeting.

On a poll being taken at a meeting, 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 way all votes he uses.

### **How signed and in whose favour**

93. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing of such appointer be a Corporation either under its Common Seal or under the hand of its attorney so authorized. A proxy who is appointed for a specified meeting only shall be called a special proxy. Any other proxy shall be called a general proxy.

### **Deposit of proxy**

94. The instrument appointing a proxy and the power of attorney under which it is signed or a certified copy of such power of attorney shall be deposited at the office of the Company not less than 48 hours before the time fixed for holding a meeting at which the person named in such instrument is authorized to vote unless in the case of power of attorney executed by one Member in favour of another Member of the Company authorizing such member to vote at more than one meeting or meetings generally it has already been registered in the Company's books and in default the instrument of proxy shall be invalid. No proxy (save and except a Member of the Company who holds a power of attorney from another for voting for more than one meeting or meetings generally) shall be entitled to vote except in the particular meeting mentioned in the instrument or any adjournment thereof and upon every poll that may take place at or in consequence of any such meeting or adjournment.

### **Form of proxy**

95. An instrument appointing proxy shall be either of the forms in Schedule IX to the Act or forms as near thereto as circumstances admit.

### **When vote by proxy valid though authority revoked**

96. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given; Provided no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting; Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may, in his discretion, think fit of the due execution of an instrument of proxy and that the same has not been revoked.

### **Admission or rejection of votes**

97. Any objection as to the admission or rejection of a vote, either on a show of hands or on a poll, made in due time shall be referred to the Chairman who shall forthwith determine the same and such determination made in good faith shall be final and conclusive.

### **Time for objection to vote**

98. 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 or by

any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

### **ANNUAL RETURNS**

**The Company to make the requisite returns etc.**

99. The Company shall make the requisite returns in accordance with the Act and all statutory modifications and substitutions thereof.

### **BOARD OF DIRECTORS**

100. The property, business and affairs of the Company shall be managed exclusively by and under the direction of the Board. The Board may exercise all such powers of the Company and have such authority and do all such lawful acts and things as are permitted by law and the Company's Memorandum of Association and these Articles.

### **CONSTITUTION OF THE BOARD**

#### **Number of Directors**

101. Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 4 (four) and not greater than 12 (twelve).

#### **First Directors**

102. The Board shall initially comprise of 3 (three) Directors. The following shall be first Directors of the Company:

- A) SHRI TAPAN RAY**
- B) SHRI BOSE BABU**
- C) SHRI RAVINDRA AGRAWAL**

The aforementioned first Directors shall hold office until the Directors are appointed in accordance with the provisions hereinafter contained. Thereafter, the number of Director shall not be less than 4 (four) and not greater than 12 (twelve)

#### **Directors not required to hold qualification shares**

103. A Director shall not be required to hold any shares in the Company as qualification Shares.

#### **Nominee Directors by Promoters**

104. (a) The Board shall comprise of 8 (Eight) Directors as follows
- (i) 4 (four) members shall be nominated by GSPL
  - (ii) 2 (two) members shall be nominated by IOCL;
  - (iii) 1 (one) member shall be nominated by BPCL; and
  - (iv) 1 (one) members shall be nominated by HPCL.

Provided however, in the event any Promoter's shareholding falls below 11% but does not fall below 8.33%, then the other Promoters shall have a right to increase the number of nominee Directors in such a manner that each Promoter shall have one nominee Director for every 8.33% (and not for a part thereof) Shareholding in the Company

- (a) Provided however, in the event any Promoter's shareholding falls below 8.33% then their right to appoint nominee Directors shall cease to be effective and they will not have any right to nominate a Director on the Board and the nominees Directors of Promoter shall be deemed to have vacated their offices from the date of reduction of such shareholding. Further all the rights of such Promoter under these Articles shall automatically terminate from and as of the time such Promoter directly or through any of its Affiliates owns or holds less than 8.33% of the Paid-Up Capital of the Company.
- (b) One of the Directors nominated by GSPL shall be the Non Executive Chairman of the Board. The Chairman of the Board of Directors of the Company shall have the casting vote.

- (c) Any appointment of Directors to the Board at the request of financial institutions advancing loans to Company or participating in the equity of Company, shall not affect the rights of any of the Promoters under this Article.
- (d) Persons nominated for the position of Directors shall not be deemed (subject to the provisions of the Companies Act, 1956) to be disqualified to serve by reason of their being Officer, Director or Shareholder of any other corporations, incorporated within or outside of India.

#### **Company may increase or reduce the number of Directors**

105. Subject to Section 259 of the Act and the Articles, the Company may by Special Resolution from time to time, increase or reduce the number of Directors, and may alter their qualification.

#### **Appointment of Independent Director**

106. The Company may, by consent of all the Promoters, appoint such number of independent Directors on the Board as is required by the Applicable Law.

#### **Rotation and Retirement of Directors**

107. a) At each AGM of the Company, 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, then the number nearest of one-third shall retire from office.
- b) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall, in default or subject to any agreement among themselves, be determined by lot.

#### **108. Appointment of CEO and other key managerial personnel**

##### **(a) Chief Executive Officer (CEO)**

Till the time GSPL holds not less than 26% shareholding in the Company, GSPL shall have a right to nominate Chief Executive Officer of the Company ("CEO") and the Board of Directors shall formally appoint CEO nominated by GSPL.

##### **(b) Chief Financial Officer (CFO)**

Till the time IOCL holds not less than 26% shareholding in the Company, IOCL shall have a right to nominate Chief Financial Officer of the Company ("CFO") and the Board of Directors shall formally appoint CFO nominated by IOCL.

Provided that, in the event shareholding of GSPL/ IOCL falls below 26%, the Board of Directors shall have the powers to appoint CEO/ CFO.

#### **Other Key Personnel**

109. The Board shall also have the right to determine the appointment and terms of appointment of all other key personnel of the Company from time to time as per the Applicable Law / Companies Act.

#### **Sitting Fee**

110. Unless otherwise determined by the Company in General Meeting, Directors (excluding Managing or Whole-time Director), shall be entitled to receive, out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board, a fee of such maximum sum as may be prescribed by the Central Government, from time to time in this behalf, for every meeting of the Board or a Committee of the Board attended by him. Provisions of this Article are subject to directions /guidelines, if any, issued by Central Government regarding payment of sitting fee to PSU nominee directors.
111. Each Promoter shall bear its Directors' travel, stay and any other reasonable expenses incurred in attending the Board Meetings If any Director be called upon to go or reside out of the ordinary place of his residence on the company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with the business of the company.

### **Alternate Directors**

112. If any nominee Director of Promoter is expected to be or is absent for a period of not less than three (3) calendar months from the State in India where the meetings of the Board are ordinarily held, the Board shall, at the request of that Promoter, at a meeting of the Board or by circular resolution in accordance with Applicable Law, appoint an alternate Director (the "Alternate Director"). The Alternate Director shall be an individual nominated by the Promoter in whose nominee Director's place such Alternate Director is being appointed. An alternate Director appointed under this Article shall vacate office, as and when the original Director returns to that State. If the term of office of the original Director is determined before his return to that State, any provision in the Companies Act or in Articles of Company for the automatic re-appointment of retiring Directors shall apply to the original Director and not to the alternate Director. The alternate Director shall be entitled while holding his office as such to receive notices of meetings of the Board and any Committee of Board of which the original Director is a member and to attend and vote as a Director at any such meetings of the Board and any such Committee.

### **Board to fill casual Vacancies**

113. Except in case of a vacancy arising in accordance with Article 55 (iii), any casual vacancies occurring on the Board, including, without limitation, as a result of death, resignation, removal (pursuant to Article 114) or incapacity of any members of the Board, shall be filled by the Board at a meeting in accordance with Applicable Law. The individual appointed to fill such vacancy shall be an individual nominated by the Promoter that had nominated the Director whose position is to be filled and such individual shall hold office till the date on which the Director whose place he is filling would have held office had the vacancy not occurred. As long as a Promoter remains entitled to appoint a Director in the accordance with the provisions hereof, the Promoters shall not, without the prior consent of such Promoter, remove such Director except where Applicable Law require the vacation of office by such Director.

### **Removal of nominee Directors**

114. Each Promoter shall be entitled to remove any or all of the Directors who are its nominees on the Board and to have another or others of its choice nominated for appointment in the place of such removed Directors. Except as otherwise required by Applicable Law, all removals/ replacement of any Directors who are nominees of the Promoters may be effected only by written instructions addressed to the Board signed by an authorized representative of the Promoter, and upon receipt of such notice, the Promoters promptly shall cause the removal/ replacement of such nominee Director.

### **Exercise of rights by Promoters and their nominee Directors**

115. The Promoter shall exercise their respective voting rights and instruct their respective nominee Director to cast their votes in a manner so as to cause the Persons nominated by each other Promoter pursuant to the Article 104 to be duly elected as Directors and to cause the constitution of the Board at all time be and remain in accordance with the provisions of the Article 104(a) and Article 104(b).

### **Access**

116. Each Director may with prior written notice, request the company to provide it with access to examine the books, accounts, records of the Company and all properties and facilities of the Company and the Company shall make reasonable efforts to provide such Directors with such access.

## **PROCEEDINGS OF THE BOARD OF DIRECTORS**

### **Meeting of Directors**

117. The Directors may meet as a Board for the dispatch of business from time to time and shall so meet at least once in every three (3) months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit. In addition to meetings held in person, the Board may act by circular resolution on matters other than those required under the Companies Act to be acted upon only at a meetings in person.

### **Board Meetings**

118. The Board Meeting (as such term is defined hereinafter) of the Company shall be held at the Registered Office or any other location as may be agreed by the Directors of the Company. The Company shall ensure that meetings of the Board or Shareholders' are convened in accordance with the provisions of the Act and Articles.

### **Notice requirements**

119. The Company shall ensure that no meeting of the Board is held unless at least 7 days' prior written notice is issued to the Directors. All such notices shall include the agenda identifying in reasonable detail the matters to be discussed at the meeting together with copies of any relevant background material. A shorter period of notice, of a meeting of Directors may be given if all Directors present at the meeting have no objection to discussing or voting on any of the matters that are raised at that meeting.

Notice of any such meeting shall be issued by the Company Secretary of the Company with the consent of the Chairman. Any Director on the Board can also give notice of Board Meeting.

### **Quorum**

120. Subject to applicable provisions of the Companies Act, the quorum for the meeting of the Board of Directors shall be one third of its total strength (excluding Directors if any whose places may be vacant at the time) or two Directors whichever is higher.

Provided however, at least one nominee Director of each GSPL and IOCL shall have to be present in order to constitute a valid quorum for a Board Meeting. No meeting of a Board of Directors shall be held and no business shall be conducted at any meeting unless a valid quorum as per the requirements of this Article is constituted. If a meeting is held to be inquorate within 30 minutes from the time when the meeting should have begun, the meeting shall be adjourned till the same day of the next week at the same time and same 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, and at such adjourned meeting, the Directors present shall constitute the quorum and any resolution duly passed at such meeting shall be valid and binding on the Company, regardless of the presence or otherwise of any Promoter's nominee Director provided that the agenda for such adjourned meeting shall be identical to the agenda for the original meeting and no decision shall be taken by the Board at such adjourned meeting on any matter not included in such agenda.

### **Voting and Resolution**

121. All questions arising at a meeting of the Board or any Committee thereof shall be decided by majority of votes of Directors present and voting, provided, however that in respect of the Reserved Matters enumerated in Article 127(a), no resolution shall be passed or decision taken at a meeting of the Board thereof unless it has the affirmative vote of at least one Director nominated by GSPL and one Director nominated by IOCL.

Provided, however, in respect of the Reserved Matters enumerated in Article 127(b), no resolution shall be passed or decision taken at a meeting of the Board unless it has the affirmative vote of at least one Director nominated by each Promoter, till the time such Promoter holds at least 8.33% Equity Shares in the Company.

The Company shall ensure that each of the Promoters, in respect of the matters enumerated in Article 127, shall in its capacity as a member of the Company vote consistent with the provisions of this Article.

It is further clarified that whenever affirmative vote by nominee Director of any Promoter is required to pass a particular resolution in respect of any Reserved Matters, and any nominee Director of such Promoter is not present in the Board Meeting then such Reserved Matter shall be put up for next Board Meeting and if in the next Board Meeting also, any nominee Director of such Promoter is not present then such Reserved Matter shall be put up again for immediate subsequent Board Meeting and if in immediate subsequent Board Meeting also, nominee Director of such Promoter is not present then affirmative vote shall be deemed to have been given in favour of such Reserved Matter.

The Company shall ensure that any matter for which shareholders' approval is required shall be first taken up at the Board Meeting and only upon the approval of the Board, such matters will be put up for shareholders' approval with the recommendation of the Board.

#### **Board Resolutions by Circulation**

122. As permitted by Applicable Law, actions of the Board may be taken by a written resolution that has been circulated in draft to all Directors (together with the necessary documents, if any) provided that the written consent of such nominees Directors on the Board shall be required for passing a resolution on the matters listed in Article 127(a) and/ or Article 127(b), as the case may be, in order to comply with the provisions of this Article.

#### **Other provisions related to Board Meeting**

123. At any Board Meeting, each Director may exercise 1 (one) vote. The matters may also be discussed and decided, if permitted by the Act by any other means including telephone or video conferencing or other means of contemporaneous communication, provided each person taking part in the meeting is able to hear each other person taking part. Provided further that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting. The Company and the Promoters acknowledge, however, that as of the date hereof, the Act does not presently deem such participation to constitute presence "in person" for purposes of quorum.

#### **Chairman**

124. If at any meeting of the Board the Chairman be not present within thirty minutes after the time appointed for holding the same the Directors present shall choose someone of their number to be Chairman of such meeting.
125. The Company and the Promoters or their nominees (as the case may be) shall take all actions necessary (including exercise of their voting rights at the meeting of the Board of Directors or Committee of Directors thereof) for the purpose of giving effect to the provisions of these Articles.
126. (i) The Chairman shall exercise all those powers that may be delegated to him by the Board or such other powers as may be exercisable by him under the provisions of the Act.
- (ii) The Chairman shall preside at all meetings of the Board or any committee thereof where he is a member and at all General Meetings.
- (iii) The Chairman shall have a second or casting vote at any meeting of the Board or any committee thereof or at any Shareholders Meeting in the event of an equality of votes.

#### **Affirmative Vote of Promoters**

127. Matters ("Reserved Matters") for which affirmative votes of:
- (a) GSPL and IOCL are required in the Board Meeting are as follows:
- (i) Any amendment to the Memorandum and Articles of Association, including, but not limited to, any alternation of capital clause;
- (ii) Adoption of the Company's annual capital and revenue budgets, strategic plans and Business Plans;
- (iii) Any change in the debt equity ratio approved by the Board;
- (iv) The declaration, setting aside or distribution of any dividends (interim or final) or any other distribution with respect to the share capital, including without limitation any issue of bonus shares;
- (v) Tariffs and other charges for facilities and / or services to be provided and which are not on arms' length basis;

- (vi) Investment in securities /Loans to /guarantee/security given by the Company to promoters and promoters' group companies except when such guarantee and/or security are to be given by the Company in the normal course of Business;
  - (vii) Expansion or diversification of Business
  - (viii) The sale, transfer or disposal, of all or any material part of the Business, assets and facilities of the Company; By way of abundant caution, it is clarified that the Article 127 (a) (viii) shall not be applicable to any matter in relation to creation of security / charge over the existing or future assets of the Company in favour of the Lenders of the Project.
- (b) all the Promoters are required in the Board Meeting are as follows:
- (i) Any proposal to acquire equity stake in any company by Company or form any subsidiary of the Company or form a new company;
  - (ii) Any proposal to merge the Company with another economic organization or to form a joint venture company or partnership between the Company and any organization;
  - (iii) Winding up, Merger, Demerger, formation of Company and creation of subsidiary of the Company;
  - (iv) Any new business to be undertaken by the Company;
  - (v) The sale, transfer or disposal, of all or any material part of the Business, assets and facilities of the Company in case the value of such assets or part is more than Rs. 50 Crore; By way of abundant caution, it is clarified that the Article 127(b) (v) shall not be applicable to any matter in relation to creation of security / charge over the existing or future assets of the Company in favour of the Lenders of the Project.

#### **Quorum and Voting Rights**

128. (1) GSPL and /or IOCL, as the case may be, shall have quorum right under the Article 120 and affirmative voting rights under Article 121 read with Article 127(a) till the time:
- (a) GSPL along with its Affiliates hold not less than 26% of the Paid-Up Capital of the Company
  - (b) IOCL along with its Affiliates holds at least 26% (twenty six per cent), of the Paid-Up Capital of the Company.
- (2) All the Promoters shall have affirmative voting rights under Article 121 read with Article 127(b) till the time such Promoter holds at least 8.33% Equity Shares in the Company.

#### **Power of Quorum**

129. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

#### **Extra remuneration to Directors for special Services**

130. If any Director be called upon to perform extra services (which expression shall include work done by a Director as a member of any Committee formed by the Directors or in relation to signing share certificates) or to make special exertion in going or residing out of his usual place of residence or otherwise for any of the purpose of the Company, the Company shall remunerate the Director so doing either 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 share in the remuneration above provided. Provisions of this Article are subject to directions /guidelines, if any, issued by Central Government regarding payment of sitting fee/ remuneration to PSU nominee directors.

#### **When acts of Directors are valid notwithstanding defective appointment**

131. All acts done by any meeting of the Directors or of any Committee of the Directors or by authority of the Directors or by any person acting as a Director or purporting to act under

powers delegated by the Directors under these Articles shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors, Committee or persons acting as aforesaid or that they or any of them were disqualified be as valid as if every person had been duly appointed and was qualified to be a Director, provided that nothing in this Article shall be deemed to give validity to acts done by such Directors, Committee or persons acting as aforesaid after it has been shown that there was some defect in such appointment or that they or any of them were disqualified.

#### **Maintenance of minute Book**

132. The Directors shall cause entries to be made in books provided for the purpose of minutes of the proceedings of all meetings of the Board and of the names of the Directors present at such meetings and in case of each resolution passed at the meeting, the names of the Directors, if any dissenting or not concurring, in the resolution.

#### **By whom minutes to be signed and the effect of minutes recorded**

133. All such minutes shall be signed by the Chairman of the meeting as recorded or in case of the inability for any cause of such Chairman to sign the same then by the person who shall preside as Chairman at the next ensuing meeting and all minutes purporting to be so signed shall for all purposes whatever be prima-facie evidence of the actual passing of the resolutions recorded and the actual and regular transactions or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

#### **Committees of the Board**

134. The Board shall have the power, subject to the provisions of the Companies Act, the Articles of Association, to delegate its powers to a committee or committees, with such constitution, scope, power and functions as may be considered necessary for the Business operations of the Company. All acts done by any such committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have like force and effect as if done by the Board.

The meetings and proceedings of any such committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board as far as the same are applicable thereto, and are not superseded by any regulations made by the Board in accordance with these Articles.

By way of abundant caution, it is clarified that Board shall not delegate any Reserved Matters to any committee of Directors, however provided that, provision of Article 119 will apply mutatis mutandis to all committees of the Board. The minutes of each Committee Meeting shall be signed by the Chairman. Minutes of a meeting of any committee of the Board shall be put up before next board Meeting for Information.

#### **Interested Directors not to participate**

135. No Director, shall as a Director, take part discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned with or interested in such contract or arrangement as stipulated in the Act.

#### **Business Plan**

136. The Company shall formulate, prepare and present to the Board of Directors for approval an annual business plan, which business plan shall set forth inter alia:
- i. the objectives of the Company for each financial year;
  - ii. the plan of the Company relating to the Project, identifying the activities to be undertaken and a time table for completion thereof ("Activity Schedule");
  - iii. yearly projections of profit and loss, capital and revenue expenditure, balance sheet and sources and uses of funds, including a yearly budget for implementation of the Activity Schedule ("Budget"); and
  - iv. the manner of funding of the Budget, including debt and equity components and the agreed schedule for the said funding;

(Sub-Clauses (i) to (iv) above are hereinafter collectively referred to as the “**Business Plan**”).

The Company shall prepare and provide to the Promoters, within a reasonable period prior to the close of each financial year, the annual Business Plan for the next financial year with quarterly break ups. Once a Business Plan is approved by the Board, the implementation and execution of the said Business Plan shall be the sole and exclusive responsibility of the Company. The Promoters agree to cooperate and assist the Company in the implementation and execution of said Business Plan.

The Board of Directors shall review and update the Business Plan on an annual basis or as otherwise decided by the Board, within a reasonable period of time prior to the end of each financial year of the Company, respectively, to include plan, information and objectives for the next financial year.

#### **Day to Day Management**

137. The day to day management of the Company shall be as delegated by the Board to the chief executive officer, who shall exercise such powers as may be delegated by the Board of Directors subject to its overall supervision and control.

#### **SECRETARY**

##### **Power to appoint Secretary**

138. The Board may appoint a person individual possessing the qualification prescribed by the Act as Secretary of the Company on such terms and conditions as it may think fit and may remove any Secretary so appointed and may fill any such vacancy so created by the removal. The Secretary shall exercise such powers and carry out such duties as the Board may, from time to time determine.

#### **POWER OF THE BOARD**

139. Subject to Section 292 of the Act, the Board shall have right to delegate any of their powers to such Directors, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers. The board may authorize Directors to sub-delegate the delegated powers.

##### **General Powers of the Board**

140. The Company shall be managed by its Board of Directors. The Board shall be responsible for the overall functioning of the Company. The Business of the Company shall always be carried on in accordance with the policies laid down by the Board from time to time. The Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do except those powers which are expressly directed or required to be done by the Company in a general meeting, by these Articles, or by the Act or any other legislation or Rules, provided that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other legislation or in the Memorandum or Articles of the Company or any other applicable Regulations.

Subject to the provisions of the Act and without prejudice to the general power conferred by the Act and by these Articles, the Board of Directors shall have the following powers:

- (a) To sanction payment of all the expenditure incurred in setting up and registering the Company.
- (b) To make, vary and repeal from time to time bye-laws, rules and regulations for regulation of business of the Company and the terms and conditions of service of its officers and employees.
- (c) To pay and charge to the capital Account of the Company and interest lawfully payable thereon under the provisions of the Act.
- (d) To purchase, take on lease or otherwise acquire for the Company property rights or privileges which the Company is authorized to acquire at such price and on such terms and conditions as they think fit.

- (e) To pay for any property or rights acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, debenture stock or in shares that 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, debentures stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital not so charged.
- (f) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think fit.
- (g) To refer any claim or demand by or against the Company to arbitration and to observe and comply with such awards or to object and appeal against erroneous awards.
- (h) To invest or otherwise employ any of the moneys belonging to the Company upon such investments authorized by the Memorandum of Association of the Company (not being shares in the Company) and in such manner as they think fit and, from time to time, to vary and realize such investments.
- (i) To provide for the welfare of employees or ex-employees of the Company or of its predecessors in business and for the wives, widows and families or of the dependants of such employees or ex-employees by building or contributing funds for the building of houses including assistance to co-operative housing societies of employees or to award compensation or make grants of money, allowances, profit sharing bonus or scheme or benefit of any other kind including insurance coverage, contribution to provident fund, pension fund, gratuity fund and other institutional funds, or by providing or subscribing or contributing towards places of instruction, recreation, hospitals and dispensaries, medical and any other form of assistance, welfare or relief as the Directors may think fit.
- (j) To subscribe, grant, support or otherwise to assist or to guarantee money to scientific and educational, charitable and other institutions, pursuing objects in which the Company may be interested.
- (k) To set aside before recommending any Dividend out of the profit of the Company such sums as they may think proper for depreciation or Depreciation Fund, or Depreciation Reserve Fund, or a Decommissioning Fund or Insurance Fund or any special or other fund to meet contingencies or to repay Redeemable Preference Shares and for special dividends and for equalizing dividend and for repairing, replacing, improving, extending and maintaining any part of the properties of the Company and for such other purposes as the Directors, may in their absolute discretion think conducive to the interest of the Company and to invest the several sums, so set aside or so much thereof as required to be invested upon such investments (subject to the restriction imposed by the Act) as the Directors may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interest of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same , or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the Directors may think fit and to employ the assets constituting all or any of the above funds, in the business of the Company or in the purchase or repayment of Redeemable Preference Shares and that without being bound to keep the same separate from other assets and without being bound to pay or allow interest on the same, with power, however, to the Directors at their discretion to pay or allow to credit such fund, interest at such rate as the Directors may think proper, not exceeding the rate prescribed under the Act.

- (l) To create such posts as they may consider necessary for the efficient conduct of the Company's affairs and to determine the scale of pay and other terms therefore.
- (m) To appoint at their discretion, remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and Servants from permanent, temporary or special service, as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and require security in such instances and of such amounts as they may think fit and to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit.
- (n) Subject to Sections 292 and 293 of the Act, to sub-delegate to designated officers of the Company or to an attorney all or any of the powers, authorities and discretions vested in the Board of Directors on such terms and conditions and for such period as considered appropriate, subject, however, to the ultimate control and authority being retained by the Board. Further any such delegatee or attorney may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him/them.
- (o) To enter into all such negotiations and contracts and rescind and vary any such contracts, 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 for the purposes of the Company.
- (p) To appoint any person or persons (whether incorporated or not) 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 requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- (q) 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, claim or demands by or against the Company
- (r) To make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demand of the Company
- (s) To open accounts with any bank (s) in any currency and pay money into and draw money from any such account(s) from time to time, sign cheques on behalf of the Company and operate all banking accounts of the Company, receive payments, make endorsements, draw and accept negotiable instruments, hundis and bills or any other instruments and authorise any person or persons to exercise such powers.
- (t) To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts dividend warrants and documents.
- (u) To lend moneys to the subsidiaries and associated organizations, on such terms and conditions as they may consider desirable subject to the provisions of the Act.
- (v) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the building, machinery, goods, store produce and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell assign, surrender, or discontinue any policies of assurance effected in pursuance of this power.
- (w) At any time and from time to time by power of Attorney to appoint any person or persons to be attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment may 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 members, Directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such power of Attorney may contain such powers for the protecting or convenience of persons dealing with such attorneys as the Directors may think fit.

#### **Drawdown Schedule**

141. The Board of Directors shall decide the schedule of funds requirement for the Project which shall include but not limited to the following:

- (i) the quantum of funds (equity and debt funds);
- (ii) the time period at which such funds (equity and debt funds) shall be required; and
- (iii) manner and form in which such funds (equity and debt funds) shall be sourced.

The Board of Directors shall review and update the Drawdown Schedule, in line with the Business Plan, on a six (6) monthly basis or any such time as may be determined by the Board. The Promoters agree to cooperate and assist the Company in the implementation and execution of said Drawdown Schedule and in line with the cash call raising procedure.

#### **Power to borrow**

142. Subject to the provisions of Section 292 and 293 of the Act, the Board may by means of a resolution passed at a meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company

The Company shall meet its financial requirements on its own without recourse to Promoters. It shall not be obligatory on the part of Promoters to give any guarantee and security for raising funds by the Company

#### **Conditions on which money may be borrowed**

143. The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by mortgage upon the whole or any part of the assets and property of the Company (both present and future) including its uncalled or unissued capital for the time being or by the issue of Debentures or Bonds of the Company or by the creation of Debenture Stock charged upon the whole or any part of the assets and property of the Company as aforesaid or not so changed.

#### **Bonds, Debentures etc to be subject to control of Directors**

144. Any Bonds, Debentures, Debenture Stock, or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions including condition to convert the same into shares of the Company and in such manner and for such consideration, as they shall consider to be beneficial for the company.

#### **Securities may be assignable free from equities**

145. Debentures, Debenture Stock, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **Issue at discount etc. or with special privileges**

146. Subject to Section 79 and 117 of the Act, any debentures, Debenture Stock, 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, attending and voting at General Meetings of the Company, appointment of Directors and otherwise; provided that Debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

#### **Mortgage of uncalled Capital**

147. If any uncalled capital of the Company is included in or changed by a mortgage or other security, the Directors may by instrument under the Company's Seal authorise the person in whose favour such mortgage or other security is created to make calls on the Members

in respect of such uncalled capital and the provisions hereinbefore contained in regard to call shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Director's power or otherwise and shall be assignable, if expressed so to be.

**Inviting/ accepting deposits**

148. Subject to the provisions of Sections 58A, 292 and 293 of the Act and the rules made thereunder from time to time and directives of the Reserve Bank of India, the Board of Directors may from time to time, invite and/or accept deposits from members of the public and/or employees of the Company or otherwise at such interest rates as may be decided by the Board, subject to the limits as laid down in Companies (Acceptance of Deposits) Rules, 1975. The Board may also pay commission to any person or agency for subscribing to or procuring such deposits

**Indemnity may be given**

149. If the Directors or anyone of them, the Chief Executive Officer or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or the Chief Executive Officer or persons so becoming liable as aforesaid from any loss in respect of such liability, and may pay to such Directors or the Chief Executive Officer or such persons guaranteeing commission at such rate as may be fixed by the Board on the maximum amount guaranteed as may be agreed by him or them with the Board.

**Register of Mortgages and Charges**

150. The Directors shall cause a proper register to be kept in accordance with Section 143 of the Act, of all mortgages and charges specifically affecting the properties of the Company and shall also duly comply with the requirements of Sections 124 to 145 of the Act in regard to registration of mortgages and charges therein specified and otherwise, of Section 138 of the Act as to intimation required by the Company to be given to the Registrar of the payment or satisfaction of any charge or mortgage, of Section 144 of the Act as to allowing inspection of copies kept at the Office of the Company and of Section 143 of the Act as to allowing inspection of the register of mortgages and of Section 118 and 163 of the Act as to supplying copies of the register of holders of Debentures or of any trust deed for securing any issue of Debentures.

**Register of holders of Debentures**

151. Every register of holders of Debentures of the Company may be closed for any period not exceeding in the whole thirty days in any year. Subject as aforesaid every such register shall be open to the inspection of the registered holder of any such Debentures and of any Member of the Company, but the Company may in General Meeting impose any reasonable restrictions.

**DIVIDENDS**

**Dividend to be according to amount paid on each share**

152. The profits of the company available for payment of dividend subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible amongst the members in proportion to the amount of capital held by them respectively provided always that (subject as aforesaid) any capital paid upon a Share during the period in respect of which a Dividend is declared shall only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

**Capital paid in advance**

153. Where capital is paid upon any Shares 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 profit

### **Declaration of Dividend**

154. The company in General Meeting may declare dividend to be paid to the Members according to their rights and interests in the profits and may fix the time according to Section 207 of the Act for payment and for the purpose of equalization of dividends, any sums from time to time in accordance with these presents, carried to the reserve, depreciation or other special funds may, subject to due provision being made for actual loss or depreciation, be applied in payment thereof but no Dividend shall exceed the amount recommended by the Board

### **Interim Dividend**

155. The Board may from time to time pay such interim dividends to the members as in their judgement the position of the Company justifies.

### **Dividend to be paid out of profits**

156. No Dividend shall be declared or paid in any financial year by the company except out of the profits of the Company for that year arrived at after providing for depreciation in accordance to the provisions of sub-Section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions remaining undistributed or out of both or out of moneys provided by the Government for the payment of Dividend in pursuance of a guarantee given by the Government. No Dividend shall carry any interest as against the company.

### **When to be deemed net profits**

157. Subject to the provisions of the Act, the declarations of the Directors as to the amount of the net profits of the Company shall be conclusive

### **Provisions for investments before Dividend**

158. Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or Dividend in respect of his Share(s), whilst any money may be due or owing from him to the company in respect of such Share(s) or otherwise howsoever either alone or jointly with any other person(s); and the Directors may deduct from the interest or Dividend payable to any member all sums of money so due from him to the company

### **Dividend includes Bonus also**

159. If and whenever any bonus on shares is declared out of profits and whether alone or in addition to any dividend thereon, the bonus shall for all purposes whatsoever, be deemed to be a dividend on the shares.

### **Debts may be deducted**

160. The Board may retain any dividends 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.

### **Effect of transfer**

161. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered, the Company shall:
- (a) transfer the dividend in relation to such shares to the special account referred to in Section 205A of the Act unless the Company is authorized by the registered holder or such shares in writing to pay such dividend to the transferee specified in such instrument of transfer;
  - (b) keep in abeyance in relation to such shares any offer of rights shares under clause (a) of sub-section (1) of Section 81 of the Act and any issue of fully paid up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

### **Dividend of Joint- Holders**

162. If several persons are registered as joint holders of any share, first named joint holder may give effectual receipt for any dividend payable on the shares and such receipt by anyone of them will be binding against all the joint holders.

### **Dividend and Call together**

163. Subject to the provisions of Section 205(A) of the Act Any General Meeting declaring a dividend may make a call on the Members, of such amount as the meeting fixes, but so that the

call on such member shall not exceed the Dividend payable to him so that 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. The making of a call under this Article shall be deemed ordinary business of an Ordinary Meeting, which declares a dividend.

**Distribution of Reserves etc.**

164. The company in General Meeting may resolve that any money, investment, or other asset forming part of the undivided profits of the company standing to the credit of the reserves, or in the hands of the company, and available for distribution or representing premium received on the issue of Shares and standing to the credit of the Share premium account, be capitalised and distributed amongst the Shareholders in accordance with their rights and that all or any part of such capitalised fund be applied on behalf of the Shareholders in paying up in full any unissued Shares of the company and that such un-issued Shares so fully paid be distributed accordingly amongst the Shareholders in the proportion in which they are entitled to receive Dividends, and shall be accepted by them in full satisfaction of their interest in the said capitalised sum. For the purpose of giving effect to any resolution under this Article 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 or that fractions or less than one rupee may be disregarded in order to adjust the rights of all Parties, and may vest any such cases of specific assets in Trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where necessary, a proper contract shall be entered into in accordance with Section 75 of the Act, and the Board may appoint any person to sign the contract on behalf of the person entitled to the dividend or capitalised fund, and such appointment shall be effective, provided that subject to the provisions contained in Section 205(3) of the Act no Dividend shall be payable except in cash

**Dividend are to be paid in cash**

165. Subject to the provisions of Section 205 of the Act, no Dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid-up bonus Shares- or paying up any amount for the time being unpaid on the Shares held by the Members of the Company

**Dividend to be paid through cheque or warrant**

166. Unless otherwise directed any Dividend may be paid by cheque or warrant sent through post to the Registered address of the member. Every such cheque shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any Dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by other means.

**Notice of warrant**

167. Notice of the declaration of any Dividend, whether interim or otherwise, shall be given to the holders of Shares in the manner hereinafter provided.

**Unclaimed dividend**

168. All Dividends unclaimed will be dealt with in accordance with the relevant provisions of the Act

**ACCOUNTS**

**Accounts to be kept**

169. (a) The Company shall cause to be kept proper books of account with respect to (1) all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place; (2) all sales and purchases of goods by the Company; (3) the assets and liabilities of the Company; (4) Such other matters

specified in the Act, on accrual basis and according to the double entry system of Accounting.

#### **Accounts of Branch Office**

- (b) Where Company has a branch office, the Company shall be deemed to have complied with the provisions of sub-clause (1) above if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns, made up to dates at intervals of not more than three months, are sent to the Company at its Office or other place referred to above.

#### **Place where Books of Accounts shall be kept**

- (c) The books of account shall be kept at the registered Office of the Company or at such other place or places in India as the Board thinks fit subject to notice to the Registrar of Companies, pursuant to Section 209 of the Act and shall be open to inspection by the Directors, during business hours.

#### **Limitation of right to inspect**

- (d) Accounts and financial records of the Company shall be made available for inspection not only to the nominee Directors of the Promoters but also to the Promoters and their authorized representatives if so requested, at a reasonable notice during the normal business hours of Company. The accounting system shall have provisions for internal controls and checks as a part of a management control system adequate to enable the Company to comply with its statutory obligations. The Board shall from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the account books and documents of the Company or any of them shall be open to the inspection of members (not being Directors) shall have any right of inspecting any account or book or document of the Company except as conferred by statute.
- (e) The books of account shall also be open to inspection by the Registrar or by an officer of Govt. authorized by the Central Govt. in this behalf if in the opinion of the Registrar or such other officer sufficient cause exists for the inspection of the books of account

170. The Company shall keep or cause to be kept accurate and complete accounting and other financial records, at all times and for such further period as is required by Applicable Law. All the accounting and other financial records of the Company shall be prepared in accordance with Applicable Law and regulations (including International Financial Reporting Standards (IFRS) as and when made applicable to the Company ), and the accounting period of the Company shall be the Financial Year as defined herein ("Accounting Period").

#### **Balance Sheet and Profit & Loss account**

171. At every Annual General meeting there shall be laid before the Company a Profit & Loss Account and a Balance Sheet containing the summary of the property and liabilities of the Company for a period in the case of the first Annual General Meeting beginning with the incorporation of the Company and ending with a day which shall not precede the day of the meeting by more than 9 months and in the case of any subsequent Annual General meeting of the Company beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than six months. The said Balance Sheet and Profit and Loss account shall comply with the requirements of Sections 210, 211, 212, 215 and 216 and of schedule VI of the Act so far as they are applicable to the company.

#### **Annual Report of Directors**

172. Every such Balance Sheet shall be accompanied by a Report by the Board of Directors as to the state of the Company's affairs and as to the amount, if any, which they recommend to be paid out of profits by way of dividend or bonus to the Members and the amount (if any) which is proposed to carry to the reserve, depreciation or other special fund according to the provisions in that behalf hereinbefore contained. The profit & Loss Account, the Balance Sheet and the Directors' Report shall be signed in accordance with the provisions of Sections 215 and 217 of the Act.

### **Profit & Loss Account**

173. The Profit & Loss Account shall give a true and fair view of the profits and loss of the Company for the financial year and shall subject to the provisions of Section 211 of the Act, comply with the requirements as prescribed under the Act, so far as they are applicable.

### **Auditors' Report**

174. In every financial year the accounts of the Company shall be examined and a report on the true and fair view of the state of affairs in case of balance sheet and of the profit and loss in case of profit and loss account as per section 227 of the Act shall be given by one or more Auditors. The audited balance sheet, profit & loss account, statement of cash flow together with management's report or other report(s), if any, prepared by the auditors in connection with the audit shall be provided to each of the Promoter.

### **Copy of Balance Sheet and report of Directors to be sent to Members**

175. A copy of such Account, Balance Sheet and Report as aforesaid and every other document required by law to be annexed or attached to the Balance Sheet shall be made available for inspection at the Office of the Company during working hours for a period of twenty one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid shall at least twenty one days previous to such meeting be served on every Member of the Company in the manner in which notices are hereinafter directed to be served as also to every trustee for holders of Debentures.

### **Information and Reports**

176. Company shall provide to each Promoter, no less frequently than once every quarter, sufficient financial information concerning the results of the Company's operations as is necessary for each Promoter to prepare and file all required tax returns and complete its own financial reports and consolidated financial statements for the preceding year or to conduct or settle any tax audit or proceeding. For the avoidance of doubt, such financial information shall be prepared in accordance with Applicable Law and regulations (including IFRS as and when made applicable to Company).

## **AUDIT**

### **Audit provisions**

177. (1) The Statutory Auditors of the Company shall be appointed or reappointed by the Comptroller and Auditor General of India and his/their remuneration, rights and duties shall be regulated by Sections 224 to 233 read with Section 619 of the Act so long as the Company is a Government Company. In the event the Company ceases to be a Government Company, the appointment of the Auditors shall be made in accordance with the provisions of the Act including the following:
- (a) If any casual vacancy in the office of Auditor shall occur, the Directors shall fill up the vacancy by the appointment of persons who shall hold the office until such meeting, but while any such vacancy continues the surviving or continuing Auditor or Auditors (if any) may act; Provided that where such vacancy is caused by the resignation of the Auditor, the vacancy shall only be filled by the Company in General Meeting.
  - (b) A Director or Officer of the Company and a person who is interested otherwise than as a shareholder in any transaction of the Company shall not be capable of being appointed as Auditor of the Company.
  - (c) Retiring Auditors shall be eligible for re-election.
  - (d) No person other than retiring Auditors shall be eligible to the office of Auditors unless notice of an intention to propose him at a General meeting, be given in accordance with the provisions of Section 225 of the Act.
- (2) **Powers of the Comptroller and Auditor General**  
The Comptroller and Auditor General of India shall have powers;

- (a) to direct the manner in which the Company's accounts shall be audited by the Auditor/Auditors appointed in pursuance of the preceding Article hereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such;
- (b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorize in this behalf, and for the purposes of such audit, to have access to all account books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorized, on such matters, by such person or persons and in such forms as the Comptroller and Auditor General may, by general or special order, direct

**(3) Comments upon or supplement to audit report by the C&AG**

The Auditor/Auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon, or supplement the audit report in such manner as he may think fit. Any such comment upon or supplement to the audit report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report

**(4) Auditor's right to attend meeting**

The Auditor(s) of the Company shall be entitled to receive notice of and to attend any annual general meeting of the Company at which any accounts which have been examined or reported on by him/them are to be laid before the Company and he/they may make any statement or explanation in the meeting with respect to the accounts

**(5) Audited accounts conclusive**

Every statement of annual accounts and net profit and loss of the Company when audited and approved in an Annual General Meeting shall be conclusive

**Remuneration to Auditors**

178. The remuneration of the Auditors of the Company shall be fixed by the Company in General meeting except the remuneration of any Auditors appointed before the first General meeting or to fill any causal vacancy may be fixed by the Board.

**NOTICES**

**How Notices to be served on Members**

179. A notice may be given by the Company to any Member either personally or by sending it through post in a prepaid letter addressed to him at his registered address or if he has no registered address in India) to his address, if any, within India supplied by him to the Company for the giving of notices to him. A member holder may notify in writing to the Company change of his address from time to time

**Members resident Abroad**

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

**Members having no Registered address in India**

181. As regards any Member who has not notified in writing to the Company some place in India to be registered as his address a notice addressed to Members generally and advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly given to such Member on the day on which the advertisement appears.

**How to be advertised**

182. Any notice required to be or which may be given by advertisement shall be advertised once in one or more daily newspapers circulating in the neighbourhood of the registered office of the Company and the notice shall be deemed to be given on the on the date on which the advertisement first appears.

#### **Notice to Joint-Holder**

183. All notices shall with respect to any registered shares to which persons are jointly entitled be given to whichever of such persons is named first in the register and notice so given shall be sufficient notice to all the holders of such shares.

#### **When Notice by Post deemed to be served**

184. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting the envelope or wrapper containing the notice and unless the contrary is proved, to have been effected, in case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post. A certificate in writing signed by any Director or other officer of the Company that the envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

#### **Transferees, etc. bound by prior Notices**

185. Every person who by operation of law or transfer or other means whatsoever shall become entitled to any share or stock shall be bound by every notice in respect of such share or stock which previously to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such share or stock.

#### **Notice in the case of death or insolvency of a Member**

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

#### **Notice of General Meeting**

187. Notice of every General Meeting shall be given in same manner hereinbefore authorized to (a) every Member of the Company (including bearers of share warrants except those Members who having no registered address within India) have not supplied to the Company an address within India for the giving of notices to them and also to (b) every person entitled to a share in consequence of the death or insolvency of a Member who but for his death or insolvency would be entitled to receive notice of the meeting. (c) Auditor(s) for the time being of the Company. No other person shall be entitled to receive notices of General Meeting.

#### **Who shall sign the notice**

Any notice to be given by the company shall be signed by such Director or officers as the Board of Directors may appoint and such signature may be written, printed or lithographed

#### **Date of Service**

188. Where a given number of days' notice or notices extending over any other period is required to be given the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

#### **189. Winding-up**

##### **A. Distribution of Assets**

Subject to the provision of the Act, if the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up at the commencement of the winding



by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous Act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error of judgment or oversight on his or their part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his or their office or in relation thereto unless the same happens through his own dishonesty

#### **SECRECY**

193. Every Manager, Auditor, Trustee, Member of a Committee, officer, Servant, Agent, Accountant, or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bona-fide transactions of the Company with its customers and the state of accounts with individuals in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do by the Directors or by any general meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act.

#### **No member to enter the premises of the Company without permission**

194. Except when required by Statute, no member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the premises or properties of the company without the permission of the Board to require discovery of or any information respecting any detail of the trading of the company or any matter which is or may be in the nature of a trade secret, mystery or trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Board will be inexpedient in the interest of the members of the company to communicate to the public

#### **SEAL**

195. The Board of Directors shall provide a Common Seal for the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof The Board shall provide for the safe custody of the Seal which shall only be used by the authority of the Board or of a Committee of the board authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be in the presence of and shall be signed by a Director and countersigned by the Secretary / or some authorised person. The Certificates of shares or debentures (if any) of the Company shall be sealed and signed in the manner provided by the Companies (issue of Share Certificates) Rules, 1960 or any statutory amendment thereof for the time being in force. Subject to Section 50 of the Act, the Company may have a facsimile copy of the Seal for use as its official seal outside India.

#### **RECORDS, REPORTS AND INSPECTION**

##### **Special Audit**

196. With the approval of the Board, all the Promoters shall have the right to carry out at any time a Special Audit of the books of accounts and/ or financial records of the Company as may be desired by them. Any such special audit shall be at the expense of the requesting Promoter. However, if any such Special Audit reveals significant material discrepancies, such discrepancies shall be referred to the Board. If the Board agrees that such discrepancies shall have material effect then appropriate remedial action as directed by the Board would be initiated and the expense of such special audit shall be borne by the Company.

##### **Safety Audit**

197. Each Promoter will have the right at any time to carry out a safety audit to ensure compliance with nationally / internationally accepted safety standards. Such inspections shall be carried out by the Promoter or its nominee and shall be at the expense of that Promoter requiring the same. Provided, however Safety Audit can be instituted by the Board from time to time

within the budget provision of the Company. However, if any such Safety Audit reveals significant material discrepancies, such discrepancies shall be referred to the Board. If the Board agrees that such discrepancies shall have material effect then appropriate remedial action as directed by the Board would be initiated and the expense of such special audit shall be borne by the Company.

#### **Technical Audit**

198. A Technical Audit shall be carried out by an expert appointed by the Board as and when desired by the Company.

### **AUTHENTICATION OF DOCUMENTS**

#### **Power to authenticate documents**

199. Any Director or Company Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid

#### **Documents to be conclusive evidence**

200. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board / Shareholders which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board./Shareholders

### **RESERVES**

#### **Power of Board to create Reserve fund**

201. The Board may subject to the provisions of the Act, from time to time before recommending any dividend, set apart any portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company or for equalisation of dividends or for repairing, improving or maintaining any property of the Company and for such purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company, and may invest the several sums so set aside or such monies and all other monies of the Companies not immediately required for the purpose of the Company upon such investments or securities as it may select, or may be used as working capital or may be kept in any bank or deposit or otherwise as the Board may think fit and may from time to time deal with and vary such investments and dispose off all or any part thereof for the benefit of the Company, and may divide the reserves into such special funds as it thinks fit with full power to employ the reserves or any part thereof in the business of the Company, and that without being bound to keep the same separate from the other assets. The Board may also carry forward any profits which it may think prudent not to distribute and setting them aside as reserve. All monies carried to the reserves shall nevertheless remain and be profits of the Company available subject to due provisions being made for actual loss or depreciation, for the payment of dividends

### **INTEREST OUT OF CAPITAL**

#### **Payment of interest on borrowing during construction period and its capitalization**

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

## CAPITALIZATION OF RESERVES OR PROFIT

### Capitalization after General Meeting Resolution

203. The Company in a General Meeting may, upon the recommendation of the Board, resolve
- (a) To capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution, and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause(b) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions

### Application of Sum

204. sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause(c), either in or towards
- a. paying up any amounts for the time being unpaid on any Shares held by such Members respectively.
  - b. paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
  - c. partly in the way specified in sub-clause(a) and partly in that specified in sub-clause(b)

### Share premium account and capital redemption reserve account may only be applied in the paying up of unissued shares

205. A share premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus Shares

### Appropriations and applications

206. Whenever such a resolution as aforesaid shall have been passed, the Board shall
- a. make all appropriations and applications of the undivided profits resolved to be Capitalised thereby, for all allotments and issues of fully paid Shares, if any; and
  - b. generally do all acts and things required to give effect thereto

### The Board shall have full power

207. a. to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as they think fit, for the case of shares becoming distributable in fractions; and also.
- b. to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares

### Agreement to be Binding

208. Any agreements made under such authority shall be effective and binding on all such Members

### Promoters' Commitment

209. The Promoters understand, acknowledge and agree that they shall fulfill their respective commitments specified below, which would be fulfilled in a time bound manner and within time frame indicated for the completion of the Project by the Company.

### (a) Volume Rights and Obligations of all the Promoters :

- (i) Each Promoter shall have right to reserve the volume of Natural Gas in the pipelines and shall be under an obligation to reserve on ship or pay basis, the volume

of Natural Gas in the pipelines in accordance with the arrangement or agreement entered into / to be entered into among the Promoters.

- (ii) The Company shall enter into a separate agreement with each Promoter for aforesaid rights and obligations, on the same terms and conditions.

**(b) Commitments by GSPL**

GSPL shall :

- (i) provide management and technical skills in its areas of expertise;
- (ii) provide management and technical support by way of secondment and deputation of qualified personnel in its employment, if required by the Company;
- (iii) make best endeavors to provide all necessary assistance in obtaining requisite government and other approvals for conduct of Business in accordance with Applicable Law;
- (iv) arrange Natural Gas supplies for the customers along the interstate cross country Natural Gas pipelines proposed to be developed by the Company;
- (v) transmit Natural Gas for any CGD which it may be developing or planning to develop directly or indirectly through transportation pipelines developed by the Company;
- (vi) make prompt payment of Approved Expenses and cash calls;
- (vii) provide support and cooperation to Company in quick decision making for the completion of Project in the timely manner;
- (viii) provide IOCL, HPCL & BPCL equal opportunity to bid for Project Management Consultancy work on arm's length basis, considering the vast expertise, experience, etc. available with IOCL/BPCL/HPCL for such specialized and large Project.

**(c) Commitment by IOCL**

IOCL shall :

- (i) provide management and technical skills in its areas of expertise;
- (ii) provide management and technical support by way of secondment and deputation of qualified personnel in its employment, if required by the Company;
- (iii) make best endeavors to provide all necessary assistance in obtaining requisite government and other approvals for conduct of Business in accordance with Applicable Law;
- (iv) arrange Natural Gas supplies for the customers along the interstate cross country Natural Gas pipelines proposed to be developed by the Company;
- (v) transmit Natural Gas for any CGD which it may be developing or planning to develop directly or indirectly through transportation pipelines developed by the Company;
- (vi) make prompt payment of Approved Expenses and cash calls;
- (vii) provide support and cooperation to Company in quick decision making for the completion of Project in the timely manner;
- (viii) ensure successful and timely completion of any Project Management Consultancy (PMC) work, in accordance with relevant PMC Agreement, if awarded by Company on arm's length basis.

**(d) Commitments by BPCL**

BPCL shall :

- (i) provide management and technical skill in its areas of expertise;
- (ii) provide management and technical support by way of secondment and deputation of qualified personnel in its employment, if required by the Company;

- (iii) make best endeavors to provide all necessary assistance in obtaining requisite government and other approvals for conduct of Business in accordance with Applicable Law;
- (iv) arrange Natural Gas supplies for the customers along the interstate cross country Natural Gas pipelines proposed to be developed by the Company;
- (v) transmit Natural Gas for any CGD which it may be developing or planning to develop directly or indirectly through transportation pipelines developed by the Company;
- (vi) make prompt payment of Approved Expenses and cash calls;
- (vii) provide support, cooperation to Company in quick decision making for the completion of Project in the timely manner;
- (viii) ensure successful and timely completion of any Project Management Consultancy (PMC) work, in accordance with relevant PMC Agreement, if awarded by Company on arm's length basis.

**(e) Commitments by HPCL**

HPCL shall :

- (i) provide management and technical skill in its areas of expertise;
- (ii) provide management and technical support by way of secondment and deputation of qualified personnel in its employment, if required by the Company
- (iii) make best endeavors to provide all necessary assistance in obtaining requisite government and other approvals for conduct of Business in accordance with Applicable Law;
- (iv) arrange Natural Gas supplies for the customers along the interstate cross country Natural Gas pipelines proposed to be developed by the Company;
- (v) transmit Natural Gas for any CGD which it may be developing or planning to develop directly or indirectly through transportation pipelines developed by the Company;
- (vi) make prompt payment of Approved Expenses and cash calls;
- (vii) provide support and cooperation to Company in quick decision making for the completion of Project in the timely manner;
- (viii) ensure successful and timely completion of any Project Management Consultancy (PMC) work, in accordance with relevant PMC Agreement, if awarded by Company on arm's length basis.

**210. MISCELLANEOUS**

**A. Cooperation among Promoters**

The Promoters shall co-operate with each other in the management of the Company and the operation of the Business of the Company, and at all times shall exercise their respective voting rights, cause any holders of proxies to exercise such voting rights on their behalf at any general meeting of Shareholders and cause their nominees on the Board to exercise their voting rights in a manner that shall give effect to and shall comply with the provisions of these Articles.

**B. Time is of Essence**

The Promoters acknowledge having received exclusive authorization from PNGRB to undertake the Project and consequently are required to ensure that the commissioning of the said Project is achieved within a maximum period of thirty six months from the date of the Letter of Authorizations as per the terms and conditions of Letter of Authorizations issued by PNGRB for the Project:

- i. vide letter ref: Infra/ PL/ BID/ MBBVPL/ 01/ 2011 dated 7<sup>th</sup> July, 2011 (Mallavaram – Bhilwara-Bhopal-Vijaipur Natural Gas Pipeline project).

The aforesaid authorizations have been accepted by GSPL on behalf of the consortium.

Each Promoter undertakes to extend its full support and total cooperation for ensuring the timely completion of the Project given the fact that the Project is to be completed in a limited timeframe as mentioned above.

**C. Non Compete**

The Promoters acknowledge and agree that they (including their Affiliates), directly or indirectly, shall not compete with the Company in relation to any activity concerning the construction, development, operation and maintenance of any Natural Gas pipeline forming part of the Project for a period of twenty-five (25) years.

**D. Survival of Obligations**

The obligations of the Promoters contained in Article 209(a) (volume reservation on firm commitment basis), Articles 31, 32 and 33 (Restriction on Transfer of Equity Shares), Article 210(C) (Non-compete) hereof shall survive even if the shareholding of any promoter falls below 8.33% of the paid-up capital of the Company.

**Deadlock Resolution**

211. (a) A "Deadlock" shall be deemed to have occurred in the event when a matter placed for the consideration and approval of the Board or Shareholders, as the case may be, is not approved because a Promoter having an affirmative vote right or such proportion of voting rights that if exercised against that matter such matter will not be approved, exercises that right for not approving such Matter and in the opinion of the Board, the non-approval of such matter is likely to materially affect the ability of the Company to carry on the Business or any material part thereof or the implementation of the Project or detrimental to the interest of the Company.

(b) In the event of occurrence of a Deadlock, the Promoters shall in good faith attempt to amicably resolve such Deadlock and if the Deadlock cannot be resolved within 10 days any Promoter may refer the Deadlock to the managing directors of all Promoters for resolution. If the Deadlock cannot be resolved within 10 days from reference to managing directors of the Promoters then any Promoter may refer the Deadlock to the chairman of all Promoters for resolution.

(c) If the Deadlock cannot be resolved within 10 days from the date of reference to the chairman as specified in clause (b) above, notwithstanding anything contained in Article 211(d), the provisions of Article 211 (d) shall apply.

(d) For the purpose of this, following terms shall have following meanings unless the context otherwise requires:

"**Server**" shall mean one or more Promoters who voted in favour of the resolution in respect of which a Deadlock event has occurred.

"**Recipient**" shall mean one or more Promoters who voted against the resolution in respect of which a Deadlock event has occurred

"**Original Buy-out Notice**" shall mean a notice given to Recipient by the Server requiring the Recipient to sell to the Server all but not less than all of the shares held by the Recipient in the Company at a price which is equal to Fair Market Value for cash consideration.

"**Original Sell-off Notice**" shall mean a notice given to the Recipient by the Server requiring the Recipient to buy from the Server all but not less than all of the shares held by the Server in the Company at a price which is equal to Fair Market Value for cash consideration.

"**Counter Buy-out Notice**" shall mean a notice given to the Server by the Recipient in response to the Original Buy-Out Notice, requiring the Server to sell to the Recipient all but not less than all of the shares held by the Server in the Company at a price which exceeds the Fair Market Value by not more than 5% for cash consideration.

"**Counter Sell-off Notice**" shall mean a notice given to the Server by the Recipient in response to the Original Sell-off Notice, requiring the Server to buy from the Recipient

all but not less than all of the shares held by the Recipient in the Company at a price which is reduced by not more than 5% of the Fair Market Value for cash consideration.

**"Concluding Buy-out Notice"** shall mean a notice given to Recipient by the Server in response to the Counter Buy-out Notice requiring the Recipient to sell to the Server all but not less than all of the shares held by the Recipient in the Company at a price which is equal to price mentioned in the Counter Buy-out Notice for cash consideration.

**"Concluding Sell-off Notice"** shall mean a notice given to the Recipient by the Server in response to the Counter Sell-off Notice requiring the Recipient to buy from the Server all but not less than all of the shares held by the Server in the Company at a price mentioned in the Counter Sell-off Notice for cash consideration.

- A. In the event, Deadlock cannot be resolved under clause (c) above, the Board shall appoint an Independent Expert within 10 days of expiry of the aforesaid period of 10 days. The Independent Expert so appointed shall submit a report containing the Fair Market Value of the share of the Company within 20 days of the appointment. Following procedure shall be followed thereafter:
- i. Within 10 days of receipt of the report of the Independent Expert, the Server shall give to the Recipient either Original Buy-out Notice or Original Sell-off Notice. In case the Recipient does not respond to the Original Buy-out Notice or Original Sell-off Notice in accordance with (b) below within 10 days of receipt of the same, the Recipient shall be deemed to have accepted the Original Buy-out Notice or Original Sell-off Notice as the case may be.
  - ii. Within 10 days of the receipt of the Original Buy-out Notice or Original Sell-off Notice, the Recipient may give to the Server the Counter Buy-out Notice or Counter Sell-off notice as the case may be. In case the Server does not respond to the Counter Buy-out Notice or Counter Sell-off Notice in accordance with (c) below within 10 days of receipt of the same, the Server shall be deemed to have accepted the Counter Buy-out Notice or Counter Sell-off Notice as the case may be.
  - iii. Within 10 days of receipt of the Counter Buy-out Notice or Counter Sell-off Notice as the case may be, the Server shall have a right to give to the Recipient a Concluding Buy-out Notice or Concluding Sell-off Notice as the case may be. Such Concluding Buy-out Notice or Concluding Sell-off Notice shall be final and binding on both the Server as well as the Recipient.
- B. For avoidance of doubt, it is clarified that:
- i. the provisions of Article 211 shall apply to all the Promoters when the Deadlock is in respect of Reserved Matters specified in Article 127(b) and the same shall apply to only GSPL and IOC in any other case.
  - ii. any notice whether given by the Server or given by the Recipient in terms of the Article 211(d) shall always be binding as against the Promoter or Promoters giving such notice.
  - iii. In response to the Original Buy-out Notice, there shall only lie a Counter Buy-out Notice and in response to the Counter Buy-out Notice, there shall only lie a Concluding Buy-out Notice. Further in response to the Original Sell-off Notice, there shall only lie a Counter Sell-off Notice and in response to a Counter Sell-off Notice, there shall only lie a Concluding Sell-off Notice.
  - iv. The sell or purchase of shares as per the above clauses shall be completed within 30 days from the date of acceptance of notice.

**Exemption from provisions of the Companies Act**

212. Notwithstanding anything contained in the foregoing Articles the Company will be entitled to avail of so long as it is a Government Company and or wholly Government owned Company all the exemptions granted declared by the Central Government from the various provisions of the Act from time to time.

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.

Sr. No.	Names, addresses, descriptions, occupation and signature of subscribers	Names, Addresses, Description and Occupation of the Common Witness
1.	<p><b>Gujarat State Petronet Limited</b>  Represented by  Tapan Ray  S/o Durgadas Ray  Managing Director  GSPC Bhavan, B/h Udyog Bhavan,  Sector-11, Gandhinagar-382011  Occupation : Service Sd/-</p>	
2.	<p><b>Ravindra Agarwal</b>  S/o Kailash Baboo  B-302, Sukirit Enclave,  Near Kaushaliya Bunglows,  Ramdevnagar, Satellite  Ahmedabad-380015  Occupation : Service Sd/-</p>	<p>Common Witness to  all the subscribers</p>
3.	<p><b>Manish Seth</b>  S/o Jugal Kishore Seth  181-Vibhusha Bunglows,  Nr. Anuradha Aradhana Soc,  Bopal-Ghuma Road,  Ahmedabad-380058  Occupation : Service Sd/-</p>	<p><b>Kiran Kumar Patel</b>  S/o Keshavlal M. Patel  B-305, Padmawati Apartment  Sector :- 29,  Gandhinagar :- 382029  Occupation :</p>
4.	<p><b>Sanjay Sengupta</b>  S/o Subodh Sengupta  26, Sunrise Bunglows P.O Indroda,  Gandhinagar-382007  Occupation : Service Sd/-</p>	<p>Company Secretary  CP 6352  Sd/-</p>
5.	<p><b>Bose Babu Nallapaneni</b>  S/o Narasimha Rao Nallapaneni  Plot No-58 Sector-8  Gandhinagar-382008  Occupation : Service Sd/-</p>	
6.	<p><b>Reena Desai</b>  D/o Kiranbhai Desai  B-5, Navkruti Flats, S M Road,  Ambawadi, Ahmedabad, 380015  Occupation : Service Sd/-</p>	
7.	<p><b>Micheal Weir</b>  S/o Robert Charles Weir  46-A Safal Vihaan Nr. Eklavya School,  Sarkhej Ahmedabad-382210  Occupation : Service Sd/-</p>	

Place : GANDHINAGAR

Dated this 3<sup>rd</sup> day of October, 2011