

**ANNEXURE - 1**

**COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

**AMONG**

**VODAFONE MOBILE SERVICES  
LIMITED**

**TRANSFEROR COMPANY 1**

**AND**

**VODAFONE INDIA LIMITED**

**TRANSFEROR COMPANY 2**

**AND**

**IDEA CELLULAR LIMITED**

**TRANSFeree COMPANY**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE  
COMPANIES ACT, 2013**

## A. INTRODUCTION

- (i) Vodafone Mobile Services Limited is a wholly-owned subsidiary of Vodafone India Limited. VMSL was incorporated on 27 March 1992 as Sterling Cellular Limited, a public company, with the Registrar of Companies, Tamil Nadu under the provisions of the Companies Act, 1956 with Corporate Identification Number U64202DL1992PLC088087. Its registered office was shifted from the State of Tamil Nadu to the National Capital Territory of Delhi on 20 June 1997. Its name was changed to: (a) Hutchison Essar Telecom Limited on 12 August 2002; (b) Hutchison Essar Mobile Services Limited on 1 March 2005; (c) Vodafone Essar Mobile Services Limited on 3 July 2007; and (d) Vodafone Mobile Services Limited on 10 October 2011. VMSL has filed an application for shifting its registered office from the National Capital Territory of Delhi to the State of Maharashtra with the Regional Director, Northern Region on 27 March 2017. Such application is currently pending. VMSL is an unlisted company.
- (ii) Vodafone India Limited was incorporated on 21 February 1992 as Hutchison Max Telecom Private Limited, a private limited company, with the Registrar of Companies, Punjab, H.P. & Chandigarh under the provisions of the Companies Act, 1956 with Corporate Identification Number U32200MH1992PLC119108. Hutchison Max Telecom Private Limited was thereafter converted into a public company and the word "Private" was deleted from its name on 8 March 1996. Its registered office was shifted from the State of Punjab to the State of Maharashtra on 25 March 1999. Hutchison Max Telecom Limited was thereafter re-converted into a private limited company and fresh certificate of incorporation was issued to it on 11 June 2001. Hutchison Max Telecom Private Limited was thereafter converted into a public company and the word "Private" was deleted from its name on 1 December 2004. Its name was then changed to: (a) Hutchison Essar Limited on 26 August 2005, (b) Vodafone Essar Limited on 12 July 2007, and (c) Vodafone India Limited on 11 October 2011. VIL is an unlisted company.
- (iii) VIL and VMSL, together, hold pan-India Unified Access Service/Unified Licence (authorisation for access services), National Long Distance, International Long Distance and Internet Service Provider licences. VIL is wholly-owned by the Vodafone Parent Group, one of the world's largest telecommunications groups.
- (iv) Idea Cellular Limited was incorporated on 14 March 1995 as Birla Communications Limited, a public company with the Registrar of Companies, Maharashtra under the provisions of the Companies Act, 1956 with Corporate Identification Number L32100GJ1996PLC030976. Its name was changed to Birla AT&T Communications Limited on 30 May 1996. Its registered office was shifted from the State of Maharashtra to the State of Gujarat on 22 October 1996. Its name was changed to: (a) Birla Tata AT&T Limited on 6 November 2001; and (b) Idea Cellular Limited on 1 May 2002. The equity shares of ICL are listed on the Stock Exchanges.
- (v) ICL also holds pan-India Unified Access Service/Unified Licence (authorisation for access services), Cellular Mobile Telephone Service, National Long Distance, International Long Distance and Internet Service Provider licences. ICL is a part of the Aditya Birla Group, one of the largest business groups in India.
- (vi) The Parties and their subsidiaries are primarily engaged in the business of providing fixed and mobile telecommunications services to consumer and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunications services in India. In addition, the Parties and their respective



Groups also engage in the mobile wallet business and the Idea Group has an in-principle approval to engage in the payments bank business.

- (vii) This Scheme is presented under sections 230 to 232 of the Act, together with sections 13, 14, 61, 62, 66, 188 and other applicable provisions of the Act, for *inter-alia* the amalgamation of the Transferor Companies into and with the Transferee Company in accordance with the relevant provisions of the Act, section 2(1B) of the Income Tax Act (on a going concern basis) and other applicable Laws. This Scheme will result in the consolidation of the businesses of each of the Parties as existing on the Effective Date. This Scheme has been prepared in terms of the Implementation Agreement dated 20 March 2017 among, *inter alia*, ICL, VIL and VMSL.

## B. RATIONALE FOR THIS SCHEME

- (i) The management of each of the Parties believes that this Scheme will result in *inter-alia* the following benefits:
- a. consolidation of the telecommunications business of the Parties resulting in expansion of such companies' business and creation of greater value for shareholders and all other stakeholders;
  - b. synergies in operational processes and logistics alignment leading to economies of scale, rationalisation of network infrastructure, creation of efficiencies and optimisation of capital and operational expenditure (including lower maintenance expenses and savings in energy costs);
  - c. availability of the combined resources together with the synergies in the operational processes and consequent reduction in cost could be utilized for strengthening the customer base, and providing high quality service to customers at competitive prices in a manner that would assist in achieving the Indian Government's 'Digital India' vision;
  - d. higher spectrum availability and larger single radio access network deployment coupled with re-deployment of overlapping equipment from rationalised sites resulting in lower capital expenditure;
  - e. harmonisation of sales and service channels;
  - f. sustained investment accelerating pan-India expansion of wireless broadband services, supporting introduction of digital content and 'Internet of Things' services as well as expanding financial inclusion through mobile money services for the benefit of the Indian consumers, businesses and society as a whole;
  - g. streamlining of regional and nationwide information technology systems and development of a common information technology system; and
  - h. general and administrative cost reduction and productivity gains by pooling of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Parties.
- (ii) The proposed Scheme is in the interest of all Parties and their respective shareholders and creditors.



**C. PARTS OF THIS SCHEME**

- (i) **PART I** deals with the definitions, interpretation, effective date and share capital;
- (ii) **PART II** deals with the amalgamation of the Transferor Company 1 into and with the Transferee Company in accordance with sections 230 to 232 of the Act;
- (iii) **PART III** deals with the amalgamation of the Transferor Company 2 into and with the Transferee Company in accordance with sections 230 to 232 of the Act;
- (iv) **PART IV** deals with the general terms and conditions and sets forth certain additional arrangements; and
- (v) **PART V** deals with certain arrangements among the Parties, the VIL Promoters and the ICL Promoters.



## PART I

### 1. DEFINITIONS, INTERPRETATION, EFFECTIVE DATE AND SHARE CAPITAL

#### 1.1 DEFINITIONS

In this Scheme, the following words and expressions shall, unless the context requires otherwise, have the following meanings ascribed to them:

- 1.1.1. “**Act**” means the Companies Act, 2013 and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provision in the Companies Act, 2013 has not been notified.
- 1.1.2. “**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, (a) owns greater than 26% (twenty six per cent.) of the voting equity or interest of such Person or is similarly owned by such Person; and (b) Controls, is Controlled by, or is under common Control with, such first Person, and in the case of a natural Person, shall include his or her Relatives.
- 1.1.3. “**Board of Directors**” in relation to a Party, means the board of directors of such Party.
- 1.1.4. “**Brand Licence Agreement**” means (i) the trade mark licence agreement to be executed by VIL and Vodafone Sales & Services Limited prior to the Effective Date, and (ii) the variation thereto between Vodafone Sales & Services Limited and the Transferee Company that will take effect at the Effective Date.
- 1.1.5. “**CCI**” means the Competition Commission of India.
- 1.1.6. “**CENVAT**” means central value added tax.
- 1.1.7. “**Circles**” means the telecommunications service areas in India as defined by the DoT.
- 1.1.8. “**Contract**” means any contract, lease, licence, indenture, agreement, commitment or other legally binding arrangement.
- 1.1.9. “**Control**” (including with correlative meaning, the terms “**Controlled by**” and “**under common Control with**”) means the right to appoint the majority of the directors or to control the management or policy decisions of a Person, exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- 1.1.10. “**DoT**” means the Department of Telecommunications, Ministry of Communications, Government of India.
- 1.1.11. “**Effective Date**” means the date on which certified copies of the Judgment(s) of the Tribunal are filed with the relevant RoC after the last of the approvals or events specified under Clause 4.8 of the Scheme are obtained or have occurred or the requirement of which has been waived in accordance with the Implementation Agreement. For the purposes of this Scheme, the “appointed date” shall be the Effective Date.
- 1.1.12. “**FIPB**” means the Foreign Investment Promotion Board, Department of Economic Affairs, Ministry of Finance, Government of India, or any other successor Governmental Authority, if applicable.



1.1.13. “**Fully-Diluted Basis**” means a calculation assuming that:

- (a) all outstanding mandatorily convertible securities and any options issued or reserved for issuance under the employee stock option plan or any other stock option plan or scheme by whatever name called, existing at the time of determination have been exercised or converted into equity shares, and
- (b) equity shares under all outstanding commitments to issue equity shares or other ownership interests have been issued,

in each case, as adjusted for any stock splits or any capital or other restructuring or consolidation or reduction of capital.

1.1.14. “**Governmental Approval**” means any consent, approval, licence, permit, order, exemption, certificate, clearance or authorisation obtained or to be obtained from, or any registration, notification, declaration or filing made to or with, or to be made to or with, any Governmental Authority and shall include Required Governmental Filings.

1.1.15. “**Governmental Authority**” means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body of any nation or any of its ministries, departments, secretariats, agencies or any legislative body, commission, authority, court or tribunal or entity, and shall include the RBI, the SEBI, the FIPB, the DoT, the Stock Exchanges, the CCI, any relevant Tax authority and any other authority exercising jurisdiction over a Party.

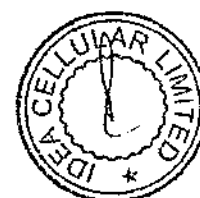
1.1.16. “**Group**” means the Vodafone Group or the Idea Group, as the context may require.

1.1.17. “**ICL**” means Idea Cellular Limited, a public company incorporated with limited liability under the provisions of the Companies Act, 1956 with its registered office at Suman Tower, Plot No. 18, Sector –11, Gandhinagar 382 011, Gujarat, India.

1.1.18. “**ICL Merger Group**” means ICL and its subsidiaries.

1.1.19. “**ICL Promoters**” means collectively:

- (i) Aditya Birla Nuvo Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number L17199GJ1956PLC001107, and having its registered office at Indian Rayon Compound, Veraval, Gujarat 362 266, India;
- (ii) Birla TMT Holdings Private Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number U72900MH2000PTC129116, and having its registered office at 212, 2<sup>nd</sup> Floor, T V Industrial Estate, 52, S K Ahire Marg, Worli, Mumbai 400 030, Maharashtra, India;
- (iii) Grasim Industries Limited, a company incorporated in India under the provisions of the Companies Act, 1913 with Corporate Identification Number L17124MP1947PLC000410, and having its registered office at Birlagram Nagda, Ujjain 456 331, Madhya Pradesh, India;
- (iv) Hindalco Industries Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number L27020MH1958PLC011238, and having its registered office at Century Bhawan, 3<sup>rd</sup> Floor, Dr. Annie Besant Road, Worli, Mumbai 400 025, Maharashtra, India;



(v) KMB; and

(vi) Pilani Investment and Industries Corporation Limited, a company incorporated in India under the provisions of the Companies Act, 1913 with Corporate Identification Number L24131WB1948PLC095302, and having its registered office at 9/1 R N Mukherjee Road, Birla Building, 14<sup>th</sup> Floor, Kolkata 700 001, West Bengal, India.

- 1.1.20. “**Idea Group**” means the ICL Merger Group and the ICL Promoters, excluding KMB.
- 1.1.21. “**Idea Purchasers**” shall have the meaning given to such term in Clause 5.2.
- 1.1.22. “**Implementation Agreement**” means the Implementation Agreement dated 20 March 2017 executed among *inter-alia* ICL, VIL and VMSL.
- 1.1.23. “**Income Tax Act**” means the Income Tax Act, 1961.
- 1.1.24. “**Indus**” means Indus Towers Limited, a company incorporated in India under the provisions of the Companies Act 1956 with Corporate Identification Number U92100DL2007PLC170574, and having its registered office at Bharti Crescent, 1, Nelson Mandela Road Vasant Kunj, Phase-II New Delhi 110 070, India, and which is operated as a joint venture among *inter-alia* ICL and VIL.
- 1.1.25. “**Intellectual Property Rights**” means all domestic and foreign intellectual property rights, including with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information.
- 1.1.26. “**Judgment**” means any judgment, order, decree, writ, injunction, circular, award, settlement, stipulation or finding issued, promulgated, made, rendered, entered into or enforced by or with any Governmental Authority (in each case, whether temporary, preliminary or permanent).
- 1.1.27. “**KMB**” means Mr. Kumar Mangalam Birla, an Indian resident aged 49 years, residing at Mangal Adityayan, 20 Carmichael Road, Mumbai 400 026, India.
- 1.1.28. “**Law**” means any statute, law, ordinance, rule, regulation, press note, notification, circular, order, writ, injunction, directive, judgment or decree issued by any Governmental Authority.
- 1.1.29. “**Licence**” means any permit, licence, certification, approval, registration, consent, authorisation, variance, exemption and order issued or granted by a Governmental Authority.
- 1.1.30. “**Lien**” means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, (ii) any proxy for exercising voting rights issued to any third party, power of attorney issued to any third party for transferring and/or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person, and (iii) any adverse claim as to title, possession or use.



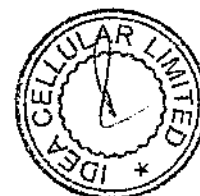
- 1.1.31. "**Long Stop Date**" means 20 March 2019 or such other date as may be mutually agreed in accordance with the Implementation Agreement.
- 1.1.32. "**Nominee Shares**" shall have the meaning given to such term in Clause 2.4.4(iii).
- 1.1.33. "**Party**" means each of the Transferor Company 1, the Transferor Company 2 and the Transferee Company.
- 1.1.34. "**Person**" means any individual, general or limited partnership, corporation, limited liability company, joint stock company, trust, joint venture, unincorporated organisation, association or any other entity, including any Governmental Authority, or any group consisting of two or more of the foregoing.
- 1.1.35. "**Pre-Merger Acquisition**" shall have the meaning given to such term in Clause 4.1.4.
- 1.1.36. "**Pre-Merger Disposal**" means the transfer, distribution or other disposal of, all or any of the assets listed in Part A of Schedule 2 and any liabilities relating thereto (including any proceeds of disposal thereof), by the VIL Merger Group to any Person, in one or more transactions (including pursuant to an application for capital reduction of VIL), prior to the Effective Date in such manner as the Vodafone Group deems fit.
- 1.1.37. "**Promoter Share Transactions**" shall have the meaning given to such term in Clause 5.1.
- 1.1.38. "**Purchase Consideration**" means Rs.38,739 million. For the avoidance of doubt, it is hereby clarified that in the event the Sale Shares or the VIL Sale Shares constitute less than 4.94% (four point nine four per cent.) of the equity share capital of the Transferee Company or 9.88% (nine point eight eight per cent.) of the equity share capital of VIL, respectively, on a Fully-Diluted Basis, the Purchase Consideration shall be reduced proportionately to reflect the number of Sale Shares or VIL Sale Shares, as applicable, being purchased by the Idea Purchasers.
- 1.1.39. "**RBI**" means the Reserve Bank of India.
- 1.1.40. "**Recharges Agreements**" shall have the meaning given to such term in Clause 4.4.1.
- 1.1.41. "**Record Date**" means the date to be fixed in accordance with Clauses 2.3 and 3.3 for the purpose of issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Company 1 and the Transferor Company 2, as applicable.
- 1.1.42. "**Related Party**" means, with respect to: (a) the Transferor Companies, the VIL Promoters and their respective Affiliates; and (b) the Transferee Company, the ICL Promoters and their respective Affiliates.
- 1.1.43. "**Relative**" with respect to a natural Person, shall have the meaning given to such term in the Act.
- 1.1.44. "**Required Governmental Filings**" means, collectively, the filings required to be made with the Stock Exchanges, the Tribunal, the CCI, the FIPB, the RBI, the DoT and the RoC, in connection with the transactions contemplated herein.
- 1.1.45. "**RoC**" means the relevant Registrar(s) of Companies.
- 1.1.46. "**Sale Shares**" mean the equity shares to be transferred by a VIL Promoter(s) to the Idea Purchasers constituting: (i) 4.94% (four point nine four per cent.) of the equity share capital of





the Transferee Company on a Fully-Diluted Basis as on the Effective Date; or (ii) such number of equity shares of the Transferee Company which results in the ICL Promoters (including the Idea Purchasers) holding 26.0% (twenty six per cent.) of the equity share capital of the Transferee Company on a Fully-Diluted Basis as on the Effective Date (after taking into consideration issuance of equity shares by the Transferee Company to the VIL Promoters pursuant to the Scheme), whichever is lower.

- 1.1.47. “**Scheme**” means this Composite Scheme of Amalgamation and Arrangement, subject to any modification(s) thereto as may be imposed by the Tribunal or any modification(s) sought by the Parties, as approved by the Tribunal.
- 1.1.48. “**SEBI**” means the Securities and Exchange Board of India.
- 1.1.49. “**SEBI Circular**” means, together, the circular no. CFD/DIL3/CIR/2017/21 dated 10 March 2017 and the circular no. CFD/DIL3/CIR/2017/26 dated 23 March 2017, each issued by the SEBI.
- 1.1.50. “**SEBI Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 1.1.51. “**Shared Services Business**” means provision of support services to members of the Vodafone Parent Group by Vodafone India Services Private Limited from locations in India.
- 1.1.52. “**Stock Exchanges**” means the BSE Limited and the National Stock Exchange of India Limited.
- 1.1.53. “**Target Group**” means the VIL Merger Group or the ICL Merger Group, as applicable.
- 1.1.54. “**Tax**” or “**Taxes**” means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto), in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees.
- 1.1.55. “**Transferee Company**” means: (i) ICL (as used in Part II of this Scheme), prior to the Effective Date; (ii) the resulting company pursuant to the amalgamation of the Transferor Company 1 into and with ICL in accordance with Part II of this Scheme; and (iii) the resulting company pursuant to the amalgamation of the Transferor Company 2 into and with the resulting company at (ii) above in accordance with Part III of this Scheme, as applicable.
- 1.1.56. “**Transferor Companies**” means, together, the Transferor Company 1 and the Transferor Company 2.
- 1.1.57. “**Transferor Company 1**” or “**VMSL**” means Vodafone Mobile Services Limited, a public company incorporated with limited liability under the provisions of the Companies Act, 1956 with its registered office at C-48, Okhla Industrial Area Phase-II, New Delhi 110 020, India.
- 1.1.58. “**Transferor Company 2**” or “**VIL**” means Vodafone India Limited, a public company incorporated with limited liability under the provisions of the Companies Act, 1956 with its



registered office at Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013, India.

- 1.1.59. "**Tribunal**" means the National Company Law Tribunal, Ahmedabad Bench, which has jurisdiction in relation to ICL, the National Company Law Tribunal, Mumbai Bench, which has jurisdiction in relation to VIL and VMSL (if the registered office of VMSL is shifted to the State of Maharashtra) and, if the registered office of VMSL remains in the National Capital Territory of Delhi, the National Company Law Tribunal, Delhi, which has jurisdiction in relation to VMSL.
- 1.1.60. "**Undertaking**" means the Transferor Companies and includes all the business, undertakings, assets, properties, investments and liabilities of each of the Transferor Companies (other than the assets listed in Part A of Schedule 2 and any liabilities relating thereto (including any proceeds of disposal thereof)), of whatsoever nature and kind and wherever situated, on a going concern basis and with continuity of business of the Transferor Companies, which shall include:
- (a) all moveable assets, whether present, future or contingent, in possession or reversion including moveable and fixed plant and machinery, electrical fittings, equipment, installations, appliances, tools, accessories, power lines, stocks and inventory, packaging items, computers, communication facilities, vehicles, furniture, fixtures and office equipment;
  - (b) all current assets, including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills and credit notes;
  - (c) all Licences (including those set forth in Schedule 1), rights, entitlements, concessions, clearances, credits, awards, sanctions, allotments, quotas, no-objection certificates, subsidies, Tax deferrals, Tax credits, (including any credits arising from advance Tax, self-assessment tax, other income Tax credits, withholding Tax credits, minimum alternate Tax credits, CENVAT credits, goods and services Tax credits, other indirect Tax credits and other Tax receivables), other claims under Tax Laws, privileges, incentives (including incentives in respect of income Tax, sales Tax, value added Tax, service Tax, custom duties and goods and services Tax), benefits, Tax holidays, Tax refunds (including those pending with any Tax authority), advantages, benefits and all other rights and facilities of every kind, nature and description whatsoever;
  - (d) all spectrum and entitlement thereto, right of way, data systems, private switching network, transmission networks of all types, computer networks, electronic mail, codes, intelligent network, multimedia communication systems or a combination thereof, works, projects or enterprises in the telecom industry;
  - (e) all Contracts, bids, tenders, letters of intent, arrangements, understandings, engagements, deeds and instruments, including lease agreements, purchase orders, service orders, operation and maintenance Contracts, memoranda of understanding, hire and purchase agreements, panchnamas for right of way, equipment purchase agreements and tenancy rights and all rights, title, interest, claims and benefits thereunder;
  - (f) all application monies, advance monies, earnest monies and security and other deposits paid to any Person, including any Governmental Authority, and payments against other entitlements;
  - (g) all investments, including long term, short term, quoted, unquoted investments in different instruments, including shares, debentures, units warrants and bonds;



- (h) all liabilities (including Tax and contingent liabilities), loans, debts (secured or unsecured), guarantees, duties, responsibilities and obligations;
- (i) all immoveable assets, including all freehold, leasehold, leave and licenced, tenancies and any other covenants, title, interest or continuing rights in such immoveable assets;
- (j) all intangible assets, including all Intellectual Property Rights and all goodwill attaching to such Intellectual Property Rights;
- (k) all staff and employees and other obligations of whatsoever kind, including liabilities of the Transferor Companies, with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
- (l) all reserves, provisions and funds, books, records, files, papers, engineering and process information, software licences, test reports, records of standard operating procedures, computer programs along with their licences, drawings, manuals, data, databases catalogues, quotations, sales and advertising materials, dossiers, product master cards, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form;
- (m) all rights to use and avail telephone, facsimile, e-mail, internet, leased line connections and installations, utilities, electricity and other services;
- (n) all legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature involving the Transferor Companies;
- (o) investments in all subsidiaries of VIL (other than VMSL) which are listed in Schedule 4; and
- (p) any other assets or liabilities,

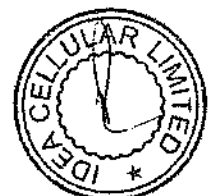
provided that if any Pre-Merger Disposal in respect of assets listed in items (2) and (3) in Part A of Schedule 2 (and any liabilities relating thereto) has not been completed prior to the Effective Date, such assets (and any liabilities relating thereto) remaining with the Transferor Companies on the Effective Date shall also form a part of the Undertaking.

1.1.61. **“Valuer Report”** means the report dated 19 March 2017 issued jointly by Bansi S. Mehta & Co. and Walker Chandok & Co LLP setting out the recommendation of the share exchange ratio in the form of percentage shareholding to be allotted to the shareholders of the Transferor Companies pursuant to the proposed amalgamation of VIL and VMSL into and with ICL.

1.1.62. **“VIL Merger Group”** means VIL and its subsidiaries.

1.1.63. **“VIL Promoters”** means collectively:

- (i) Al-Amin Investments Ltd., a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;



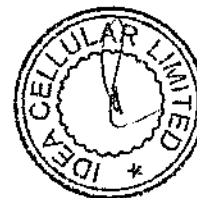
- (ii) Asian Telecommunication Investments (Mauritius) Ltd., a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (iii) CCII (Mauritius) Inc, a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (iv) Euro Pacific Securities Ltd., a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (v) Vodafone Telecommunications (India) Ltd., a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (vi) Mobilvest, a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (vii) Prime Metals Ltd., a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (viii) Trans Crystal Ltd., a company incorporated in Mauritius, and having its registered office at Fifth Floor, Ebene Esplanade, 24 Cybercity, Mauritius;
- (ix) Omega Telecom Holdings Private Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number U64200MH1995PTC087657, and having its registered office at 127, Maker Chamber III, Nariman Point, Mumbai 400 021, Maharashtra, India;
- (x) Telecom Investments India Private Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number U65990MH1997PTC112707, and having its registered office at 127, Maker Chamber III, Nariman Point, Mumbai 400 021, Maharashtra, India;
- (xi) Jaykay Finholding (India) Private Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number U65990MH1999PTC121979, and having its registered office at 127, Maker Chamber III, Nariman Point, Mumbai 400 021, Maharashtra, India; and
- (xii) Usha Martin Telematics Limited, a company incorporated in India under the provisions of the Companies Act, 1956 with Corporate Identification Number U32202WB1995PLC069502, and having its registered office at 8<sup>th</sup> Floor, RDB Boulevard, Plot K-1, Block- EP & GP, Sector - V, Saltlake City, Kolkata 700 091, West Bengal, India.

1.1.64. “**VIL Safe Shares**” shall have the meaning given to such term in Clause 5.2.

1.1.65. “**Vodafone Group**” means VIL Merger Group and VIL Promoters.

1.1.66. “**Vodafone Parent Group**” means Vodafone Plc and its Affiliates.

1.1.67. “**Vodafone Plc**” means Vodafone Group Plc, a company incorporated under the laws of England with its registered office at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, and shall instead mean, if applicable in the future, any company which becomes the holding company of Vodafone Group Plc provided that (i) such holding company (directly or indirectly) owns 100% (one hundred per cent.) of the previous Vodafone Plc’s share capital



(excluding any treasury shares); (ii) such holding company is listed on a recognised stock exchange; and (iii) the shareholders of such holding company, when it becomes the holding company of the previous Vodafone Plc, include all or substantially all of the shareholders of the previous Vodafone Plc immediately prior to such event.

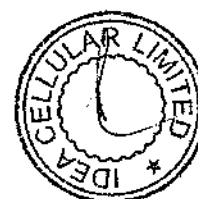
## 1.2 INTERPRETATION

1.2.1 All terms and words used in the Scheme but not specifically defined herein shall, unless contrary to the context thereof, have the meaning ascribed to them under the Act.

1.2.2 In the Scheme, unless the context otherwise requires:

- (i) references to a statutory provision include any subordinate legislation made from time to time under that provision;
- (ii) references to the singular include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause 1.2.2 shall operate to increase the liability of any Party beyond that which would have existed had this Clause 1.2.2 been omitted;
- (iv) references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- (v) headings are for convenience only and shall be ignored in construing or interpreting any provision of this Scheme;
- (vi) the expression “this Clause” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (and not merely the sub-Clause, paragraph or other provision) in which the expression occurs;
- (vii) references to Clauses and Schedules are to Clauses of and Schedules to this Scheme;
- (viii) references to any Person shall include that Person’s successors and permitted assigns or transferees;
- (ix) references to the words “include” or “including” shall be construed without limitation;
- (x) references to the words “hereof”, “herein” and “hereunder” and words of similar import shall refer to this Scheme as a whole and not to any particular provision of this Scheme; and
- (xi) where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words.

## 1.3 EFFECTIVE DATE



The Scheme set out herein in its present form, or with modification(s), if any, made in accordance with the provisions of the Scheme and the directions of the Tribunal, shall become effective and operative from the Effective Date.

#### 1.4 SHARE CAPITAL

1.4.1. The authorised, issued, subscribed and paid-up capital of VMSL as on 19 March 2017 is as under:

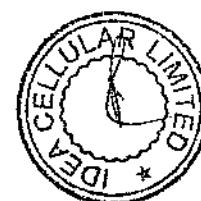
SHARE CAPITAL	AMOUNT IN RS.
<b>Authorised share capital</b>	
10,516,000,000 equity shares of Rs.10 each	105,160,000,000
649,412,000 equity shares of Rs.85 each	55,200,020,000
200,000 0.1% non-cumulative redeemable preference shares of Rs.100 each	20,000,000
5,000 0.001% non-cumulative preference shares of Rs.1,000,000 each	5,000,000,000
48,000,000 preference shares of Rs.100 each	4,800,000,000
<b>Total</b>	<b>170,180,020,000</b>
<b>Issued, subscribed and paid-up capital</b>	
1,376,302,720 equity shares of Rs.10 each	13,763,027,200
<b>Total</b>	<b>13,763,027,200</b>

1.4.2. The authorised, issued, subscribed and paid-up capital of VIL as on 19 March 2017 is as under:

SHARE CAPITAL	AMOUNT IN RS.
<b>Authorised share capital</b>	
5,000,000,000 equity shares of Rs.10 each	50,000,000,000
<b>Total</b>	<b>50,000,000,000</b>
<b>Issued, subscribed and paid-up capital</b>	
2,813,295,823 equity shares of Rs.10 each	28,132,958,230
<b>Total</b>	<b>28,132,958,230</b>

1.4.3. The authorised, issued, subscribed and paid-up capital of ICL as on 19 March 2017 is as under:

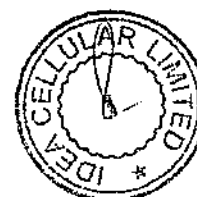
SHARE CAPITAL	AMOUNT IN RS.
<b>Authorised share capital</b>	
6,775,000,000 equity shares of Rs.10 each	67,750,000,000



SHARE CAPITAL	AMOUNT IN RS.
1,500 redeemable cumulative non-convertible preference shares of Rs.10,000,000 each	15,000,000,000
<b>Total</b>	<b>82,750,000,000</b>
<b>Issued, subscribed and paid-up capital*</b>	
3,603,497,124 equity shares of Rs.10 each	36,034,971,240
<b>Total</b>	<b>36,034,971,240</b>

*\* As on 19 March 2017, 26,995,612 outstanding employee stock options existed. Assuming such options are exercised, the issued, subscribed and paid-up capital of ICL as on 19 March 2017 on a Fully-Diluted Basis was 3,630,492,736 equity shares of Rs.10 each (Rs. 36,304,927,360).*

- 1.4.4. Until the Effective Date: (i) the Transferor Companies and the Transferee Company shall, subject to the Implementation Agreement, be entitled to alter their authorised, issued, subscribed or paid up share capital; and (ii) the Transferor Company 1 shall remain a wholly-owned subsidiary of the Transferor Company 2 until the Effective Date.



## PART II

### 2. AMALGAMATION OF THE TRANSFEROR COMPANY 1 INTO AND WITH THE TRANSFEREE COMPANY

#### 2.1 Transfer and Vesting of the Transferor Company 1 into and with the Transferee Company

2.1.1 With effect from the Effective Date, subject to the provisions of this Scheme, the Undertaking of the Transferor Company 1 shall stand transferred to and vest in the Transferee Company, as a going concern, together with all its estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Effective Date, the estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest of the Transferee Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the Tribunal and the provisions of sections 230 to 232 and other applicable provisions of the Act.

2.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Effective Date, in relation to the Undertaking:

- (i) All assets of the Transferor Company 1 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery shall, pursuant to this Scheme, stand vested in and/or be deemed to be vested in the Transferee Company and shall become the property of the Transferee Company without any further act, instrument or deed.
- (ii) All other movable assets of the Transferor Company 1, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons, shall, on and from the Effective Date, stand transferred to, and vested in, the Transferee Company without any notice or other intimation to the debtors or obligors or any other Person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other Person, that pursuant to the sanction of the Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company 1 to recover or realise all such debts (including the debts payable by such debtor or obligor or any other Person to the Transferor Company 1) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other Persons to record such change.
- (iii) All lease and licence agreements entered into by the Transferor Company 1 with various landlords, owners and lessors in connection with the use of the assets of the Undertaking of the Transferor Company 1, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company 1.





- (iv) All immovable properties of the Transferor Company 1, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company 1, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company 1 and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.
- (v) Until the owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Company 1 under the relevant agreement, deed, lease and/or licence, as the case may be, and the Transferee Company shall keep a record and account of such transactions.
- (vi) For purposes of taking on record the name of the Transferee Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Boards of Directors of the Transferor Company 1 and the Transferee Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or licence (as the case may be) by the Transferor Company 1 in favour of the Transferee Company.
- (vii) All liabilities, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company 1, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations, shall, pursuant to the sanction of the Scheme by the Tribunal and under the provisions of sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, the Transferee Company, along with any charge, encumbrance, lien or security created in connection therewith, and such liabilities shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Effective Date, the liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company 1, and the Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other Person who is a party to any Contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 2.1.2(vii).
- (viii) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states to the Transferor Company 1, together with security



deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities by the Transferor Company 1.

#### Permits

- (ix) All Governmental Approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licences, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company 1 is a party or to the benefit of which the Transferor Company 1 may be entitled to use or which may be required to carry on the operations of the Transferor Company 1, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company.
- (x) Without prejudice to the generality of the Clauses mentioned above, the assets of the Transferor Company 1 shall also include all permits, licences including the Unified Access Service Licence and Unified Licence issued by the DoT, authorisation, spectrum, and any other licences, approvals, clearances, authorities, quotas, allocations granted to the Transferor Company 1, all municipal approvals, permissions for establishing cellular towers (including cell site licences) or receiving stations or any broadband and/or approvals for bandwidth, authorisations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), powers of attorneys (given by, issued to or executed in favour of the Transferor Company 1) and benefits of all Contracts, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid Clauses, if any, all other rights and benefits, licences, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all Contracts, government Contracts, memoranda of understanding, project service agreements, pre-qualification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other Contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Transferor Company 1 on the Effective Date shall stand transferred to the Transferee Company in accordance with the Applicable Laws. A list of the telecommunications licences held by the Transferor Company 1 is set out at Part A of Schedule 1.



### **Contracts**

- (xi) All Contracts, deeds, bonds, agreements (including in connection with Contracts for services) and other instruments to which the Transferor Company 1 is a party, or to the benefit of which the Transferor Company 1 may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company 1, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. The Transferee Company will, if required, enter into novation agreements in relation to such Contracts, deeds, bonds, agreements and other instruments.
- (xii) All other agreements entered into by the Transferor Company 1 in connection with the assets of the Undertaking of the Transferor Company 1 shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

### **Legal Proceedings**

- (xiii) All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Transferor Company 1 pending on the Effective Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Companies. The Transferee Company undertakes to have all legal or other proceedings specified in this Clause 2.1.2(xiii), initiated by or against the Transferor Company 1, transferred to its name and to have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company 1.

### **Employees**

- (xiv) With effect from the Effective Date, all the staff and employees of the Transferor Company 1 who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, and, subject to the provisions of the Scheme, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company 1 and without any interruption of or break in service as a result of the transfer and vesting of the Undertaking of the Transferor Company 1 to the Transferee Company. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the Transferor Company 1 which exist immediately prior to the Effective Date, the Transferee Company shall stand substituted for the Transferor Company 1 for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company 1, in accordance with applicable Law. It is hereby clarified that upon this Scheme becoming effective, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Transferor Company 1 for such purpose shall be treated



as having been continuous. The VIL Promoters confirm that the relevant Affiliates of the VIL Promoters shall comply with the terms of any employee benefit plan as of the Effective Date to the extent such plan grants benefits to the employees of Transferor Company 1 and its subsidiaries.

- (xv) The Transferee Company shall comply with any agreement(s)/settlement(s) entered into with labour unions (if any) or employees by the Transferor Company 1. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Transferor Company 1, if any, shall also be taken into account, and further agrees to pay such benefits when they become due.

#### **Intellectual Property**

- (xvi) All Intellectual Property Rights of the Transferor Company 1 shall stand transferred to and vested in the Transferee Company.

#### **Inter se Transactions**

- (xvii) With effect from the Effective Date, all *inter-se* Contracts solely between the Transferor Company 1 and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including *inter-alia* any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company 1 and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any *inter se* loans, deposits or balances between the Transferor Company 1 and the Transferee Company.

#### **Borrowing Limits; Corporate Approvals**

- (xviii) With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company 1, such limits being incremental to the existing limits of the Transferee Company.
- (xix) Any corporate approvals obtained by the Transferor Company 1, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

#### **Taxes**

- (xx) Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company 1, including any refunds, claims or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, CENVAT credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall be treated as the Tax liability, refunds, claims, or credits, as the case may be, of the Transferee Company, and any Tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, exemptions, credits, Tax holidays, remissions or reductions, which would have been available to the Transferor Company 1, shall be available to



the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company 1.

## **Creditors**

- (xxi) Upon this Scheme becoming effective, the secured creditors of the Transferor Company 1 and/or other holders of security over the properties of the Transferor Company 1 shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company 1, as existing immediately prior to the amalgamation of the Transferor Company 1 with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company 1 with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company 1 with the Transferee Company, (a) the secured creditors of the Transferor Company 1 and/or other holders of security over the properties of the Transferor Company 1 shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company and (b) the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company 1 and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

## **2.2 Transfer of Authorised Share Capital**

### **2.2.1 With effect from the Effective Date:**

- (i) the authorised share capital of the Transferor Company 1 shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the relevant RoC) or stamp duty; and
- (ii) consequent to transfer of the existing authorised share capital of the Transferor Company 1 in accordance with Clause 2.2.1(i), the authorised share capital of the Transferee Company of Rs.82,750,000,000 (divided into 6,775,000,000 equity shares of Rs.10 each and 1,500 redeemable cumulative non-convertible preference shares of Rs.10,000,000 each) shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company to Rs.252,930,020,000 (divided into 23,793,002,000 equity shares of Rs.10 each and 1,500 redeemable cumulative non-convertible preference shares of Rs.10,000,000 each), it being clarified that the authorised share capital (equity share capital and preference share capital) of the Transferor Company 1 shall be deemed to have been reclassified into equity shares of Rs.10 each.

- 2.2.2 For the avoidance of doubt, it is hereby clarified that if the authorised share capital of the Transferor Company 1 or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then this Clause 2.2 shall automatically stand modified to take into account the effect of such change.



- 2.2.3 The consent of the shareholders of the Transferor Company 1 and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13 or 61 or any other applicable provision of the Act, shall be separately required nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

### **2.3 Record Date**

The Board of Directors of the Transferee Company, after procuring the consent of the Board of Directors of the Transferor Company 1, shall determine the Record Date for issue and allotment of equity shares of the Transferee Company to the equity shareholders of the Transferor Company 1 in terms of Clause 2.4. Upon determination of the Record Date, the Transferor Company 1 shall provide a list of its equity shareholders as on such Record Date, who are entitled to receive equity shares in the Transferee Company in terms of this Scheme.

### **2.4 Issue of Shares**

- 2.4.1 The Boards of Directors of the Transferor Company 1 and the Transferee Company have decided, at their respective meetings held on 19 March 2017 and 20 March 2017, respectively, that equity shares of the Transferee Company shall be issued to the Transferor Company 2 as a shareholder of the Transferor Company 1 in the manner set out in this Clause 2.4 based on the Valuer Report and their independent judgment (and solely in the case of the Transferee Company, the fairness opinion dated 19 March 2017 issued by Axis Capital Limited), and further, on the basis that the equity shares received by the Transferor Company 2 shall be cancelled upon Part III of this Scheme becoming effective.
- 2.4.2 Pursuant to the SEBI Circular, the price at which the above-referenced equity shares of the Transferee Company will be issued to the Transferor Company 2 will comply with the pricing guidelines for preferential allotments set forth in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Valuer Report has been prepared in accordance with the foregoing.
- 2.4.3 On the Effective Date, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the Transferor Company 2, the equity shareholder of the Transferor Company 1, an aggregate number of equity shares of Rs.10 each of the Transferee Company, credited as fully paid-up, equal in number to 89% (eighty nine per cent.) of the issued, subscribed and paid-up equity share capital of the Transferee Company on a Fully-Diluted Basis on the date prior to such issuance (subject to completion of pre-closing adjustments pursuant to Clause 4.2.3) in consideration for the amalgamation of the Transferor Company 1 into and with the Transferee Company. It is hereby clarified that such shares shall be deemed to have been issued by the Transferee Company and received by the Transferor Company 2 on the Effective Date, and following such issuance, the Transferor Company 2 shall hold 47% (forty seven per cent.) of the equity share capital of the Transferee Company on a Fully-Diluted Basis.
- 2.4.4 For the purpose of issue and allotment of shares pursuant to this Clause 2.4, the following terms shall apply:
- (i) Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to constitute due compliance with section 62 and any other applicable provisions of the Act, the SEBI Listing Regulations and the articles of association of the Transferee Company, and no other consent shall be required under the Act or the articles of association of the Transferee Company, for the issue of equity shares to the Transferor Company 2 as a shareholder of the Transferor Company 1 under the



Scheme and upon the shareholders of the Transferee Company approving the Scheme, it shall be deemed that they have given their consent, including under the Act and the articles of association of the Transferee Company, to the issue of shares of the Transferee Company to the Transferor Company 2 as an equity shareholder of the Transferor Company 1 in accordance with the Scheme.

- (ii) The shares proposed to be allotted pursuant to the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* with the existing shares of the Transferee Company, including the rights in respect of dividend and bonus shares, if declared, by the Transferee Company on or after the Effective Date.
- (iii) The issue and allotment of shares as provided in the Scheme shall be carried out in accordance with the provisions of the Act. The Transferor Company 2 as the beneficial owner of the shares held by the nominee shareholders of the Transferor Company 2 in the Transferor Company 1 (the “**Nominee Shares**”), shall be entitled to receive shares in consideration for the Nominee Shares upon the amalgamation of the Transferor Company 1 into and with the Transferee Company.
- (iv) For the purpose of issue and allotment of shares to the Transferor Company 2 as a shareholder of the Transferor Company 1, the Transferee Company shall, if and to the extent required, apply for and obtain the required approvals from statutory and other regulatory authorities.

## **2.5 Dissolution of the Transferor Company 1**

Upon Part II of this Scheme becoming effective, the Transferor Company 1 shall stand dissolved without being wound up, without any further act or deed.

## **2.6 Accounting Treatment**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date.

## **2.7 Promoters**

Upon allotment of equity shares of the Transferee Company to the Transferor Company 2 pursuant to Part II of this Scheme, the Transferor Company 2 shall be a promoter of the Transferee Company, together with the ICL Promoters.



### PART III

## 3. AMALGAMATION OF THE TRANSFEROR COMPANY 2 INTO AND WITH THE TRANSFEREE COMPANY

### 3.1 Transfer and Vesting of the Transferor Company 2 into and with the Transferee Company

3.1.1 With effect from the Effective Date, subject to the provisions of this Scheme, the Undertaking of the Transferor Company 2 shall stand transferred to and vest in the Transferee Company, as a going concern, together with all its estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be, without any further act, instrument, deed, matter or thing being made, done or executed, so as to become, as and from the Effective Date, the estate, properties, assets, rights, claims, title and authorities, benefits, liabilities and interest of the Transferee Company by virtue of and in the manner provided in the Scheme pursuant to the sanction of the Scheme by the Tribunal and the provisions of sections 230 to 232 and other applicable provisions of the Act.

3.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Effective Date, in relation to the Undertaking:

- (i) All assets of the Transferor Company 2 that are movable in nature or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery shall, pursuant to this Scheme, stand vested in and/or be deemed to be vested in the Transferee Company and shall become the property of the Transferee Company without any further act, instrument or deed.
- (ii) All other movable assets of the Transferor Company 2, including investments in shares and any other securities, sundry debtors, actionable claims, earnest monies, receivables, bills, credits, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities, customers and other Persons, shall, on and from the Effective Date, stand transferred to, and vested in, the Transferee Company without any notice or other intimation to the debtors or obligors or any other Person. The Transferee Company may (without being obliged to do so), if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor or any other Person, that pursuant to the sanction of the Scheme by the Tribunal, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company 2 to recover or realise all such debts (including the debts payable by such debtor or obligor or any other Person to the Transferor Company 2) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors or other Persons to record such change.
- (iii) All lease and licence agreements entered into by the Transferor Company 2 with various landlords, owners and lessors in connection with the use of the assets of the Undertaking of the Transferor Company 2, together with security deposits, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts as provided for in such agreements and shall comply with the other terms, conditions and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company 2.





- (iv) All immovable properties of the Transferor Company 2, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company 2, whether freehold or leasehold or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company 2 and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to such immovable properties and shall be liable to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Tribunal and upon the Scheme becoming effective in accordance with the terms hereof.
- (v) Until the owned property, leasehold property and related rights thereto, licence or right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/or perfected in the record of the appropriate authorities in favour of the Transferee Company, the Transferee Company shall be deemed to be authorised to carry on business in the name and style of the Transferor Company 1 under the relevant agreement, deed, lease and/or licence, as the case may be, and the Transferee Company shall keep a record and account of such transactions.
- (vi) For purposes of taking on record the name of the Transferee Company in the records of the Governmental Authorities in respect of transfer of immovable properties to the Transferee Company pursuant to this Scheme, the Boards of Directors of the Transferor Company 2 and the Transferee Company may approve the execution of such documents or deeds as may be necessary, including deed of assignment of lease or leave or licence (as the case may be) by the Transferor Company 2 in favour of the Transferee Company.
- (vii) All liabilities, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and undertakings of the Transferor Company 2, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for its business activities and operations, shall, pursuant to the sanction of the Scheme by the Tribunal and under the provisions of sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to, and vested in, the Transferee Company, along with any charge, encumbrance, lien or security created in connection therewith, and such liabilities shall be assumed by the Transferee Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Effective Date, the liabilities, debts, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company 2, and the Transferee Company shall meet, discharge and satisfy the liabilities and it shall not be necessary to obtain the consent of any third party or other Person who is a party to any Contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 3.1.2(vii).
- (viii) All electricity, gas, water and any other utility connections and tariff rates in respect thereof sanctioned by various public sector and private companies, boards, agencies and authorities in different states to the Transferor Company 2, together with security



deposits and all other advances paid, shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The relevant electricity, gas, water and any other utility companies, boards, agencies and authorities shall issue invoices in the name of the Transferee Company with effect from the billing cycle commencing from the month immediately succeeding the month in which the Effective Date falls. The Transferee Company shall comply with the terms, conditions and covenants associated with the grant of such connection and shall also be entitled to refund of security deposits placed with such companies, boards, agencies and authorities by the Transferor Company 2.

#### Permits

- (ix) All Governmental Approvals and other consents, permissions, quotas, rights, authorisations, entitlements, no-objection certificates and licences, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Company 2 is a party or to the benefit of which the Transferor Company 2 may be entitled to use or which may be required to carry on the operations of the Transferor Company 2, and which are subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant Governmental Authorities in favour of the Transferee Company.
- (x) Without prejudice to the generality of the Clauses mentioned above, the assets of the Transferor Company 2 shall also include all permits, licences including the Unified Access Service Licence and Unified Licence issued by the DoT, authorisation, spectrum, and any other licences, approvals, clearances, authorities, quotas, allocations granted to the Transferor Company 2, all municipal approvals, permissions for establishing cellular towers (including cell site licences) or receiving stations or any broadband and/or approvals for bandwidth, authorisations, statutory rights, permissions, registrations, certificates, consents, authorities (including for the operation of bank accounts), powers of attorneys (given by, issued to or executed in favour of the Transferor Company 2) and benefits of all Contracts, allotments, consents, quotas, rights, easements, engagements, exemptions, entitlements, advantages of whatever nature and howsoever named, properties, movable, in possession or reversion, present or contingent of whatsoever nature and where-so-ever situated, liberties, ownerships rights and benefits, earnest moneys payable pertaining to the assets mentioned in the aforesaid Clauses, if any, all other rights and benefits, licences, powers, privileges and facilities of every kind, nature and description whatsoever; right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment, titles, all other utilities, benefits of all Contracts, government Contracts, memoranda of understanding, project service agreements, pre-qualification, applications, bids, tenders, letters of intent, concessions, non-possessory contractual rights or any other Contracts, development rights, allocated deferred Tax and all other interest in connection with or relation to the Transferor Company 2 on the Effective Date shall stand transferred to the Transferee Company in accordance with the Applicable Laws. A list of the telecommunications licences held by the Transferor Company 2 is set out at Part B of Schedule 1.



## **Contracts**

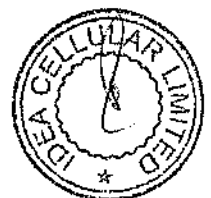
- (xi) All Contracts, deeds, bonds, agreements (including in connection with Contracts for services) and other instruments to which the Transferor Company 2 is a party, or to the benefit of which the Transferor Company 2 may be entitled, and which are subsisting or having effect immediately prior to the Effective Date, shall, without any further act, instrument or deed, continue in full force and effect against or in favour of, as the case may be, the Transferee Company, and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company 2, the Transferee Company had been a party or beneficiary or obligor or obligee thereto or thereunder. The Transferee Company will, if required, enter into novation agreements in relation to such Contracts, deeds, bonds, agreements and other instruments.
- (xii) All other agreements entered into by the Transferor Company 2 in connection with the assets of the Undertaking of the Transferor Company 2 shall stand automatically transferred in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed.

## **Legal Proceedings**

- (xiii) All legal proceedings, including quasi-judicial, arbitral and other administrative proceedings, of whatsoever nature by or against the Transferor Company 2 pending on the Effective Date shall not abate or be discontinued or be prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme but shall be continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Companies. The Transferee Company undertakes to have all legal or other proceedings specified in this Clause 3.1.2(xiii), initiated by or against the Transferor Company 2, transferred to its name and to have such proceedings continued, prosecuted and enforced by or against the Transferee Company, as the case may be. Following the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company 2.

## **Employees**

- (xiv) With effect from the Effective Date, all the staff and employees of the Transferor Company 2 who are in such employment as on the Effective Date shall become, and be deemed to have become, the staff and employees of the Transferee Company, and, subject to the provisions of the Scheme, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company 2 and without any interruption of or break in service as a result of the transfer and vesting of the Undertaking of the Transferor Company 2 to the Transferee Company. With regard to provident fund, gratuity, superannuation, leave encashment and any other special scheme or benefits created by the Transferor Company 2 which exist immediately prior to the Effective Date, the Transferee Company shall stand substituted for the Transferor Company 2 for all purposes whatsoever, upon this Scheme becoming effective, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company 2, in accordance with applicable Law. It is hereby clarified that upon this Scheme becoming effective, such benefits and schemes shall continue to be provided to the transferred employees and the service of all transferred employees of the Transferor Company 2 for such purpose shall be treated



as having been continuous. The VIL Promoters confirm that the relevant Affiliates of the VIL Promoters shall comply with the terms of any employee benefit plan as of the Effective Date to the extent such plan grants benefits to the employees of Transferor Company 2 and its subsidiaries.

- (xv) The Transferee Company shall comply with any agreement(s)/settlement(s) entered into with labour unions (if any) or employees by the Transferor Company 2. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other termination benefits, the past services of employees with the Transferor Company 2, if any, shall also be taken into account, and further agrees to pay such benefits when they become due.

#### **Intellectual Property**

- (xvi) All Intellectual Property Rights of the Transferor Company 2 shall stand transferred to and vested in the Transferee Company.

#### **Inter se Transactions**

- (xvii) With effect from the Effective Date, all *inter-se* Contracts solely between the Transferor Company 2 and the Transferee Company shall stand cancelled and cease to operate, and appropriate effect shall be given to such cancellation and cessation in the books of accounts and records of the Transferee Company. With effect from the Effective Date, there will be no accrual of income or expense on account of any transactions, including *inter-alia* any transactions in the nature of sale or transfer of any goods, materials or services, between the Transferor Company 2 and the Transferee Company. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date, there will be no accrual of interest or other charges in respect of any *inter se* loans, deposits or balances between the Transferor Company 2 and the Transferee Company.

#### **Borrowing Limits; Corporate Approvals**

- (xviii) With effect from the Effective Date, the borrowing and investment limits of the Transferee Company under the Act shall be deemed without any further act or deed to have been enhanced by the borrowing and investment limits of the Transferor Company 2, such limits being incremental to the existing limits of the Transferee Company.
- (xix) Any corporate approvals obtained by the Transferor Company 2, whether for purposes of compliance or otherwise, shall stand transferred to the Transferee Company and such corporate approvals and compliance shall be deemed to have been obtained and complied with by the Transferee Company.

#### **Taxes**

- (xx) Upon the Scheme becoming effective, all Taxes payable by, or refundable to, the Transferor Company 2, including any refunds, claims or credits (including credits for income Tax, withholding Tax, advance Tax, self-assessment Tax, minimum alternate Tax, CENVAT credit, goods and services Tax credits, other indirect Tax credits and other Tax receivables) shall be treated as the Tax liability, refunds, claims, or credits, as the case may be, of the Transferee Company, and any Tax incentives, benefits (including claims for unabsorbed Tax losses and unabsorbed Tax depreciation), advantages, privileges, exemptions, credits, Tax holidays, remissions or reductions, which would have been available to the Transferor Company 2, shall be available to



the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company 2.

### **Creditors**

- (xxi) Upon this Scheme becoming effective, the secured creditors of the Transferor Company 2 and/or other holders of security over the properties of the Transferor Company 2 shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferor Company 2, as existing immediately prior to the amalgamation of the Transferor Company 2 with the Transferee Company and the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall be entitled to security only in respect of the properties, assets, rights, benefits and interest of the Transferee Company, as existing immediately prior to the amalgamation of the Transferor Company 2 with the Transferee Company. It is hereby clarified that pursuant to the amalgamation of the Transferor Company 2 with the Transferee Company, (a) the secured creditors of the Transferor Company 2 and/or other holders of security over the properties of the Transferor Company 2 shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferee Company and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company and (b) the secured creditors of the Transferee Company and/or other holders of security over the properties of the Transferee Company shall not be entitled to any additional security over the properties, assets, rights, benefits and interest of the Transferor Company 2 and therefore, such assets which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any current or future indebtedness of the Transferee Company.

## **3.2 Transfer of Authorised Share Capital**

### **3.2.1 With effect from the Effective Date:**

- (i) the authorised share capital of the Transferor Company 2 shall stand transferred to and be amalgamated with the authorised share capital of the Transferee Company, without any liability for payment of any additional fees (including fees and charges to the relevant RoC) or stamp duty; and
- (ii) consequent to transfer of the existing authorised share capital of the Transferor Company 2 in accordance with Clause 3.2.1(i), the authorised share capital of the Transferee Company of Rs.252,930,020,000 (divided into 23,793,002,000 equity shares of Rs.10 each and 1,500 redeemable cumulative non-convertible preference shares of Rs.10,000,000 each) shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company to Rs.302,930,020,000 (divided into 28,793,002,000 equity shares of Rs.10 each and 1,500 redeemable cumulative non-convertible preference shares of Rs.10,000,000 each).

3.2.2 For the avoidance of doubt, it is hereby clarified that if the authorised share capital of the Transferor Company 2 or the Transferee Company undergoes any change, either as a consequence of any corporate action or otherwise, then this Clause 3.2 shall automatically stand modified to take into account the effect of such change.

3.2.3 The consent of the shareholders of the Transferor Company 2 and the Transferee Company to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no



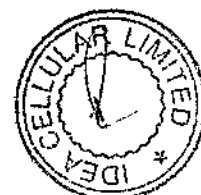
further action under section 13 or 61 or any other applicable provision of the Act, shall be separately required nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

### **3.3 Record Date**

The Board of Directors of the Transferee Company, after procuring the consent of the Board of Directors of the Transferor Company 2, shall determine the Record Date for issue and allotment of equity shares of the Transferee Company to the equity shareholders of the Transferor Company 2 in terms of Clause 3.4. Upon determination of the Record Date, the Transferor Company 2 shall provide a list of its equity shareholders as on such Record Date, who are entitled to receive equity shares in the Transferee Company in terms of this Scheme.

### **3.4 Issue of Shares**

- 3.4.1 The Boards of Directors of the Transferor Company 2 and the Transferee Company have decided, at their respective meetings held on 19 March 2017 and 20 March 2017, respectively, that equity shares of the Transferee Company shall be issued to the shareholders of the Transferor Company 2 in the manner set out in this Clause 3.4 based on the Valuer Report and their independent judgment (and solely in the case of the Transferee Company, the fairness opinion dated 19 March 2017 issued by Axis Capital Limited).
- 3.4.2 Pursuant to the SEBI Circular, the price at which the above-referenced equity shares of the Transferee Company will be issued to the shareholders of the Transferor Company 2 will comply with the pricing guidelines for preferential allotments set forth in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Valuer Report has been prepared in accordance with the foregoing.
- 3.4.3 On the Effective Date, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company 2, an aggregate number of equity shares of Rs.10 each of the Transferee Company, credited as fully paid-up, equal in number to 100% (one hundred per cent.) of the issued, subscribed and paid-up equity share capital of the Transferee Company on a Fully-Diluted Basis immediately prior to such issuance (subject to, and after, completion of: (i) pre-closing adjustments pursuant to Clause 4.2.3; and (ii) cancellation of shares pursuant to Clause 3.4.4(ii)), which shall be issued and allotted to the shareholders of the Transferor Company 2 in proportion to their shareholding in the Transferor Company 2 in consideration for the amalgamation of the Transferor Company 2 into and with the Transferee Company. It is hereby clarified that such shares shall be deemed to have been issued by the Transferee Company and received by the shareholders of the Transferor Company 2 on the Effective Date, and following such issuance, the shareholders of Transferor Company 2 shall hold 50% (fifty per cent.) of the equity share capital of the Transferee Company on a Fully-Diluted Basis.
- 3.4.4 For the purpose of issue and allotment of shares pursuant to this Clause 3.4, the following terms shall apply:
- (i) Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to constitute due compliance with section 62 and any other applicable provisions of the Act, the SEBI Listing Regulations and the articles of association of the Transferee Company, and no other consent shall be required under the Act or the articles of association of the Transferee Company, for the issue of equity shares to the shareholders of the Transferor Company 2 under the Scheme and upon the shareholders of the Transferee Company approving the Scheme, it shall be deemed that they have given their consent, including under the Act and the articles of association of the Transferee Company, to the issue of shares of the Transferee



Company to the equity shareholders of the Transferor Company 2 in accordance with the Scheme.

- (ii) The equity shares issued by the Transferee Company to the Transferor Company 2 pursuant to Part II of this Scheme shall stand cancelled in their entirety, without any further act, instrument or deed. Such cancellation of the share capital of the Transferee Company upon the amalgamation of the Transferor Company 2 with the Transferee Company shall be effected as a part of the Scheme itself and not in accordance with section 66 of the Act. The order of the Tribunal sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act shall be necessary.
- (iii) The shares proposed to be allotted pursuant to the Scheme shall be subject to the provisions of the memorandum of association and articles of association of the Transferee Company and shall rank *pari passu* with the existing shares of the Transferee Company, including the rights in respect of dividend and bonus shares, if declared, by the Transferee Company on or after the Effective Date.
- (iv) The issue and allotment of shares as provided in the Scheme shall be carried out in accordance with the provisions of the Act. All shareholders of the Transferor Company 2 shall be issued fresh equity shares in the Transferee Company in dematerialised form.
- (v) For the purpose of issue and allotment of shares to the shareholders of the Transferor Company 2, the Transferee Company shall, if and to the extent required, apply for and obtain the required approvals from statutory and other regulatory authorities.
- (vi) The shares issued pursuant to this Clause 3.4 shall, in compliance with the applicable regulations, be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and applicable Law and take all steps to procure the listing of the shares issued by it pursuant to this Clause 3.4.

### **3.5 Dissolution of the Transferor Company 2**

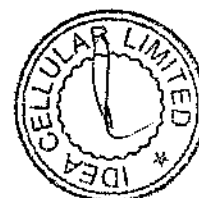
Upon Part III of this Scheme becoming effective, the Transferor Company 2 shall stand dissolved without being wound up, without any further act or deed.

### **3.6 Accounting Treatment**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in its books of account (read with Clause 2.6) in accordance with the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Effective Date.

### **3.7 Promoters**

Upon allotment of equity shares of the Transferee Company to the VIL Promoters pursuant to Part III of this Scheme, the VIL Promoters shall be promoters of the Transferee Company, together with the ICL Promoters.



## PART IV

### 4. GENERAL TERMS AND CONDITIONS

#### 4.1 Conduct of Business until the Effective Date

4.1.1 From the date on which the Boards of Directors of each Party approve this Scheme until the Effective Date, each of the Parties shall *inter-alia*:

- (i) maintain and preserve its properties and assets in good working order and condition consistent with past practice, normal wear and tear excepted;
- (ii) conduct its operations in the ordinary course and materially in compliance with applicable Law;
- (iii) continue to manage its working capital in the ordinary course and consistent with past practice;
- (iv) not undertake, in a single transaction or a series of related transactions, any act or matter as agreed among the Parties in the Implementation Agreement or any act which is outside the ordinary course of business; and
- (v) notify the other Parties in writing of any matter, circumstance, act or omission which constitutes a breach of this Clause 4.1 promptly after it becomes aware of any such matter, circumstance, act or omission.

4.1.2 Prior to the Effective Date, the Parties may mutually agree the manner in which their respective payments bank and mobile wallet businesses (which in the case of the Transferor Companies, may include Vodafone m-pesa Limited or the business undertaken by it) will be combined or otherwise transferred to and/or operated by the Transferee Company, the ICL Promoters or any other Person based on legal, accounting or Tax advice and/or circumstances existing at the relevant time, and if so agreed, the Parties shall take necessary actions to implement such terms.

4.1.3 Prior to the Effective Date: (i) each of ICL and VIL may enter into one or more transactions to dispose of any of the standalone towers directly or indirectly owned by it in 22 Circles, subject to the consent of the other Group; and (ii) ICL may enter into one or more transactions to dispose of any equity shares in Indus directly or indirectly held by it, subject to the consent of the Vodafone Group.

4.1.4 Prior to the Effective Date, certain identified assets of the Shared Services Business are intended to be transferred to VIL in one or more transactions (each a “**Pre-Merger Acquisition**”).

4.1.5 Notwithstanding anything contained in this Scheme, the Transferor Companies may undertake Pre-Merger Disposal(s), and consequently, the assets listed in Part A of Schedule 2 and any liabilities relating thereto (including any proceeds of disposal thereof) shall not be transferred to the Transferee Company pursuant to this Scheme. Any costs, Taxes, expenses and liabilities incurred at any time in connection with a Pre-Merger Disposal shall be borne by the VIL Promoters in accordance with the Implementation Agreement.





## 4.2 Sequence of Events

4.2.1 The following shall be deemed to have occurred on the Effective Date and become effective and operative only in the sequence and in the order set out below:

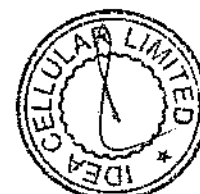
- (i) filing of certified copies of the Judgment(s) of the Tribunal with the relevant RoCs by each of VMSL and ICL pursuant to which amalgamation of the Transferor Company 1 into and with the Transferee Company in accordance with Part II of this Scheme shall become effective;
- (ii) transfer of the authorised share capital of the Transferor Company 1 to the Transferee Company and consequential increase in the authorised share capital of the Transferee Company in accordance with Part II of this Scheme;
- (iii) issue and allotment of fully paid up equity shares of the Transferee Company to the Transferor Company 2 in accordance with Part II of this Scheme;
- (iv) dissolution of the Transferor Company 1 without winding-up;
- (v) filing of certified copies of the Judgment(s) of the Tribunal with the relevant RoC by VIL pursuant to which amalgamation of the Transferor Company 2 into and with the Transferee Company in accordance with Part III of this Scheme shall become effective;
- (vi) transfer of the authorised share capital of the Transferor Company 2 to the Transferee Company and consequential increase in the authorised share capital of the Transferee Company in accordance with Part III of this Scheme;
- (vii) cancellation of the shares issued by the Transferee Company to the Transferor Company 2 pursuant to Part II of this Scheme;
- (viii) issue and allotment of fully paid up equity shares of the Transferee Company to the shareholders of the Transferor Company 2 as of the Record Date in accordance with Part III of this Scheme; and
- (ix) dissolution of the Transferor Company 2 without winding-up.

4.2.2 Following completion of the steps set out in Clause 4.2.1(i) to (ix) above and Clause 5, the VIL Promoters shall hold 45.1% (forty five point one per cent.) of the equity share capital of the Transferee Company and the ICL Promoters shall hold 26.0% (twenty six per cent.) of the equity share capital of the Transferee Company, in each case, on a Fully-Diluted Basis, and each ICL Promoter and each VIL Promoter shall be categorised as a “promoter” of the Transferee Company.

4.2.3 The shareholding pattern of the Transferee Company as specified in Clause 4.2.2 is based on the contribution of agreed levels of debt by the VIL Merger Group and the ICL Merger Group, which shall be achieved pursuant to pre-closing adjustments set forth in the Implementation Agreement.

## 4.3 Amendment of Organisational Documents

With effect from the Effective Date:



- (a) Clause V of the memorandum of association of the Transferee Company shall be amended and replaced with the following:

*“The authorised share capital of the Company is Rs.302,930,020,000 (Rupees Three Hundred and Two Billion Nine Hundred and Thirty Million Twenty Thousand only) divided into 28,793,002,000 (Twenty Eight Billion Seven Hundred and Ninety Three Million Two Thousand only) equity shares of Rs.10 (Rupees Ten) each, 1,500 (One Thousand Five Hundred) redeemable cumulative non-convertible preference shares of Rs.10,000,000 (Rupees Ten Million only) each, with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with the power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 2013) and to attach thereto respectively such preferential qualified or special rights, privileges or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force.”*

For the avoidance of doubt, it is hereby clarified that if the authorised share capital of any Party undergoes any change, either as a consequence of any corporate action or otherwise, then the authorised share capital to be specified in Clause V of the memorandum of association of the Transferee Company with effect from the Effective Date shall automatically stand modified to take into account the effect of such change, if any.

- (b) The articles of association of the Transferee Company shall be amended and restated in the manner set out in Schedule 3 of this Scheme. If the Transferee Company is required to amend its articles of association for compliance with applicable Law prior to the Effective Date, such amended articles shall, without any further act, instrument or deed, form a part of the amended and restated articles of association of the Transferee Company as set out in Schedule 3.

It is hereby clarified that the consent of the shareholders of each Party to the Scheme shall be deemed to be sufficient for purposes of effecting the above and that no further action under section 13, 14 or 61 or any other applicable provision of the Act, shall be separately required nor shall any additional fees (including fees and charges to the relevant RoC) or stamp duty be payable by the Transferee Company.

#### 4.4 Agreements with ICL and VIL group companies

- 4.4.1 In connection with this Scheme, ICL shall enter into (i) a recharges agreement with Vodafone Group Services Limited, a group company of the VIL Promoters, and (ii) a recharges agreement with Aditya Birla Management Corporation Private Limited, a group company of the ICL Promoters, which, in each case, shall become effective on the Effective Date, and shall set out the terms and conditions on which such companies will provide certain services to ICL following the Effective Date (together, the “**Recharges Agreements**”).
- 4.4.2 Pursuant to the Scheme, on the Effective Date, ICL will become a party to the Brand Licence Agreement with Vodafone Sales & Services Limited, a group company of the VIL Promoters, which shall govern the terms and conditions on which the Vodafone brand shall be licenced to ICL.
- 4.4.3 On the Effective Date, all existing Contracts and other arrangements with Related Parties entered into by each Target Group shall terminate other than the Recharges Agreements, the Brand Licence Agreement, the Contracts listed as surviving the Effective Date in the Recharges Agreements and the Contracts listed in Parts B and C of Schedule 2. The Parties



acknowledge and agree that each Group has made good faith efforts to identify Contracts that are intended to survive the Effective Date, however, Parts B and C of Schedule 2 may not list all such Contracts. If, prior to the Effective Date, either Group identifies any additional Contracts that are intended to survive the Effective Date, such Contracts shall survive the Effective Date, subject to the consent of the other Group (which shall not be unreasonably withheld).

- 4.4.4 If any Pre-Merger Disposal(s) or Pre-Merger Acquisition(s) have not been completed prior to the Effective Date with respect to any part of the assets listed in Part A of Schedule 2 and any liabilities relating thereto (including any proceeds of disposal thereof) or the Shared Services Business (as applicable), the Transferee Company shall enter into Contracts with relevant members of the Vodafone Parent Group pursuant to which the relevant entities shall be granted the right to use such part(s) of the assets listed in Part A of Schedule 2 and any liabilities relating thereto (including any proceeds of disposal thereof) or the Shared Services Business (as applicable) on mutually agreed terms.
- 4.4.5 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to constitute due compliance with section 188 and any other applicable provisions of the Act, regulation 23 and any other applicable provision of the SEBI Listing Regulations and the articles of association of the Transferee Company, and no further action under the Act, the SEBI Listing Regulations or the articles of association of the Transferee Company shall be separately required for the Transferee Company to become a party to the Contracts described in this Clause 4.4.

#### 4.5 Applications to the Tribunal

The Parties shall make applications and/or petitions under sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal for approval of the Scheme and all matters ancillary or incidental thereto, as may be necessary to give effect to the terms of the Scheme.

#### 4.6 Matters Relating to Tax in respect of the Undertakings

- 4.6.1 The provisions of Part II and Part III of this Scheme are intended to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the Income Tax Act. If, at a later date, any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(1B) of the Income Tax Act, including as a result of an amendment of Law or the enactment of a new legislation or for any other reason whatsoever, the provisions of section 2(1B) of the Income Tax Act, or a corresponding provision of any amended or newly enacted Law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income Tax Act. Such modification(s) will, however, not affect the other parts of the Scheme. The power to make such modification(s), if necessary, shall vest with the Boards of Directors of each Party, which power shall be exercised reasonably in the best interest of each of the Parties and their shareholders and creditors in accordance with Clause 4.7. In addition, upon the Scheme becoming effective:
- (i) to the extent required, the Parties are permitted to revise and file their respective income Tax returns, withholding Tax returns (including Tax deducted at source certificates), sales Tax, value added Tax, service Tax, central sales Tax, entry Tax, goods and services Tax returns and any other Tax returns; and
  - (ii) the Transferee Company shall be entitled to: (a) claim deduction with respect to items such as provisions, expenses, etc. disallowed in earlier years in the hands of the Transferor Companies, which may be allowable in accordance with the provisions of



the Income Tax Act on or after the Effective Date; and (b) exclude items such as provisions, reversals, etc. for which no deduction or Tax benefit has been claimed by the Transferor Companies prior to the Effective Date.

- 4.6.2 Upon the Scheme becoming effective, notwithstanding anything to the contrary contained in the provisions of this Scheme, all accumulated Tax loss, unabsorbed Tax depreciation, minimum alternate Tax credit, if any, of the Transferor Companies as on the Effective Date, shall, for all purposes, be treated as accumulated Tax loss, unabsorbed Tax depreciation and minimum alternate Tax credit of the Transferee Company. It is further clarified that any business loss and unabsorbed depreciation of the Transferor Companies as specified in their respective books of account shall be included as business loss and unabsorbed depreciation of the Transferee Company for the purposes of computation of minimum alternate Tax.
- 4.6.3 Upon the Scheme becoming effective, the Transferee Company shall be entitled to claim refunds (including refunds or claims pending with the Tax authorities) or credits, with respect to Taxes paid by, for, or on behalf of, the Transferor Companies under applicable Laws, including income Tax, sales Tax, value added Tax, service Tax, entry Tax, custom duty, goods and services Tax or any other Tax.
- 4.6.4 Upon the Scheme becoming effective, all Taxes, cess, duties and liabilities (direct and indirect), payable by or on behalf of the Transferor Companies, shall, for all purposes, be treated as Taxes, cess, duties and liabilities, as the case may be, of the Transferee Company.
- 4.6.5 Upon the Scheme becoming effective, all unavailed credits and exemptions and other statutory benefits, including in respect of income Tax, CENVAT, customs, value added Tax, sales Tax, service Tax, entry Tax and goods and services Tax to which the Transferor Companies are entitled shall be available to and vest in the Transferee Company, without any further act or deed.
- 4.6.6 Any Tax liabilities under the Income Tax Act or other applicable Tax Laws or regulations allocable to the Transferor Companies, whether or not provided for or covered by any Tax provisions in the accounts of the Transferor Companies made as on the date immediately preceding the Effective Date, shall be transferred to the Transferee Company. Any surplus in the provision for Taxation or duties or levies in the accounts of the Transferor Companies, including advance Tax and Tax deducted at source as on the close of business in India on the date immediately preceding the Effective Date will also be transferred to the account of the Transferee Company.
- 4.6.7 All Tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Companies, pending or arising as at the Effective Date, shall be continued and/or enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Further, the aforementioned proceedings shall neither abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in this Scheme.
- 4.6.8 Any refund under the Income Tax Act or any other Tax Laws related to or due to the Transferor Companies, including those for which no credit is taken as on the date immediately preceding the Effective Date, shall also belong to and be received by the Transferee Company.
- 4.6.9 Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (including income Tax, service Tax, excise duty, goods and services Tax and applicable state value added Tax) to which the Transferor Companies are entitled to in terms



of applicable Tax Laws, shall be available to and vest in the Transferee Company from the Effective Date.

- 4.6.10 All the expenses incurred by the Transferor Companies and the Transferee Company in relation to the amalgamation of the Transferor Companies with the Transferee Company in accordance with this Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with Section 35DD of the Income Tax Act over a period of five (5) years beginning with the financial year in which this Scheme becomes effective.

#### 4.7 Modification or Amendment to the Scheme

- 4.7.1 The Parties, through their respective Boards of Directors (or any duly authorised committee thereof), may mutually agree to any modification of or amendment to the Scheme in accordance with the Implementation Agreement. The Parties, acting through their respective authorised representatives, are hereby authorised to jointly take all such steps as may be necessary, desirable or appropriate to resolve any difficulties or questions, whether by reason of any direction or order of the Tribunal or of any other authorities or otherwise arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith, subject to the terms of the Implementation Agreement.
- 4.7.2 If any provision in this Scheme shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties to the Implementation Agreement.

#### 4.8 Conditions Precedent

The Scheme is and shall be conditional upon satisfaction or waiver (if applicable) of the following conditions at or prior to the Long Stop Date, in the manner agreed in the Implementation Agreement:

- (a) Stock Exchanges' Approval. ICL shall have received no-objection letters from the Stock Exchanges in respect of the Scheme (prior to filing the Scheme with the Tribunal as well as following approval of the Scheme by the Tribunal) and the transactions contemplated therein, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.
- (b) Approval of the Tribunal. The Scheme shall have been approved by the Tribunal, either on terms as originally approved by the relevant parties to the Scheme, or subject to such modifications approved by the Tribunal, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.
- (c) Approval under Competition Law. The written approval of the CCI in respect of the transactions contemplated herein shall have been obtained, pursuant to a joint application by VIL and ICL, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith, or the waiting period during which the CCI is required to provide its decision in respect of the application for approval in respect of the transactions contemplated herein, together with any extensions thereof, shall have expired.
- (d) FIPB and RBI Approvals. The approval of the FIPB and the RBI shall have been obtained in relation to the transactions contemplated herein pursuant to applications by ICL, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith.



- (e) DoT. (a) The written approvals of the DoT with respect to the transactions contemplated under the Scheme shall have been received, which shall be in form and substance acceptable to the Parties, each acting reasonably and in good faith, and any conditions contained in such approvals that are required to be satisfied shall have been so satisfied (or, where applicable, waived) other than any condition relating to the payment of demands or charges set out in such written approvals and any other conditions which by their nature are capable of satisfaction only on or immediately prior to the Effective Date; and (b) any demands or charges required to be paid by the terms of the written approvals received from the DoT shall have been paid in accordance with applicable Law, by the Party stated as being responsible for such demands or charges.
- (f) No Injunctions or Restraints; Illegality. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Judgment that is in effect and restrains, enjoins, prohibits or otherwise makes illegal consummation of the transactions contemplated under the Scheme and other transaction documents.
- (g) Shareholders' and Creditors' Approval. Each of the Scheme, the Recharges Agreements and the Brand Licence Agreement shall have been approved by the respective requisite majority of various classes of members and creditors of the Parties (where applicable) in accordance with the Act, the SEBI Circular and the SEBI Listing Regulations, as applicable.
- (h) Shareholder Approval under SEBI Circular. The public shareholders of ICL shall have approved the transactions contemplated herein pursuant to, and in accordance with, the SEBI Circular.
- (i) Pre-Merger Disposal. VIL shall have transferred its equity interest in Indus to any other Person, provided that the Vodafone Group shall have complied with the relevant provisions of the Implementation Agreement and made all reasonable endeavours to obtain any Governmental Approvals necessary for such disposal, including approvals of the Tribunal and the FIPB, if applicable
- (j) Others. Such other conditions precedent as may be agreed among the Parties under the Implementation Agreement, including absence of any material adverse change and completion of pre-closing adjustments pursuant to Clause 4.2.3.

#### 4.9 Effect of Non-Receipt of Approvals; Withdrawal

4.9.1 In the event the conditions precedent to the Scheme are not satisfied or waived on or prior to the Long Stop Date, this Scheme shall become null and void and, except as agreed in writing among the Parties, no rights or liabilities whatsoever shall accrue to, or be incurred by, the Parties or their respective shareholders or creditors or employees or any other Person. In addition, termination fees of US\$500 million would become payable in accordance with the Implementation Agreement under certain circumstances as specified therein.

4.9.2 The Parties, acting through their respective Boards of Directors, may mutually agree in writing to withdraw this Scheme from the Tribunal.

#### 4.10 Indemnity

The parties to the Implementation Agreement have agreed: (i) to indemnify each other for certain events as set forth therein, including in relation to breach of representations and



warranties, and covenants; and (ii) a mechanism for payments to each other pursuant to crystallisation of certain identified contingent liabilities and refunds.

#### 4.11 **Costs and Expenses**

Stamp duty costs incurred in connection with this Scheme shall be borne by the Transferee Company.

#### 4.12 **Residual Provisions**

4.12.1 The consent of the shareholders and creditors of each of the Parties to the Scheme in accordance with the Act and the SEBI Circular, as applicable, shall be deemed to be sufficient for purposes of effecting all the actions set out in this Scheme and no additional actions of the Parties shall be separately required.

4.12.2 Upon the Scheme becoming effective, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending Contracts and transactions in the name of the Transferor Companies to the extent necessary until the transfer of the rights and obligations of the Transferor Companies to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that with effect from the Effective Date and until such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Companies in the name of the relevant Transferor Company in so far as may be necessary.

4.12.3 The Transferee Company may, at any time after the Scheme becomes effective in accordance with the provisions hereof, if so required under any Law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of, any party to any Contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes specified above by the Transferor Companies.

4.12.4 Upon the Scheme becoming effective, all Licences, incentives, remissions, Tax incentives, subsidies, privileges, consents, sanctions, and other authorisations, to which the Transferor Companies are entitled, shall stand vested in the Transferee Company and permitted or continued by the order of sanction of the Tribunal. The Transferee Company shall file the Scheme with applicable Governmental Authorities for their record, who shall take it on record pursuant to the sanction order of the Tribunal.



## PART V

### 5. CERTAIN ARRANGEMENTS AMONG THE PARTIES, THE VIL PROMOTERS AND THE ICL PROMOTERS

5.1 The Parties, the ICL Promoters and the VIL Promoters have agreed, pursuant to and in terms of the Implementation Agreement, to enter into certain other transactions (the "**Promoter Share Transactions**") pursuant to which, following completion of (a) the amalgamation of Transferor Company 1 and Transferor Company 2 into and with the Transferee Company in accordance with Parts II, III and IV of the Scheme and (b) the Promoter Share Transactions set out in this Clause 5.1 and Clause 5.2, the shareholding pattern of the Transferee Company on a Fully-Diluted Basis shall ultimately be as follows:

- (i) the VIL Promoters shall hold 45.1% (forty five point one per cent.) of the equity share capital of the Transferee Company; and
- (ii) the ICL Promoters shall hold 26.0% (twenty six per cent.) of the equity share capital of the Transferee Company.

5.2 The ICL Promoters may, in order to meet the leverage ratio requirement specified in the Implementation Agreement, infuse equity capital in the Transferee Company prior to the Effective Date. If such event does not occur, or upon occurrence of such event, the shareholding of the ICL Promoters is (or will be) less than 26.0% (twenty six per cent.) of the equity share capital of the Transferee Company on a Fully-Diluted Basis following the completion of the steps set out in Clause 4.2.1(i) to (ix) on the Effective Date, the Parties, the ICL Promoters and the VIL Promoters shall undertake the Promoter Share Transactions which may include: (a) the purchase by one or more ICL Promoters (the "**Idea Purchasers**") of securities representing up to 9.88% (nine point eight eight per cent.) of the equity share capital of VIL on a Fully-Diluted Basis (the "**VIL Sale Shares**"), free of Lien, from one or more VIL Promoters for an amount equal to the Purchase Consideration prior to the Effective Date, and failing agreement on such purchase among the parties to the Implementation Agreement, (b) the purchase by the Idea Purchasers of the Sale Shares, free of Lien, from one or more VIL Promoters for an amount equal to the Purchase Consideration following the completion of the steps set out in Clause 4.2.1(i) to (ix); provided that in the event the Effective Date does not occur and actions set out in this Clause have been completed, the Parties shall make all reasonable endeavours to restore the Idea Purchasers, VIL and the VIL Promoters to their respective original positions, as if the actions under this Clause did not occur and any costs, Taxes and expenses incurred for purposes of such restoration shall be borne by the VIL Promoters and the ICL Promoters equally.

5.3 It is clarified that in the event that the Promoter Share Transaction specified in Clause 5.2(b) above is undertaken, such transaction shall be deemed to have occurred on the Effective Date.





**SCHEDULE 1**

**PART A**

**TELECOMMUNICATIONS LICENCES HELD BY THE TRANSFEROR COMPANY 1**

S.No.	Service Area	Type	Licence Agreement Nos. for UAS/UL	Effective Date
1.	Delhi	Unified Licence (UL)	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
2.	Kolkata	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
3.	Andhra Pradesh	Unified Access Service Licence (UASL)	842-1014/2008-AS-IV dated 06.11.2008	26.09.2001
4.	Tamil Nadu including Chennai	UASL	842-1015/2008-AS-IV dated 06.11.2008	26.09.2001
5.	Karnataka	UASL	842-1016/2008-AS-IV dated 06.11.2008	26.09.2001
6.	Punjab	UASL	842-1021/2008-AS-IV dated 06.11.2008	05.10.2001
7.	Uttar Pradesh (W)	UASL	20-218/2003-HUTCH/BS-III dated 13.02.2004	13.02.2004
8.	West Bengal	UASL	20-201/2004-HUTCH/BS-III dated 23.03.2004	23.03.2004
9.	NLD	All India	10-20/2005-BS-I (NLD-12) dated 10.11.2006	10.11.2006
10.	ILD	All India	10-54/2006-BS-I (ILD-08) dated 13.11.2006	13.11.2006
11.	Gujarat	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
12.	Kerala	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
13.	Maharashtra	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
14.	Haryana	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
15.	Rajasthan	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
16.	Uttar Pradesh (E)	UL	20-428/2014 AS-I/31 dated 21.11.2014	30.11.2014
17.	Assam	UASL	20-203/2006-ESSAR/AS-I dated 05.12.2006	05.12.2006
18.	Bihar	UASL	20-204/2006-ESSAR/AS-I dated 05.12.2006	05.12.2006
19.	Himachal Pradesh	UASL	20-207/2006-ESSAR/AS-I dated 05.12.2006	05.12.2006
20.	Jammu & Kashmir	UASL	20-208/2006-ESSAR/AS-I dated 05.12.2006	05.12.2006
21.	North East	UASL	20-213/2006-ESSAR/AS-I dated 05.12.2006	05.12.2006
22.	Orissa	UASL	20-214/2006-ESSAR/AS-I dated 05.12.2006	05.12.2006



S.No.	Service Area	Type	Licence Agreement Nos. for UAS/UL	Effective Date
23.	Madhya Pradesh	UASL	20-211/2007-VODAFONE ESSAR/AS-I dated 19.12.2007	20.03.2007
24.	ISP (Category-A)	All India	820-1051/09-LR dated 11.12.2009	11.12.2009



**PART B**

**TELECOMMUNICATIONS LICENCES HELD BY THE TRANSFEROR COMPANY 2**

<b>S.No.</b>	<b>Service Area</b>	<b>Type</b>	<b>Licence Agreement Nos. for UAS/UL</b>	<b>Effective Date</b>
1.	Mumbai	UL	20-426/2014 AS-I/40 dated 21.11.2014	29.11.2014



## SCHEDULE 2

### PART A

#### LIST OF ASSETS WHICH MAY BE TRANSFERRED BY THE VIL MERGER GROUP PURSUANT TO A PRE-MERGER DISPOSAL

1. 42% (forty two per cent.) equity interest held by VIL in Indus;
2. International network assets, including:
  - a. Group Multiprotocol Label Switching (MPLS)
    - i. Core and access routers in Mumbai, Bangalore, Chennai, Pune, Kolkata, Hyderabad and New Delhi;
    - ii. Network control and performance monitoring routers;
  - b. Group Dedicated Ethernet
    - i. Multiplexers in Mumbai, Chennai, Bangalore and New Delhi;
    - ii. Metro Dense Wavelength Division Multiplexing in Mumbai;
  - c. Submarine System
    - i. Bay of Bengal Gateway Cable landing station associated equipment and physical infrastructure, and indefeasible right to use ownership of fiber
  - d. Legacy International Network assets outside India for internet transit and peering, international voice and MPLS services
3. Information technology platforms
  - a. VONE-C (unified communications platform for enterprise customers) in Chennai comprising Cisco Hosted Communications Solutions equipment

### PART B

#### VODAFONE INTER-COMPANY AGREEMENTS

1. Framework Agreement for Roaming IOT Discounts with Vodafone Roaming Services S.a.r.l. and VIL, VMSS, Vodafone East Limited, Vodafone West Limited and Vodafone Cellular Limited with an effective date of 1 May 2010 and IOT Discount Letter No. 6 with an effective date 1 May 2015.
2. Any Bilateral Roaming Agreement between a member of the Vodafone Parent Group and VIL or its Affiliate.
3. Any agreement relating to the provision or receipt of assignees between a member of the Vodafone Parent Group and VIL or its Affiliate.
4. Any agreements relating to the processing of data.
5. Carrier related agreements (as set out in Service Description IN02\_03 of the Recharges Agreement between Vodafone Group Services Limited and ICL):



- a. Service and Revenue Share Agreement between Vodafone South Limited and Vodafone Limited originally dated 9 September 2008;
- b. International Telecommunications Service Agreement between Cable & Wireless UK and Vodafone South Limited dated 1 November 2012;
- c. Managed Service Agreement between Vodafone South Limited and Vodafone Limited dated 1 October 2014;
- d. International Telecommunications Services Agreement between Vodafone Enterprise Global Limited and VMSL dated 15 June 2016; and
- e. Bandwidth Connect Agreement between Vodafone Global Network Limited and VMSL dated 28 February 2017.

Any reference to an agreement includes any addendums or ancillary documents (i.e., statements of work or invoices) relating to such agreements.

### PART C

#### ICL INTER-COMPANY AGREEMENTS

1. Any Bilateral Roaming Agreement between a member of the Idea Group and Axiata group (including its subsidiaries and Affiliates).
2. Any Interconnect Agreements between a member of the Idea Group and Axiata group (including its subsidiaries and Affiliates).
3. Agreements between ICL and Indus to avail passive infrastructure and energy efficiency services.
4. Any rental arrangements between ICL and its Related Parties.
5. Any arrangements between ICL and its Related Parties to provide mobility and leased line services.
6. Any arrangements between Idea Group and its Related Parties to avail any insurance services for its assets, employees and their dependents.
7. Any arrangements between Idea Group and its Related Parties for use of guest house facilities.
8. Agreement between ICL and Aditya Birla Wellness (P) Limited to partner in a wellness program of the latter and sharing the incentives provided to the customers of the latter registered under this program.
9. Any arrangements for sale/purchase of goods and services, sharing of common facilities and financing arrangements within the ICL Merger Group.
10. Any agreements / arrangements between the Idea Group and its related parties for availing post- paid collection and prepaid recharges.
11. Non-compete fee paid to a director on the board.



Any reference to an agreement includes any addendums or ancillary documents (i.e., statements of work or invoices) relating to such agreements.



**SCHEDULE 3**  
**AMENDED AND RESTATED ARTICLES OF ASSOCIATION**  
*[separately attached]*



#### SCHEDULE 4

#### LIST OF SUBSIDIARIES OF THE TRANSFEROR COMPANIES

- i. Vodafone m-pesa Limited
- ii. Vodafone Business Services Limited
- iii. Mobile Commerce Solutions Limited
- iv. Connect (India) Mobile Technologies Private Limited
- v. Vodafone Technology Solutions Limited
- vi. Vodafone Towers Limited
- vii. Vodafone India Ventures Limited
- viii. Vodafone Foundation
- ix. Vodafone India Digital Limited





**UNDER THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**IDEA CELLULAR LIMITED**

***PART I***

**INTERPRETATION**

1. 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 alterations or addition to its regulations by a Special Resolution as prescribed by the Companies Act, 2013, be such as are contained in the Articles set out herein below, and the regulations in Table F of Schedule I to the said Companies Act, 2013 shall not, except in respect of such of the matters for which no provisions exist in these Articles, apply to this Company. In the event of any conflict between Parts I and II of the Articles of Association and Part III of the Articles of Association, the provisions of Part III of the Articles of Association shall prevail.
  
2. (a) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the meanings assigned to them respectively hereunder.
  - (i) "Act" means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.
  - (ii) "Annual General Meeting" means a General Meeting of Members held in accordance with the provisions of Section 96 of the Act.
  - (iii) "Articles" or "Articles of Association" means these articles of association of the Company as originally framed or as altered from time to time in accordance with the provisions of the Act.
  - (iv) "Auditor" means and includes a Person appointed as such for the time being of the Company.
  - (v) "Audited Statement of Accounts" means the audited statement of accounts of the Company prepared by the Auditor in compliance with the Act and placed before the Members at the Annual General Meeting of the Company for approval.
  - (vi) "Auditor's Report" means a report prepared by the Auditor in addition to the Audited Statement of Accounts of the Company and placed before the Members at the Annual General Meeting of the Company for approval.
  - (vii) "Board of Directors" or "Board" means the Board of Directors of the

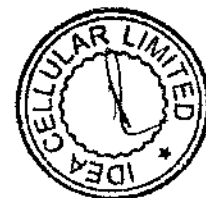


Company.

- (viii) "Capital" means the Share capital, for the time being raised or authorized to be raised, as the case may be, for the purposes of the Company.
- (ix) "Capital Redemption Reserve Account" has the meaning assigned to it in Article 7(a)(iv).
- (x) "Chairman" means the Chairman of the Board of Directors.
- (xi) "Chief Executive Officer" means the chief executive officer of the Company appointed, from time to time, by the Board of Directors as provided in Article 173.
- (xii) "Chief Financial Officer" means the chief financial officer of the Company appointed, from time to time, by the Board of Directors as provided in Article 174.
- (xiii) "Chief Technical Officer" means the chief technical officer or any other officer carrying on similar functions, by whatever name called, of the Company appointed, from time to time, by the Board of Directors.
- (xiv) "Committee" means a committee of the Board of Directors.
- (xv) "Company" means IDEA CELLULAR LIMITED.
- (xvi) "Company Secretary" or "the Secretary" means the company secretary of the Company appointed, from time to time, by the Board of Directors.
- (xvii) "Debenture" includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company, its subsidiaries, its holding company or its associate companies or not.
- (xviii) "Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a Board.
- (xix) "Director's Report" means a report prepared by the Directors of the Company and placed before the Members of the Company at the Annual General Meeting, for their approval.
- (xx) "Dividend" includes bonus.
- (xxi) "DoT" means the Department of Telecommunications, Ministry of Communications and Information Technology, Government of India.
- (xxii) "Equity Capital" means the equity Shares in the Capital of the Company.
- (xxiii) "Extra-ordinary General Meeting" means an extra ordinary General Meeting of the Members other than Annual General Meeting duly called and constituted and any adjourned holding thereof.
- (xxiv) "Financial Year" has the meaning given to it under Section 2 (41) of the Act.



- (xxv) "In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- (xxvi) "Key Managerial Personnel" means the officers of the Company to be appointed in accordance with Section 203 of the Act.
- (xxvii) "Licence Agreements" means the licence agreements entered into by the Company with the DoT for carrying on any its business including the cellular mobile telephone service licence agreement, unified access service licence agreement, unified licence agreement, national long distance licence agreement, international long distance licence agreement and the internet service provider licence agreement or any other license agreement as amended or substituted from time to time.
- (xxviii) "Managing Director" means the managing director of the Company appointed, from time to time, by the Board of Directors as provided in Article 176.
- (xxix) "Member" means a duly registered holder, for the time being, of the Shares of the Company, and includes a subscriber to the Memorandum and Articles of Association of the Company.
- (xxx) "Meeting" or "General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 96, Section 97 or Section 100 of the Act.
- (xxxi) "Memorandum" or "Memorandum of Association" means the memorandum of association of the Company as originally framed or as altered from time to time.
- (xxxii) "Office" or "Registered Office" means the registered office, for the time being, of the Company.
- (xxxiii) "Paid up" in relation to Shares includes credited as paid up.
- (xxxiv) "Person" means any individual, partnership (including any limited liability partnership), association, joint stock company, joint venture corporation, trust, unincorporated organisation or government, or agency or sub-division thereof.
- (xxxv) "Proxy" means any person who is appointed by an instrument to vote for a Member at a General Meeting in a poll.
- (xxxvi) "Register of Charges" means the register of charges to be kept pursuant to Section 85 of the Act.
- (xxxvii) "Register of Contracts" means the register of contracts to be kept pursuant to Article 168.
- (xxxviii) "Register of Directors" means the register of directors to be kept pursuant to Article 168.
- (xxxix) "Register of Members" or "Register and Index of Members" means the register of Members to be kept pursuant to the Act.



- (xl) "Register and Index of Debenture-holders" shall mean the register of debenture-holders required to be kept pursuant to the Act.
  - (xli) "Register of Renewed and Duplicate Certificates" shall mean the register of renewed and duplicate Share certificates required to be kept pursuant to Article 28(c)(v).
  - (xlii) "Register of Transfers and Transmissions" shall mean the register of transfers and transmission of Shares required to be kept pursuant to Article 73.
  - (xliii) "Registrar" means the Registrar of Companies of the State in which the Registered Office of the Company is, for the time being, situate.
  - (xliv) "Regulations" or the "Company's Regulations" means the regulations or bylaws, for the time being, framed by the Company.
  - (xlv) "Rules" means the applicable rules for the time being in force as prescribed under relevant Sections of the Act.
  - (xlvi) "Seal" or "Common Seal" means the common seal, for the time being, of the Company.
  - (xlvii) "Securities Premium Account" has the meaning given to it in Article 24(a).
  - (xlviii) "Senior Officers" mean the Chief Financial Officer, the Chief Technical Officer, the Company Secretary and any other key positions of the Company as may be notified by the DoT from time to time.
  - (xlix) "Share" means shares in the Capital of the Company, and includes stock except where a distinction between stock and shares is expressed or implied.
  - (l) "Shareholder" means any owner of the Shares in the Capital of the Company.
  - (li) "Section" or "Sections" means a section of the Act for the time being in force.
  - (lii) "Special Resolution" and "Ordinary Resolution" have the meanings respectively given to them under the provisions of the Act.
  - (liii) "Stock Exchange" means the relevant stock exchange on which the Shares or Debentures of the Company are listed.
- (b) Any reference in these Articles to :
- (i) Any gender, whether masculine, feminine or neuter, shall be deemed to be construed as referring to the other gender or genders, as the case may be; and
  - (ii) Singular number be construed as referring to, the plural number and vice versa.
- (c) The headings are inserted for convenience only and do not affect the interpretation of these Articles.



- (d) Save as aforesaid, any words or expressions defined in the Act, but not defined in these Articles and not inconsistent with the subject or context, bear the same meaning herein as given to them respectively in the Act.

3. CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

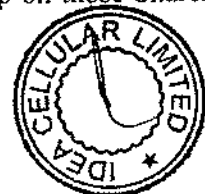
- (a) The authorised Capital of the Company shall be as stated in Clause V of the Memorandum of Association.
- (b) Upon an acquisition, whether by merger, issue of Shares or otherwise by the Company of another body corporate, the Company may issue new Shares in its Equity Capital at par or at such premium as may be agreed by Shareholders.
- (c) Subject to the provisions of Article 88(g) and Section 43 of the Act and the Rules, the Company may, with the approval of the Shareholders in a General Meeting, issue Shares with differential rights as to Dividend, voting or otherwise.

4. (a) The Company in a General Meeting, may, by Special Resolution and subject to the provisions of these Articles, from time to time, increase the authorized Capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe.

Subject to the provisions of Sections 43, 47, 55 and 62 of the Act, the new Shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting shall direct and if no direction be given, as the Board of Directors shall determine, and in particular, such Shares may be issued with a preferential or qualified right to Dividends and in the distribution of the assets of the Company and subject to the provisions of the said Sections with special or without any right of voting and subject to the provisions of Section 55 of the Act any preference Shares may be issued on the terms that they are liable to be redeemed.

- (b) Whenever the Capital of the Company is increased under the provisions of this Article the Board of Directors shall comply with the provisions of Section 64 of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these Articles, any Capital raised by the creation of new Shares, shall be considered as part of the original Capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.
6. (a) Subject to the provisions of these Articles, where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares made for the first time after formation of the Company, whichever is earlier, it is proposed to increase the subscribed Capital of the Company by allotment of further Shares:

- (i) Such further Shares shall be offered to the Persons who, as on the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit to the Capital paid-up on those Shares at that



date;

- (ii) Such offer shall be made by a notice specifying the number of Shares offered and stipulating a time not being less than fifteen days and not more than thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- (iii) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person; and the notice referred to herein above shall contain a statement of this right.

Provided that the Directors may decline, without assigning any reason, to allot any Shares to any Person in whose favour any Member may renounce Shares offered to him; and

- (iv) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of such Shares in such manner as the Board thinks most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceding sub-Article, the Company may by a Special Resolution offer further Shares to any Person or Persons either for cash or for consideration other than cash, and such Person or Persons may or may not include the Persons who at the date of the offer, are the holders of the equity Shares of the Company.
- (c) Nothing contained in sub-Articles (a) and (b) of this Article 6 shall apply
  - (i) to the increase of the subscribed Capital caused by the exercise of an option attached to any Debentures issued or loans raised by the Company;
  - (ii) to the conversion of such Debentures or loans into Shares in the Company; or
  - (iii) to the subscription of Shares in the Company.

Provided that the terms of the issue of such Debentures or the terms of such loans include a term providing for such option and such term as may be mutually agreed upon before the issue of the Debentures or before the raising of the loans or is in conformity with the rules, if any, made by the Central Government in this behalf or by such authorities as may be laid down by the Central Government.

- (iv) in the case of Debentures or loans, other than those Debentures issued to, or loans obtained from the Central Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in a General Meeting before the issue of the Debentures or the raising of the loans.
- (v) subject to the provisions of the Act, and these Articles, the Board of Directors may issue and allot Shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the



Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid up or partly paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up Shares as the case may be.

- (d) Nothing in sub-article (a)(iii) of Article 6 hereof shall be deemed:
  - (i) To extend the time within which the offer should be accepted; or
  - (ii) To authorise any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take Shares comprised in the renunciation.
- (e) Any Debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

- 7. (a) Subject to the provisions of Section 43, Section 55 and other applicable provisions, if any, of the Act and the Rules and the provisions of these Articles, the Company shall by a Special Resolution have power to issue or re-issue preference Shares / cumulative convertible preference Shares of one or more classes which are liable to be redeemed or converted to equity Shares, with such rights and on such terms and conditions that are prescribed in this behalf from time to time.

Provided that:

- (i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of redemption;
  - (ii) No such Shares shall be redeemed unless they are fully paid;
  - (iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account before the Shares are redeemed;
  - (iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed; and the provisions of the Act relating to the reduction of the Capital of the Company shall, except as provided in Section 55 of the Act and the Rules apply as if the Capital Redemption Reserve Account were paid up Capital of the Company.
- (b) Subject to the provisions of Section 55 of the Act and the Rules and subject to the provisions on which any Shares may have been issued, the redemption of preference Shares may be effected on such terms and in such manner as may be provided in



these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.

- (c) The redemption of preference Shares under the provisions of their issue by the Company shall not be taken as reducing the amount of its authorised Capital.
- (d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference Shares, it shall have the power to issue Shares up to the nominal amount of the Shares redeemed or to be redeemed as if those Shares had never been issued and, accordingly, the Capital of the Company shall not, for the purpose of calculating the fees payable under Section 403 of the Act, be deemed to be increased by the issue of Shares in pursuance of this Article.

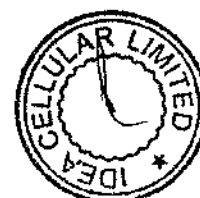
Provided that where new Shares are issued before the redemption of the old Shares, the new Shares shall not, so far as relates to stamp duty, be deemed to have been issued in pursuance of this Article unless the old Shares are redeemed within one month of the issue of the new Shares.

- (e) The Capital Redemption Reserve Account may, notwithstanding anything contained in this Article 7, be applied by the Company, in paying up unissued Shares of the Company to be issued to Members of the Company as fully paid bonus Shares.

8. The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference Shares, to redeem at par the whole part of the preference Shares, for the time being outstanding, by payment of the nominal amount thereof with Dividend calculated up to the date or dates notified for payment (and for this purpose the Dividend shall be deemed to accrue and be due from day to day) and in the case of redemption of part of the preference Shares the following provisions shall take effect:

- (a) The Shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its Registered Office in the presence of at least one of the Directors; and
- (b) Forthwith after every such drawing, the Company shall notify to the Shareholders whose Shares have been drawn for redemption, its intention to redeem such Shares by payment at the Registered Office of the Company at the time and on the date to be named against surrender of the certificates in respect of the Shares to be so redeemed and at the time and date so notified each such Shareholder shall be bound to surrender to the Company the Share certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such Shareholders in respect of such redemption. The Shares to be redeemed shall cease to carry Dividend from the date named for payment as aforesaid. Where any such certificate comprises any Shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.

9. (a) The Company may (subject to the provisions of Sections 55 and 66 of the Act and the provisions of these Articles), from time to time by a Special Resolution, reduce its Capital and any Capital Redemption Reserve Account or Securities Premium Account and / or any other reserve in the nature of Capital in any manner for the time being authorised by law, and in particular Capital may be paid off on the footing that it may be called up again or otherwise.





- (b) This Article 9 shall not derogate from any power the Company would have if it were omitted.
10. Subject to the provisions of Section 61 of the Act and these Articles, the Company in a General Meeting may, from time to time, by a Special Resolution alter the conditions of its Memorandum of Association so as to:
- (a) increase its Capital by such amount as it thinks expedient by issuing new Shares;
  - (b) consolidate and divide all or any of its Capital into Shares of larger amount than its existing Shares; Provided that any consolidation and division which results in changes in the voting percentage of Members shall require the applicable approvals under the Act;
  - (c) convert all or any of its fully paid up Shares into stock; and reconvert that stock into fully paid up Shares of any denomination;
  - (d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association of this Company subject nevertheless to the provisions of the Act in that behalf and so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived, and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards Dividend, capital or otherwise, over, or as compared with, the others or other; and
  - (e) cancel Shares which at the date of passing of the resolution in a General Meeting in that behalf have not been taken or agreed to be taken by any Person, and diminish the amount of its Capital by the amount of the Shares so cancelled.
11. (a) If the Company has:
- (i) consolidated and divided its Capital into Shares of a larger amount than its existing Shares;
  - (ii) converted any Shares into stock;
  - (iii) reconverted any stock into Shares;
  - (iv) sub-divided its Shares or any of them;
  - (v) redeemed any redeemable preference Shares; or
  - (vi) cancelled any Shares otherwise than in connection with a reduction of Capital under Section 66 of the Act, the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the Shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.
- (b) The Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.



12. Subject to the provisions of the Act and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other guidelines issued in this context, the Company may at any time authorize the Board to create or implement one or more employee stock option plans or employee stock purchase plans, which may run simultaneously to any issue of Shares or securities to its employees and/or any other Persons whose contributions to the Company's performance including profitability is of material importance. Subject to applicable law, the Board may, at its discretion, create one or more trusts or other special purpose vehicles of any nature, and/or any other mechanism to implement one or more employee stock option plans or employee stock purchase plans and/or use the offices of any intermediaries to conceptualize, implement, manage, and/or administer any such schemes from time to time.
13. (a) Whenever the Capital, by reason of the issue of preference Shares, or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Section 48 of the Act and these Articles, and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated, or dealt with the consent in writing of the holders of at least three-fourths in nominal value of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate Meeting of the holders of Shares of that class and all the provisions hereinafter contained as to a General Meeting shall, *mutatis mutandis*, apply to every such Meeting.
- (b) This Article shall not derogate from any power the Company would have if this Article were omitted.

#### SHARES AND SHARE CERTIFICATES

14. The rights or privileges conferred upon the holders of the Shares of any class issued with preference or other rights, shall not unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied or modified or affected by the creation or issue of further Shares ranking *pari passu* therewith.
15. The provisions of Sections 43 and 47 of the Act in so far as the same may be applicable shall be observed by the Company.
16. Subject to the provisions of the Act and these Articles, the Shares (including any Shares forming part of any increased Capital of the Company) in the Capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the Capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be



given to any Person or Persons without the sanction of the Company in the General Meeting.

17. The Board shall observe the restrictions as to allotment contained in Section 39 of the Act and shall cause to be made the return of allotment in accordance with Section 39 of the Act and the Rules.
18. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 9 hereof and with the sanction of the Company in a General Meeting may, subject to the provisions of Section 62 of the Act, determine that any Shares (part of the original Capital or of any increased Capital of the Company) shall be offered to such Persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any Person/s (whether a Member or not) the option to call or be allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 52 and 53 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment and disposal of any Shares.
19. The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Section 88 of the Act and Register and Index of Debenture-holders in accordance with Section 88 of the Act. The Company shall be entitled to keep in any State or country outside India, a branch Register of Member resident in that State or country.
20. The Shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned, no Share shall be subdivided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished.
21. (a) An application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Share therein, shall be an acceptance of Shares within the meaning of these Articles.  
  
(b) Every Person who thus or otherwise accepts any Shares and whose name is entered in the Register of Members shall, for the purposes of these Articles, be a Member.
22. The money, if any, which the Board of Directors shall, on the allotment of any Shares being made by it, required or direct to be paid by way of deposit, call or otherwise, in respect of the Shares so allotted, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
23. Every Member shall pay to the Company the portion of the Capital represented by his Share or Shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times, and in such manner, as the Board of Directors shall, from time to time, in accordance with the Company's Regulations require or fix for the payment thereof.



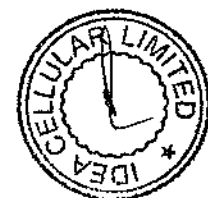
24. (a) Where the Company issues Shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those Shares shall be transferred to an account to be called "the Securities Premium Account" and the provisions of the Act relating to the reduction of the Capital of the Company shall except as provided in this Article, apply as if the Securities Premium Account were paid up Capital of the Company.
- (b) The Securities Premium Account may, notwithstanding anything in sub-Article (a) above, be applied by the Company:
- (i) in paying up unissued Shares of the Company to be issued to members of the Company as fully paid bonus Shares;
  - (ii) in writing off the preliminary expenses of the Company;
  - (iii) in writing off the expenses of or the commission paid or discount allowed on, any issue of Shares or Debentures of the Company;
  - (iv) in providing for the premium payable on the redemption of any redeemable preference Shares or of any Debenture of the Company; or
  - (v) for the purchase of its own shares or other securities under Section 68 of the Act.
25. If and whenever, as the result of issue of new or further Shares or any consolidation or sub-division of Shares, any Shares are held by Members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in a General Meeting, if any, sell those Shares, which Members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the Members entitled to such Shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorize any Person to transfer the Shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
26. (a) Every Member or allottee of Shares shall be entitled, without payment, to receive one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine; provided that such fee does not exceed the maximum fee agreed between the Company and the Stock Exchange) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within fifteen days of the date of lodgement for transfer, transmission, sub-division, consolidation, renewal or endorsement of call of any of its Shares as the case may be. Every certificate of Shares shall be under the Seal of the Company, if any and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve.



- (b) Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of advice or acceptance or letters of renunciation, or in cases of issue of bonus Shares.

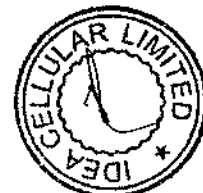
Provided that if the letter of allotment is lost or destroyed, the Board may impose, such reasonable terms, if any, as it thinks fit as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating the evidence.

- (c) For any further certificate the Board shall be entitled, but shall not be bound, to prescribe the charge not exceeding Rs. 50 (Rupees fifty) per certificate or such other limit as may be prescribed by the Act and the Rules.
27. (a) Any two or more joint allottees of a Share shall, for the purpose of this Article 27, be treated as a single Member, and the certificate of any Shares, which may be the subject of joint ownership may be delivered to any one of such joint owners on behalf of all of them and the company shall not be borne to issue more than one certificate and delivery of a certificate of Shares to one of several joint holders shall be sufficient delivery to all such holders.
- (b) Subject to the provisions of the Act and the Rules or any statutory modification or reenactment thereof, for the time being in force, every such certificate shall be issued under the Seal, if any, which shall be affixed in the presence of (i) two Directors or Persons acting on behalf of the Directors under duly registered power of attorney and (ii) the Secretary or some other Person appointed by the Board for the purpose. The two Directors or their attorneys and the Secretary or other Person so appointed shall sign the Share certificate. Provided that if the Company does not have a Seal, the share certificate shall be signed by two directors or by a director and the Secretary. Provided further that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a Person other than a Managing Director or Whole-time Director.
- (c) A Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical material used for the purpose.
- (d) Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the Person to whom it has been issued indicating the date of issue and the amount paid up thereon.
- (e) The Company shall comply with the provisions of Section 56 of the Act.
28. (a) No certificate of any Share or Shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.
- (b) The Company may charge such fee not exceeding that which may be agreed upon by the Company and the Stock Exchange per certificate, issued on splitting or consolidation of Share certificate except for marketable lots. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for



endorsement of transfer or pursuant to a scheme of arrangement sanctioned by the National Company Law Tribunal or the Central Government.

- (c) (i) Notwithstanding anything contained in the preceding Article, the Directors of the Company may in their absolute discretion refuse sub-division of Share certificates or Debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent Court of law.
  - (ii) When a new Share certificate has been issued in pursuance of Article 28(a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "issued in lieu of share certificate No. .... subdivided/replaced/on consolidation of Shares".
  - (iii) If a Share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board upon payment of such fees as may be agreed upon between the Company and the Stock Exchange, and on such terms, if any, as to evidence and indemnity and payment of out of pocket expenses incurred by the Company in investigating the evidence, as the Board thinks fit. The Company will issue such duplicate certificate within six weeks of notification of loss and receipt of proper indemnity.
  - (iv) When a new Share certificate has been issued in pursuance of Article 28(c)(iii) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of Share certificate No.....". The word "duplicate" shall be stamped or punched in bold letters across the face of the Share certificate.
  - (v) Where a new Share certificate has been issued in pursuance of Article 28(c)(i) or Article 28(c)(iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Certificates indicating against the name(s) of the Person(s) to whom the certificate is issued, the number and date of issue of share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross references in the "Remarks" column.
  - (vi) Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the Rules or the rules made under Securities Contracts (Regulation) Act, 1956 or any other statutes or rules applicable in this behalf, including intimating the Stock Exchange within forty eight hours of receipt of information regarding loss of share certificates and issue of duplicate certificates, both by way of floppy disks and printed details.
29. (a) All blank forms to be used for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board.
- (b) The blank forms shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other Person as the Board may appoint for the purpose.
- (c) The Secretary or the Person aforesaid shall be responsible for rendering an account of

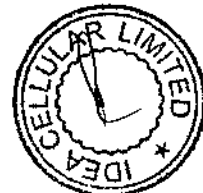


these forms to the Board.

- (d) The Managing Director of the Company, for the time being, or if the Company has no Managing Director, every Director of the Company and the Secretary, if any, shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates, except the blank forms of Share certificates referred to in Article 29(a). All books referred to herein shall be preserved in good order permanently.
30. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to the issue of certificates for any other securities including Debentures (except where otherwise provided by the Act) of the Company.
31. If any Share stands in the names of two or more Persons, the Person first named in the Register of Members shall, as regards receipt of Dividends or bonus, or service of notices and all other matters connected with the Company, except voting at Meetings, and the transfer of the Shares be deemed the sole holder; but the other joint holder(s) of the same shall not be relieved of his / their obligations in respect of payment of all instalments and calls due on the Share and all incidents thereof in accordance with the Rules.
32. (a) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall not be bound to recognize any benami, trust of equity or any equitable, contingent, future or partial interest in the Shares, or except only as is by these Articles otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the Persons who are from time to time, registered as the holders thereof; but the Board shall be at liberty, at its sole discretion, to register any Share in the joint names of any two or more Persons or the survivor or survivors of them.
- (b) Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor (except in case where they are fully paid) or in the name of a Person of unsound mind, or in the name of any firm or partnership or trust.
33. Funds of the Company shall not be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its holding company, save as provided by Section 67 of the Act.
34. The Company may, by Special Resolution, purchase its own Shares or other securities, subject to such limits and on such terms and conditions specified under Sections 68 to 70 and other applicable provisions of the Act and the Rules.
35. The provisions of the Article under this heading shall *mutatis mutandis* apply to Debentures of the Company.
36. Dematerialisation of Securities



- (a) For the purpose of this Article:
- (i) "SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
  - (ii) "Depositories Act" means the Depositories Act, 1996, including any statutory modifications thereof for the time being in force.
  - (iii) "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section 1A of section 12 of the Securities and Exchange Board of India Act, 1992.
  - (iv) "Bye-laws" means bye-laws made by a Depository under section 26 of the Depositories Act.
  - (v) "Beneficial Owner" means a Person whose name is recorded as such with a depository.
  - (vi) "Member" means the duly registered holder of from time to time of the Shares of the Company and includes every Person whose name is entered as a Beneficial Owner in the records of the Company.
  - (vii) "Participant" means a Person registered as such under section 12A of the Securities and Exchange Board of India Act, 1992.
  - (viii) "Records" includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulations made by the SEBI in relation to the Depositories Act.
  - (ix) "Regulations" means the regulations made by SEBI.
  - (ix) "Security" means such security as may be specified by SEBI.
  - (x) Words imparting the singular number only include the plural number and vice-versa.
  - (xii) Words and expressions used but not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act.
- (b) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including Shares) with a Depository in electronic form and the certificate in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (c) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialize its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) Every Person subscribing to or holding securities of the Company shall have the





option to receive security certificates or to hold the securities with a Depository. If a Person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

- (e) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 and other applicable provisions of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
- (f)
  - (i) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
  - (ii) Save as otherwise provided in (i) 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.
  - (iii) 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 the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- (g) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any Share in the joint names of any two or more Persons or the survivors or survivors of them.
- (h) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.
- (i) Upon receipt of certificates of securities on surrender by a Person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.
- (j) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty days of the receipt of intimation from the Depository and on



fulfilment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

- (k) 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.
- (l) Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares in physical form subject to the provisions of the Depository Act.
- (m) Notwithstanding anything in the Act, or these Articles where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.
- (n) The Shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.
- (o) The Company shall cause to keep a Register and Index of Members and Register and Index of Debenture-holders in accordance with Section 88 of the Act, and the Depositories Act, with details of Shares and debentures held material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, shall be deemed to be Register and Index of Members and Register and Index of Debenture-holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that State or country.

#### UNDERWRITING COMMISSION AND BROKERAGE

37. (a) The Company may pay commission to any Person in consideration of:
- (i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any Shares in, or Debentures of the Company, subject to the restrictions specified in sub-section (6) of Section 40 of the Act and the Rules; or
  - (ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any Shares in, or Debentures of the Company to be offered to the public, if the following conditions are fulfilled, namely:
    - (1) the commission is paid out of the proceeds of the issue, the profits of the Company, or both;
    - (2) the commission paid or agreed to be paid does not exceed in the case of Shares, five percent of the price at which the Shares are issued and in the case of Debentures, two and half percent of the price at which the Debentures are issued;



- (3) the name of the underwriters and the amount or rate percent of the commission paid or agreed to be paid, on Shares or Debentures offered to the public for subscription, is disclosed in the prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a prospectus inviting subscription for the Shares or Debentures is issued is also disclosed in that circular or notice;
  - (4) the number of Shares or Debentures which such Persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid; and
  - (5) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus for registration.
- (b) Nothing in this Article 37 shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.
  - (c) A vendor to, promoter of, or other Person who receives payment in Shares, Debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the Shares, Debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 40 of the Act.
  - (d) The commission may be paid or satisfied (subject to the provisions of the Act, the Rules and these Articles) in cash, or in Shares, Debentures or debenture-stocks of the Company.

#### CALLS AND LIENS

38. (a) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one fourth of the nominal value of the Share or be payable at less than one month from the date fixed for payment of the last preceding call.
  - (b) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares. The call notice shall be in a standard form acceptable to the Stock Exchange.
  - (c) A call may be revoked or postponed at the discretion of the Board.
39. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
40. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
41. (a) If a sum called in respect of a Share is not paid before or on the day appointed for



payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.

- (b) The Board shall be at liberty to waive payment of any such interest wholly or in part.
42. (a) Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

43. The Board:

- (a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and
- (b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

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

44. Subject to the provisions of the Act and these Articles, on the trial or hearing of any suit, action or other proceeding brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove:

- (a) That the name of the Member, in respect of whose Shares the money is sought to be recovered, appears entered in the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the Shares in respect of which such money is sought to be recovered;
- (b) that the resolution making the call is duly recorded in the minutes book; and
- (c) that the notice of such call was duly given to the Member or his representatives issued in pursuance of these Articles;

and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the meeting of the Board at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

45. (a) (i) The Board may, if it thinks fit, agree to receive from Members willing to advance the same, all or any part of the amounts of their respective Shares



beyond the sums actually called up, and upon the monies so paid in advance, or upon so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of the Shares on account of which such advances are made, the Board of Directors may pay or allow interest, at such rate as the Members paying the sum in advance and the Board of Directors agree upon.

Provided that any amount paid up in advance of calls on any Shares may carry interest but shall not in respect thereof confer a right to Dividends or to participate in profits.

- (ii) The Board of Directors may agree to, at any time, repay the same upon giving to the Member three months' notice in writing.
  - (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable.
46. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of the actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
47. The provision of these Articles shall *mutatis mutandis* apply to the calls on any other securities including Debentures of the Company.
48. (a) The Company shall have a first and paramount lien upon all Shares and / or Debentures (other than fully paid-up Shares / Debentures) registered in the name of each Member whether solely or jointly with others and upon the proceeds of sale thereof, for all monies including his debts, liabilities and engagements solely or jointly with any other Person to or with the Company (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any such Share shall be created except upon the footing and condition this Article will have full legal effect. Provided that the Directors may at any time declare any Shares / Debentures wholly or in part to be exempt from the provisions of this Article 48(a).
- (b) The Company's lien on a Share shall extend to all Dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such Shares for any money owed to the Company.
- (c) Unless otherwise agreed, the registration of transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares.
49. (a) For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and / or debentures and may authorize one of their number to execute a transfer thereof on behalf of and in the name of such Member / Debenture-holder.



Provided that no such sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable, or
  - (ii) until the expiration of fourteen days after a notice in writing of the intention to sell shall have been served on such Member, his executors or administrators or his committee, curator bonis or other legal representatives as the case may be and default shall have been made by him or them in the payment of the sum payable as aforesaid.
- (b) To give effect to any such sale, the Board may authorize any Person to transfer the Shares sold to the purchaser thereof.
  - (c) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
  - (d) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
50. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists, as is presently payable and the residue, if any, shall be payable to such members his executors or administrators or assigns or his committee, curator bonis or other legal representatives as the case may be, who are entitled to the Shares on the date of the sale.
- (b) The receipt by the Company of consideration given for the Share on sale thereof (subject, if necessary, to the execution of an instrument of transfer) constitute a good title to the Share and the purchaser shall be registered as the holder of the Share. The Company shall be entitled to treat the registered holder of any Share or Debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or by statute required) be bound to recognize equitable or other claim to, or interest in, such Shares or Debentures on the part of any other Person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.
51. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including Debentures of the Company.

#### FORFEITURE

52. If any Member or Debenture-holder fails to pay any call, or instalment of a call, the day appointed for the payment thereof, the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve notice to him requiring payment of so much of the call or instalment as is unpaid, together with any interest thereon which may have accrued.
53. The notice aforesaid shall:
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of



service of the notice) on or before which the payment required by the notice is to be made; and

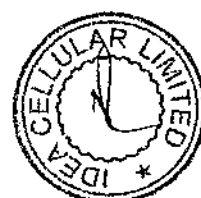
- (b) state that, in the event of non-payment on or before the day so named, the Shares or other securities in respect of which the call was made shall be liable to be forfeited.

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

- 54. (a) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (b) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 55. (a) A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.
- (b) The liability of such Person shall cease if and when the Company shall have received payment in full of such monies in respect of the Shares.
- 56. (a) A duly verified declaration in writing that the declarant is a Director, the manager or Secretary of the Company, and that Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.
- (b) The Company shall receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.
- (c) The transferee shall thereupon be registered as the holder of the Share.
- (d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
- 57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- 58. The provisions of these Articles as to forfeiture shall *mutatis mutandis* apply to any other securities including Debentures of the Company.

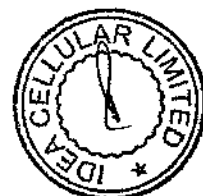
#### TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

- 59. The instrument of transfer of any Share in the Company shall be executed by or on behalf of



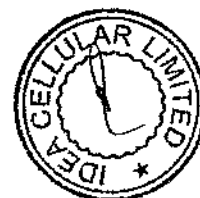
the transferor and the transferee.

60. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof.
61. The Board may, subject to the right of appeal conferred by Section 58 of the Act and other provisions of the Act, decline to register:
  - (a) the transfer of a Share, not being a fully paid Share, to a Person of whom they do not approve; or
  - (b) any transfer of Shares on which the Company has a lien.
62. the Board may decline to recognize any instrument of transfer unless:
  - (a) the instrument of transfer is in the form as prescribed in the Rules made under subsection (1) of Section 56 of the Act and approved by the Stock Exchange;
  - (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonable require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of Shares.
63. The Company shall verify the signatures of the Members on instruments of transfer, letters of allotment, instruments of split or consolidation or renewal of Shares when so required by the Members, or by a member of the Stock Exchange or by the clearing house of the Stock Exchange.
64. The Board shall not decline to register or acknowledge any transfer of Shares on the ground that the transferor holding the Shares, either singularly or jointly with another Person, is indebted to the Company on any account whatsoever and the Board shall issue certificates within fifteen days of the lodgement for transfer.
65. On giving not less than seven days' previous notice in accordance with Section 91 and the Rules prescribed thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine; provided that the registration shall not be suspended for more than thirty days at any one time and there shall be a gap of at least thirty days between two book closures; provided that the Company shall give the Stock Exchange notice of its intention to close its transfer books for the purpose of settlement of transactions and shall not close its transfer books on such days as may be inconvenient to the Stock Exchange.
66. The Board shall, in order to expedite the process of transfer of Shares, delegate the power of Share transfer to an officer or a Committee or to the Registrar and share transfer agents. The delegated authority shall attend to the share transfer formalities at least once in every fifteen days.





67. The Company shall close its transfer books at least once a year at the time of the Annual General Meeting, if they have not been otherwise closed at any time during the year, and shall give to the Stock Exchange notice in advance of at least seven working days or such other number of days as the Stock Exchange may prescribe from time to time, stating the date of closure and the purpose of closure of the transfer books, and shall send copies of such notices to the other recognized Stock Exchange in India. The Company shall further close its transfer books for purposes of declaration of Dividend, or issue of rights or bonus Shares or Shares for conversion of Debentures or Shares arising out of rights attached to the Debentures or for such other purposes as the Stock Exchange may require from time to time.
68. (a) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognized by the Company as having any title to his interest in the Shares.
- (b) Nothing in Article 68(a) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.
69. (a) Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:
- (i) to be registered himself as the holder of the Share; or
- (ii) to make such transfer of the Share as the deceased or insolvent Member could have made.
- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.
70. (a) If the Person so becoming entitled shall elect to be registered as the holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
- (c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
71. A Person becoming entitled to a Share by reason or insolvency 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, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and



if the notice is not complied with within ninety days.

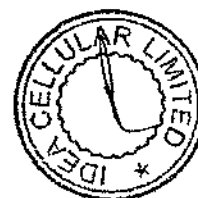
72. Subject to the provisions of Sections 58 and 59 of the Act, section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and subject to the provisions of any other law for the time being in force, the Board shall not decline to register or acknowledge any transfer of Shares on the ground that the transferor holding the Shares, either singularly or jointly with another Person, is indebted to the Company on any account whatsoever.
73. The Company shall keep a book, to be called the "Register of Transfers and Transmissions", and therein shall be fairly and distinctly entered the particulars of every transfer and transmission of Shares.
74. The provisions of these Articles shall *mutatis mutandis* apply to the transfer or transmission by operation of law, of any other securities including Debentures of the Company.

#### CONVERSION OF SHARES INTO STOCK AND RECONVERSION

75. The Company may, by an Ordinary Resolution passed at a General Meeting convert any fully paid up Shares into stock and reconvert that stock into fully paid up Shares of any denomination where any Shares have been so converted into stock, the several holders of stock may henceforth transfer their respective interests therein or any part of such interests in the same manner as and subject to the same regulations under which, the Shares from which the stock arose might, before the conversion, have been transferred, or as near thereto as circumstances admit. Provided that, the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.
76. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at the Meetings of the Company, and other matters, as if they held the Shares from which the stock arose, but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage. These Articles as are applicable to paid up Shares shall apply to stock and the words "Share" and "Shareholder" in those Articles shall include "stock" and "stockholder", respectively.

#### JOINT HOLDERS

77. Where two or more Persons are registered as the holders of any Share / Debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles.
  - (a) The Company shall be entitled to decline to register more than six Persons as the joint holders of any Shares / Debentures.
  - (b) The joint holders of any Share / Debenture shall be liable severally as well as jointly



for and in respect of all calls and other payments, which ought to be made in respect of such Shares / Debentures.

- (c) In the case of a transfer of Shares / Debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.
- (d) On the death of any one or more such joint holders the survivor or survivors shall be the only Person or Persons recognized by the Company as having any title to the Share / Debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares / Debentures held by him jointly with any other Person.
- (e) Any one of such joint holders may give effectual receipts of any Dividends, interests or other monies payable in respect of such Share / Debenture.
- (f) Only the Person whose name stands first in the Register of Members / Register of Debenture-holders as one of the joint holders of any Shares / Debentures shall be entitled to the delivery of the certificate relating to such Share / Debenture or to receive notice.
- (g)
  - (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such Shares 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 or by attorney then that one of such Persons so present whose name stands first or higher (as the case may be) on the Register in respect of such Share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder presently by attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the Register in respect of such Shares.
  - (ii) Several executors or administrators of a deceased Member in whose (deceased Member) sole name any Share stands shall for the purpose of this Article 77(g)(ii) be deemed joint holders.

#### COPIES OF MEMORANDUM AND ARTICLES, ETC. TO BE GIVEN TO MEMBERS

78. Copies of the Memorandum and Articles of Association of the Company and other documents referred in Section 117 of the Act shall be sent by the Company to every Member at his request on payment of such fees as may be fixed by the Board for each copy provided that such fees shall not exceed the maximum fees agreed between the Company and the Stock Exchange.

#### POWERS OF DIRECTORS

79. The Board of Directors shall not, except with the consent of the Company in General Meeting accorded by a Special Resolution:
- (a) Sell, lease or otherwise dispose of the whole or substantially the whole of the



undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

- (b) Invest otherwise in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation.
- (c) Borrow money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of the Company's paid-up Capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.
- (d) Remit, or give time for the repayment of, any debt due from a Director.
- (e) Dispose of shares in a material subsidiary of the Company which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease to exercise control over the subsidiary.
- (f) Sell, dispose of or lease assets amounting to more than twenty percent of the assets of a material subsidiary.

Explanation 1:- Every resolution passed by the Company in a General Meeting in relation to the exercise of the power referred to in sub-Article (c) of this Article 79 shall specify the total amount up to which money may be borrowed by the Board of Directors under sub-Article (c).

Explanation 2:- 'Material subsidiary' shall mean a subsidiary of the Company which the Company has disclosed to the Stock Exchange and in its annual report as being material.

- 80. The Board of Directors 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 the issue of bonds, perpetual or redeemable, Debentures or debenture- stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled Capital for the time being.
- 81. Any bonds, Debentures, debenture-stocks or other securities issued or to be issued by the Company shall be under the control of the Board of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company and in accordance with applicable provisions of the Act and Rules. Provided that bonds, Debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in General Meeting.
- 82. Debentures, debenture-stocks, bonds or other securities may be made assignable free from any equities between the Company and the Person to whom the same may be issued.
- 83. Any bonds, Debentures, debenture-stocks or other securities may be issued, subject to the provisions of the Act, and these Articles, at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, appoint of Directors and otherwise and subject to the following:



- (a) The Company shall not issue any Debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.
  - (b) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of the Act.
  - (c) Certain charges shall be void against the liquidators or creditors unless registered as provided in Section 77 of the Act and the Rules.
  - (d) The term 'charge' shall include mortgage in these Articles.
  - (e) A contract with the Company to take up and pay for any Debentures of the Company may be enforced by a decree for specific performance.
  - (f) The Company shall, within six months after the allotment of any of its Debentures and within sixty days after the application for the registration of the transfer of any such Debentures or debenture-stocks have complete and have ready for delivery the certificate of all the Debentures and the certificates of all debenture-stocks allotted or transferred unless the conditions of issue of the Debentures or debenture-stocks otherwise provide. The expression transfer for the purpose of this Article 88(f) means a transfer duly stamped and otherwise valid and does not include any transfer which the Company is for any reason entitled to refuse to register and does not register.
  - (g)
    - (i) A copy of the trust deed for securing any issue of Debentures shall be open for inspection to any Member or Debenture holder of the Company, in the same manner, to the same extent and on the payment of the same fees, as if it were the Register of Members of the Company; and
    - (ii) A copy of the trust deed shall be forwarded to any Member or Debenture holder of the Company, at the request, within seven days of the making thereof, on the payment of such fee as may be determined by the Board; provided that such fees shall not exceed the fees agreed between the Company and the Stock Exchange.
84. If any uncalled Capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed.
85. If the Directors or any of them 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 Person so becoming liable as aforesaid from any loss in respect of such liability.
86. (a) The provisions of the Act relating to registration of charges shall be complied with.
- (b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.
- (c) Where a charge is created in India but comprises property outside India, the



instrument creating or purporting to create the charge under Section 77 of the Act and the Rules or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 77 of the Act and the Rules.

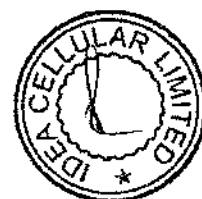
- (d) Where any charge on any property of the Company required to be registered under Section 77 of the Act has been so registered, any Person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
  - (e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 79 of the Act shall be complied with.
  - (f) The Company shall comply with the provisions of the Act relating to particulars in case of Debentures entitling holders *pari passu*.
  - (g) The Company shall comply with the provisions of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.
  - (h) The Company shall comply with the provisions of Section 78 of the Act as regards registration of particulars of every charge and of every series of debentures.
  - (i) As to modification of charges, the Company shall comply with the provisions of Section 79 of the Act.
  - (j) The Company shall comply with the provisions of Section 85 of the Act regarding keeping a copy of instrument creating charge at the Registered Office of the Company and comply with the provisions of Section 84 of the Act in regard to entering in the register of charges any appointment of receiver or manager as therein provided.
  - (k) The Company shall also comply with the provisions of Section 82 of the Act as to reporting satisfaction of any charge and procedure thereafter.
  - (l) The Company shall keep at its registered office a register of charges in the prescribed form and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the Company.
  - (m) Any creditor or Member of the Company and any other Person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act and the Rules.
87. No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture-holders.

#### MEETINGS OF MEMBERS

88. (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year.



- (b) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
  - (c) Nothing contained in the foregoing provisions shall be construed as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held.
  - (d) Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday, and shall be held either at the Registered Office of the Company or at some other place within the city or town in which the Registered Office of the Company is, for the time being, situated as the Board may determine and the notice calling the Meeting shall specify it as the Annual General Meeting.
  - (e) Every Member of the Company shall be entitled to attend every General Meeting either in Person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as such Auditor. No Person shall be permitted to act as a proxy for more than fifty Members or in respect of Shares aggregating more than ten per cent of the total Capital of the Company carrying voting rights. The proxy register with proxies and the Register of Directors' shareholdings shall remain open and accessible during the Meeting.
  - (f) At every Annual General Meeting, there shall be laid on the table the directors' report and audited statement of accounts and the Auditors' Report (if not already incorporated in the audited statement of accounts).
  - (g) A resolution of a General Meeting of the Shareholders shall be adopted by a simple majority of the Shares of Equity Capital entitled to vote at such Meeting (whether by show of hands, by poll or through electronic voting), unless a greater percentage is required by applicable law.
89. The Board shall cause to be prepared the annual return and balance sheet and profit and loss account and the consolidated financial statements required to be prepared under Section 129(3) of the Act and Article 212, and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act.
90. Section 98, Sections 101 to 107 and Section 109 of the Act with such adaptations and modifications, if any, as may be prescribed, shall apply with respect to Meetings of any class of Members or Debenture-holders of the Company in like manner as they apply with respect to General Meetings of the Company.
91. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting. The Board shall at the requisition made by such number of Members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up Capital of the Company as on that date carries the right of voting.
92. If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.



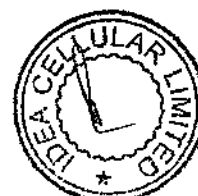
93. Any requisition so made by Members shall set out the matter or matters for the consideration of which the Meeting is proposed, shall be signed by the requisitionists, and shall be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
94. If the Board does not, within twenty one days of the date of receipt of a valid requisition in regard to any matter, proceed to call a Meeting for the consideration of that matter on a day not later than forty five days from the date of receipt of such requisition, the Meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.
95. Any Meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which Meeting are to be called by the Board.
96. (a) Twenty one days' notice of every General Meeting, Annual or Extra ordinary, and by whomsoever called, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such Persons as are under these Articles entitled to receive notice from the Company. Provided that, with the consent of the Members holding not less than ninety five per cent of such part of the paid up Capital of the Company as gives a right to vote at the Meeting, a Meeting may be convened by a shorter notice.
- (b) In the case of an Annual General Meeting, any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors, (ii) the declaration of a Dividend, (iii) the appointment of Directors in the place of those retiring, and (iv) the appointment of, and the fixing of the remuneration of, the Auditors, is to be transacted, and in the case of any other Meeting all business, shall be special, and there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, including, in particular, the nature of the concern or interest, if any, therein of every Director and Key Managerial Personnel , if any, and their Relatives.
- (c) Where any such item of business relates to, or affects any other Company, the extent of shareholding interest in that other Company of every Director and the Manager, if any, of the Company shall also be set out in such statement if the extent of such shareholding interest is not less than twenty per cent of the paid up Capital of that other Company.
- (d) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
97. The accidental omission to give any such notice to, of the non-receipt of notice by any Member or other Person to whom it should be given shall not invalidate any proceedings at the Meeting.
98. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business, the general nature of which has not been mentioned in the notice upon





which it was convened.

99. (a) Subject to the provisions of the Act, five Members present in Person shall be a quorum for a General Meeting.
- (b) A body corporate, being a Member, shall be deemed to be personally present if represented in accordance with Section 113 of the Act.
100. (a) If the quorum is not present within half an hour from the time appointed for holding a General Meeting:
- (i) the Meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; provided that in the case of an adjourned Meeting or of a change of day, time or place of meeting, the Company shall give not less than three days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the Office is situated; or
- (ii) the Meeting if called by requisitionists under Article 91, shall stand cancelled.
- (b) If at the adjourned Meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be the quorum.
101. (a) Subject to the provisions of these Articles, the Chairman of the Board of Directors shall preside as Chairman at every General Meeting, whether Annual or Extraordinary.
- (b) If, at any Meeting the Chairman shall not be present within fifteen minutes of the time appointed for holding such Meeting, or shall decline to take the chair, then the Members present shall elect any other Director as Chairman, and if no Director be present or if all the Directors present at the Meeting decline to take the chair, then the Members present shall elect one of their number to be Chairman.
102. No business shall be discussed at any General Meeting except the election of Chairman, whilst the chair is vacant.
103. The Chairman may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.
104. No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.
105. When a Meeting is adjourned for thirty days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.



106. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.
107. At any General Meeting, a resolution put to the vote of the Meeting shall, unless a poll is demanded under Section 109 of the Act or the voting is carried out electronically, be decided on a show of hands. declaration by the Chairman of the Meeting of the passing of a resolution or otherwise by show of hands under this Article 107 and an entry to that effect in the books containing the minutes of the Meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
108. In the case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall, have a casting vote.
109. (a) If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the Registered Office of the Company is, for the time being, situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.
- (b) The demand for a poll may be withdrawn, at any time, by the Persons who made the demand.
110. A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Act (and the agreement between the Company and the Stock Exchange) and shall vote only once.
111. (a) Where a poll is to be taken, the Chairman of the Meeting shall appoint such number of scrutineers as he, in his sole discretion, deems fit to scrutinize the votes given on the poll and to report thereon to him.
- (b) The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutineer from office and fill the vacancy in the office of a scrutineer arising from such removal or from any other cause.
112. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken at the Meeting itself and without adjournment.
113. The demand for a poll, except on the questions of the election of the Chairman, and of an adjournment, shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTE OF MEMBERS

114. No Member shall be entitled to vote either personally, by proxy or electronically for another Member, at any General Meeting or at any Meeting of a class of Shareholders, either upon a show of hands, or upon a poll, in respect of any Shares registered in his name on which any



calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

115. A Member is not prohibited from exercising his voting on the ground that he has not held his Share or other interest in the Company for any specified prescribed period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the Article 114.
116. (a) Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting, for the time being attached to any class of Shares for the time being, forming part of the Capital of the Company, every Member, not disqualified by Article 114, shall be entitled to be present, and to speak and vote at such Meeting.
- (b) Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
- (i) on a show of hands, every Member present in person shall have one vote; and
- (ii) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up Capital of the Company.

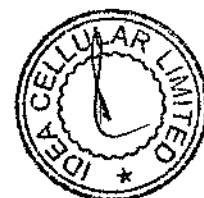
Provided that if any preference share holder be present at any Meeting of the Company, save as provided in the second proviso to Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

117. (a) A body corporate may, if it is a Member of the Company, by a resolution of its board of directors or other governing body, authorize such person as it thinks fit to act as its representative at any General Meeting, or at any meeting of any class of Members of the Company.
- (b) A person authorized by a resolution under Article 117(a) shall be entitled to exercise the same rights and powers, including the right to vote by proxy and by postal ballot, on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual Member of the Company.
118. If there be joint registered holders of any Shares, any one of such Persons may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy in respect of such Shares, as if he were solely entitled thereto and if more than one such joint holder be present at any Meeting either in person or by proxy, that one of the said Persons so present whose name stands higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other or others of the joint holders shall be entitled to be present at the Meeting.
119. Subject to the provisions of the Act and in accordance with these Articles, any Person entitled under the Articles pertaining to transmission to any Shares may vote at any General Meeting in respect thereof as if he was the registered holder of such Shares, provided that at least forty eight hours before the time of holding the meeting or adjourned meeting, as the case may be,



at which he proposes to vote, he shall duly satisfy the Board of his right to such Shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

120. (a) Subject to the provisions of these Articles, votes may be given by Members either in Person or by proxy.
- (b) Any Member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint any other Member as his proxy to attend and vote instead of himself. A Member (and in case of joint holders, all holders) shall not appoint more than one Person as proxy.
- (c) In every notice called a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that proxy need not be a Member.
121. (a) The instrument appointing a proxy shall be in the form as specified in the Rules made under Section 105 of the Act and shall:
- (i) be in writing; and
- (ii) be signed by the appointee or his attorney duly authorised in writing or, if the appointee is a body corporate, be under its Seal, if any or be signed by an officer or an attorney duly authorised by it.
- (b) The proxy so appointed shall not have any right to speak at the Meeting.
122. No Member present only by proxy shall be entitled to vote on a show of hands. The representative of a body corporate appointed in terms of Section 113 of the Act, however, shall have a vote on a show of hands.
123. (a) The President of India or the Governor of a State if he is a Member of the Company may appoint such Person as he thinks fit to act as his representative at any meeting of the Company or at any Meeting of any class of Members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.
- (b) A Person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a Member of such a Company and shall be entitled to exercise the same rights and powers (including the right to, vote by proxy) as the President or the Governor, as the case may be, could exercise, as a Member of the Company.
124. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of authority, shall be deposited at the office not less than forty eight hours before the time for holding the Meeting or adjourned Meeting at which the Person named in the instrument proposes to vote, or in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall not be treated as valid.



125. Every instrument of proxy shall be in the form specified in the Rules and any other Rules made under Section 105 to the Act, or in a form as near thereto as circumstances admit.
126. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, insanity, winding up of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, winding up, revocation or transfer shall have been received at the Office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.
127. No objection shall be raised to the qualification of the voter or to the validity of any vote, except at the Meeting or at the adjourned Meeting or on a poll at which such vote shall be given or tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or adjourned Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever. Provided that, any such objection raised in due time shall be referred to the Chairman of the Meeting, whose decision shall be final and conclusive.
128. Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
129. The Chairman of any Meeting shall be the sole judge of the validity of every vote given or tendered at such Meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
130. (a) The Company shall cause minutes of all proceedings of every meeting of every class of Shareholders or creditors' meeting and every resolution passed by postal ballot to be kept by making entries thereof in books kept for that purpose with their pages consecutively numbered within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot.
- (b) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such book shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within this period, by a Director duly authorised by the Board for the purpose.
- (c) The minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.
- (d) All appointments of officers made at any of the Meetings aforesaid shall be included in the minutes of the Meeting.
- (e) (i) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the Meeting:
- (1) is, or could reasonably be regarded as defamatory of any



Person;

- (2) is irrelevant or immaterial to the proceedings; or
  - (3) is detrimental to the interest of the Company.
- (ii) The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.
- (f) Any such minutes shall be kept in accordance with the provisions of the Act and shall be evidence of the proceedings recorded therein.
- (g) (i) The books containing the minutes of the proceedings of any General Meeting shall be kept at the Office and shall be open, during business hours, for a period of two hours in the aggregate in each day, to the inspection of any Member without charge.
- (ii) Any Member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board (which shall in no event exceed the fees agreed by the Company and the Stock Exchange), with a copy of any minutes referred to in Article 130(a).
131. The Board, and any Person(s) authorised by it, may take any action before the commencement of any General Meeting, or any Meeting of a class of Members in the Company, which they may think fit to ensure the security of the Meeting, the safety of the people attending the Meeting, and the future orderly conduct of the Meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the Meeting concerned shall be subject to such decision.

#### DIRECTORS

132. The persons hereinafter named shall be the first Directors, that is to say:
- (a) Shri Aditya Vikram Birla;
  - (b) Shri Kumar Mangalam Birla; and
  - (c) Shri Mahesh Chandra Bagrodia.
133. (a) Until otherwise determined by a General Meeting and subject to Section 149 of the Act, and the provisions of these Articles, the number of Directors shall not be less than three and not more than fifteen.
- (b) The majority Directors on the Board shall be resident Indian citizens.
134. (a) The Company shall in general, subject to the provisions of the Act, be entitled hereafter to agree with the Central or any State Government, Person, firm or corporation or any financial or lending Institution, the he or it shall have right to



appoint his or its nominee(s) on the Board of the Company, upon such terms and conditions mutually agreed on.

135. Subject to the provisions of Section 152 of the Act, the number of Directors appointed under Article 134 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.
136. (a) The Board of Directors shall be entitled to appoint an alternate Director to a Director who is not present in India for a period of not less than three months. No Person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.
- (b) An alternate Director appointed under this Article 136 shall vacate office if and when the original Director returns to such State in which meetings of the Board are ordinarily held.
- (c) If the term of office of the original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director, and not to the alternate Director.
- (d) An alternate Director shall not hold office as such for a longer period than that permissible to the original Director in whose place he has been appointed.
137. (a) Subject to the provisions of Section 149 of the Act and the other applicable provisions of these Articles, the Board of Directors shall also have power any time and from time to time to appoint any person, other than a person who fails to get appointed as a Director in a General Meeting, as an additional Director, but so that the total number of Directors shall not, at any time exceed the maximum strength fixed for the Board by the Articles.
- (b) Any Person so appointed as an additional Director shall remain in office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for the re-appointment at such Meeting subject to the provisions of the Act.
138. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may, in default of and subject to these Articles, be filled by the Board of Directors at a meeting of the Board. The Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.
139. No Director shall be required to hold any Shares as qualification Shares.
140. (a) At a General Meeting of the Company a motion shall not be made for the appointment of two or more Persons as Directors by a single resolution, unless a resolution that it shall be so made has first been agreed to by the Meeting without any vote being given against it.



- (b) A resolution moved in contravention of Article 140(a) shall be void, whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed, no provision for the automatic re-appointment of the retiring Director in default of another appointment shall apply, as herein before provided.
- (c) For the purpose of this Article 140, a motion for approving a Person's appointment, or for nominating a Person for appointment, shall be treated as a motion for his appointment.
141. (a) A Person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the Registered Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office, as the case may be, to such member, if the Person succeeds in getting elected as a Director.
- (b) The Company shall inform its Members of the candidature of a Person for the office of a Director or the intention of a Member to propose such Person as a candidate for that office, by serving individual notices on the Members not less than seven days before the Meeting. Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid, if the Company advertises such candidature or intention, not less than seven days before the Meeting, in at least two newspapers circulating in the place where the Office of the Company is located, of which one is published in the English language and the other in the regional language of that place.
- (c) Every Person (other than a Director retiring by rotation or otherwise or a Person who has left at the Office of the Company, a notice under Section 160 of the Act signifying his candidature for the office of Directors) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.
142. A Person other than -
- (a) A Director re-appointed after retirement by rotation or immediately on the expiry of his term of office; or
- (b) An additional or alternate Director, or a Person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office; or
- (c) A person named as a Director of the Company under its Articles as first registered,
- shall not act as a Director of the Company unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent in writing to act as such Director.
143. (a) The fee payable to a Director for attending a meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board of Directors from time to time and shall not exceed Rs. 1,00,000 (Rupees one lakh) per meeting or such other limit as may be prescribed by the Act. The remuneration payable to a Director shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.

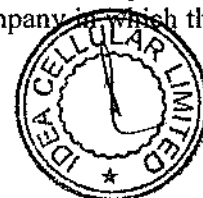




- (b) Subject to the provisions of the Act, the Directors may be paid such further or additional remuneration, if any, as the Company in General Meeting shall, from time to time, determine, and such additional or further remuneration shall be divided among the Directors in such proportion and manner as the Board may, from time to time, determine, and in default of such determination shall be divided equally among the Directors entitled to remuneration.
  - (c) Subject to the provisions of the Act, if any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts, 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 remuneration above provided.
144. The Board of Directors may allow and pay to any Director, who is not a resident of the place where the meetings of the Board or Committees thereof or General Meeting of the Company are held and who shall come to such place for the purpose of attending a meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for traveling, and other incidental expenses, in addition to his fee, if any, for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence of the Company's business, he shall be entitled to be reimbursed all traveling and other expenses incurred in connection with the business of the Company.
145. The continuing Director(s) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the continuing Director(s) may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting, but for no other purpose.
146. Subject to Section 167 of the Act, the office of a Director shall become vacant, if:
- (a) he is found to be of unsound mind by a Court of competent jurisdiction;
  - (b) he applies to be adjudicated as an insolvent and his application is pending;
  - (c) he is an undischarged insolvent;
  - (d) he fails to pay any call made on him in respect of Shares of the Company held by him whether alone or jointly with others, within six months from the last date fixed for the payment of the call, unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure;
  - (e) he absents himself from all meetings of the Board held during a period of twelve months with or without seeking leave of absence of the Board;
  - (f) he becomes disqualified by an order of court under the provisions of the Act;
  - (g) he is removed in pursuance of Section 169 of the Act;



- (h) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interest, in contravention of the provisions of Section 184 of the Act;
  - (i) he acts in contravention of Section 184 of the Act;
  - (j) he is convicted by a court of any offense involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; provided that the office shall be vacated by the Director even if he has filed an appeal against the order of such court;
  - (k) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.
147. (a) A Director of the Company, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or a proposed contract or arrangement to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act. Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into with any other company where any of the Directors of the Company holds or two or more of them together hold, not more than two per cent of the paid up Capital in any such other company.
- (b) (i) In the case of a proposed contract or arrangement, the disclosure required to be made by a Director under Article 147(a) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested;
  - (ii) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (c) A Director shall give notice of his interests to the Company in the prescribed form at the first meeting of the Board of Directors in every financial year.
148. No Director shall as such interested Director, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:
- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
  - (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest



of the Director consists solely in his being a member holding not more than two per cent of its paid up Capital.

149. (a) The Company shall keep one or more Registers in accordance with Section 189 of the Act, and shall within the time specified therein, enter in such Register(s) the particulars of all contracts or arrangements to which Section 184 or Section 188 of the Act applies in the form prescribed by the Act and the Rules.
- (b) The Registers shall be kept at the Office and shall be open to inspection at the Office and extracts may be taken there from and copies thereof may be required by any Member of the Company to the same extent, in the manner and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
150. Subject to the provisions of the Act and any other law for the time being in force, a Director may be or become a Director of any company promoted by the Company, or in which it may be interested as a vendor, Shareholder, or otherwise, and, subject to the provisions of the Act, no such Director shall be accountable for any benefits received as Director or shareholder of such other company.
151. (a) The Company shall keep at the Office a register containing the particulars of Directors, Managers, Secretaries, Key Managerial Personnel and other Persons mentioned in Section 170 of the Act and shall send to the Registrar, a return containing the particulars specified in such register and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall also keep at the Office a register in respect of the Shares or Debentures of the Company held by the Directors and Key Managerial Personnel as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.
152. (a) Every Director, Managing Director, Manager, Secretary or Key Managerial Personnel of the Company shall immediately upon his appointment to any of the above offices in other body corporate, disclose to the Company the particulars relating to his office in the other body corporate or bodies corporate which are required to be specified under Section 170 of the Act and the Rules.
- (b) Every Director and Key Managerial Personnel, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of Section 170 of the Act and the Rules.
153. (a) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) by passing a Special Resolution at the General Meeting remove any Director other than Special Directors or Debenture Directors before the expiry of his period of office.
- (b) Special notice as provided by Section 115 of the Act shall be required of any resolution to remove a Director under this Article 153 or to appoint some other Person in place of a Director so removed at the meeting at which he is removed.

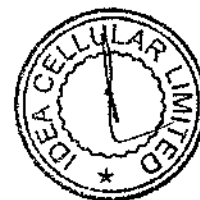


- (c) On receipt of notice of a resolution to remove a Director under this Article 153, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (d) Where notice is given of a resolution to remove a Director under this Article 153 and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to Members, the Company shall unless the representations are received by it too late for it to do so.
  - (i) In the notice of the resolution given to Members of the Company state the fact of the representations having been made, and
  - (iii) Send a copy of the representation to every Member of the Company to whom notice of the Meeting is sent (whether before or after receipt of the representations by the Company), and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the Meeting, provided that copies of the representations need not be sent or read out at the Meeting if so directed by the Court.
- (e) Subject to the provisions of the other Articles hereof and in particular Article 151 hereof a vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Section 161 of the Act be filled by the appointment of another Director in his stead by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 153(b) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.
- (f) If the vacancy is not filled under Article 153(e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of the said Article 136 and of Section 161 of the Act, and all the provisions of that Section shall apply accordingly;

Provided that the Director who was removed from office under this Article 153 shall not be re-appointed as a Director by the Board of Directors.

- (g) Nothing contained in this Article 153 shall be taken:
  - (i) as depriving a Person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as director; or
  - (ii) as derogating from any power to remove a Director which may exist apart from this Article 153.

154. The continuing Directors may act notwithstanding any vacancy in the Board; but if so long as their number is reduced below the quorum prescribed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.



## ROTATION OF DIRECTORS

155. Not less than two-third of the total number of Directors shall;

- (a) be Persons whose period of office is liable to determination by retirement of Directors by rotation, and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in General Meeting. For the purposes of this Article 155 "total number of Directors" shall not include independent Directors on the Board, whether appointed under this Act or any other law for the time being in force.

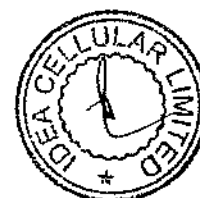
156. (a) At every Annual General Meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.
- (b) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between Persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.
- (c) At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other Person thereto.
- (d) (i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place.
- (ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless
- (1) at that meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
  - (2) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - (3) he is not qualified or is disqualified for appointment;
  - (4) a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act;
- or

Explanation: In this Article the expression "Retiring Director" means Director retiring by rotation.



## PROCEEDINGS OF DIRECTORS

157. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit and shall so meet at least once in every quarter and at least four such meetings shall be held in every calendar year and not more than one hundred and twenty days shall intervene between two consecutive meetings. The meetings of the Board may be called by the Company Secretary on instructions of any member of the Board or by any member of the Board or by the Chairman. The provisions of this Article 157 shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum.
158. The participation of Directors in a meeting of the Board or a meeting of a Committee of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the provisions of the Act and the Rules.
159. (a) At least seven calendar days' notice of every meeting of the Board shall be given in writing to every Director. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board, provided, however, that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent Director, if any, shall be present at the meeting. In case of absence of independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent director, if any. Notice of Board Meetings to all Directors shall be given sent by hand delivery or by post or by electronic means to every Director at his address registered with the Company.
- (b) The Board shall only transact the business set out in the agenda accompanying the notice to the Directors provided however that with the consent of the Board, any other business not set out in the agenda may be transacted.
160. The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed by the Act and the Rules, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time.
161. The quorum for a meeting of the Board shall be one-third of the total strength of the Board for the time being or three Directors whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this Article 161. Where a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday till the next succeeding day, which is not a national holiday, at the same time and place. If at the adjourned meeting also, there is no quorum, the Directors present at such adjourned meeting being not less than three in number shall constitute quorum for that particular meeting and the business as per the agenda already circulated to the Directors, in respect of the original meeting transacted by such Directors at such adjourned meeting shall be valid and binding.



162. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles or the Regulations of the Company are, for the time being, vested in or exercisable by the Board generally.
163. (a) The Board of Directors may create such Committees as it deems appropriate or as may be required by applicable law. Permanent invitees of the Committees, if any, shall be determined by the Board of Directors.
- (b) The Board may, from time to time, dissolve or discharge any such Committee of the Board either wholly or in part and either as to Persons or purposes, but every Committee of the Board to be formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board.
- (c) All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their constitution but not otherwise shall have the like effect as is done by the Board.
164. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under Article 163. The Board may subject to the provisions of the Act from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles and may pay the same.
165. Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
166. All acts done by any meeting of the Board or by a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or Persons acting as aforesaid or that they or any of them were disqualified or that the appointment of any of them be terminated by virtue of any provisions contained in the Act in these Articles, be as valid as if every such Person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article 166 shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
167. (a) The Company shall cause minutes of all proceedings of every meeting of the Board and of every Committee of the Board to be kept by making entries thereof in books kept for that purpose with their pages consecutively numbered within thirty days of the conclusion of every such meeting.
- (b) Each page of every such book shall be initialled or signed and the last page of the



record of proceedings of each book shall be dated and signed by the Chairman of that meeting of the Board or of the Committee, as the case may be, or the Chairman of the next succeeding meeting of the Board or the Committee, as the case may be.

- (c) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
  - (d) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
  - (e) The minutes shall also contain details of:
    - (i) the names of Directors and other members of the Committee present at the meeting;
    - (ii) all orders made by the Board and any Committee of the Board;
    - (iii) all resolutions and proceedings of meetings of the Board; and
    - (iv) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in, the resolution.
  - (f) Nothing contained in Articles 167(a) to 167(e) shall be deemed to require the inclusion in such minutes of any matter which, in the opinion of the Chairman of the Meeting:
    - (i) is, or could reasonably be regarded as defamatory of any Person;
    - (ii) is irrelevant or immaterial to the proceedings, or
    - (iii) is detrimental to the interest of the Company.
  - (g) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this Article 167.
  - (h) Minutes kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
168. (a) The Directors shall cause to be kept at the registered office of the Company:
- (i) A Register of the Directors, Managing Director, Manager and Secretary of the Company containing the particulars required by Section 170 of the Act;
  - (ii) A Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 189 of the Act; and
  - (iv) A Register of Directors shareholding containing the particulars required by Section 170 of the Act; and
  - (iv) Other registers and indexes as required by the Act.
- (b) The Company shall comply with the provisions of Sections 170, 189, 190 and other Sections of the Act with regard to the inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.





## POWER OF DIRECTORS

169. The business of the Company shall be managed by the Board, and the Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other law or by the Memorandum of Association of the Company or by these Articles required to be exercised by the Company in a General Meeting, subject nevertheless to the provisions of the Act, any other law, or in the Memorandum of the Company or these Articles or any regulations, being not inconsistent therewith and duly made thereunder including regulations, made by the Company in a General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
170. (a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
- (i) The power to make calls on Shareholders in respect of money unpaid on their Shares;
  - (ii) The power to authorize buy-back of securities of the Company under Section 68 of the Act;
  - (iii) The power to issue securities, including Debentures, whether in or outside India;
  - (iv) The power to borrow moneys;
  - (v) The power to invest the funds of the Company;
  - (vi) The power to grant loans or give guarantee or provide security in respect of loans;
  - (vii) The power to approve financial statements and the Directors' report;
  - (viii) The power to diversify the business of the Company;
  - (ix) The power to approve amalgamation, merger or reconstruction;
  - (x) The power to take over a company or acquire a controlling or substantial stake in another company;
  - (xi) The power to make political contributions;
  - (xii) The power to appoint or remove Key Managerial Personnel of the Company;
  - (xiii) To appoint internal auditors and secretarial auditor;
  - (xiv) The power to take note of appointment(s) or removal(s) of employees of the Company one level below the Key Managerial Personnel of the Company;
  - (xv) The power to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital



and free reserves of the investee company;

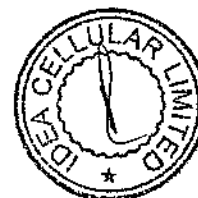
- (xvi) The power to invite or accept or renew public deposits and related matters;
- (xvii) The power to review or change the terms and conditions of public deposits; and
- (xviii) The power to approve quarterly, half yearly and annual financial statements or financial results, as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in Articles 170(a)(iv), 170(a)(v) and 170(a)(vi) above on such condition as the Board may prescribe.

- (b) Nothing in this Article shall be deemed to affect the right of the Company in a General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in items (i) to (xviii) of Article 170(a) above.

171. Without prejudice to the general powers conferred by Article 170 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by the Act and these Articles, but subject to the restrictions contained in the other Articles hereof, it is hereby declared that the Directors shall have the following powers:

- (a) to pay/reimburse the costs, charges, and expenses, preliminary and incidental to the incorporation, promotion, establishment and registration of the Company;
- (b) to purchase or otherwise acquire for the Company any lands, buildings, machinery, premises, assets, hereditaments property, effects, rights or privileges, credits, royalties, bounties and goodwill of any Person, firm or company which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (c) to pay and charge to the Capital account of the company any commission or interest lawfully payable thereat under the provisions of Section 40 of the Act;
- (d) at their discretion, and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partly, in cash or in Shares, stock, bonds, Debentures, debenture-stock, mortgages or other securities of the Company, and any such Shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, Debentures, debenture-stock, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled Capital or not so charged;
- (e) to secure the fulfilment of any contract or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the time being or in such manner as the Directors may think fit;



- (f) to accept from any Member, so far as may be permissible by law, a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed;
- (g) to appoint any Person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purpose; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
- (h) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or its other employees or otherwise concerning the affairs of the Company, and also to compound and allow time for payment on satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and to observe and perform any awards made thereon;
- (i) subject to the provisions of the Act, to give in the name and on behalf of the Company such indemnities and guarantees as may be necessary;
- (j) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (k) to make and give receipts, release, and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (l) subject to the provisions of Sections 179, 180 and 186 of the Act, to invest and deal with any moneys of the Company upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and, from time to time, vary or realize such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- (m) to execute in the name and on behalf of the Company in favour of any Director or other Person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;
- (n) to determine, from time to time, who shall be entitled to sign, on the Company's behalf, bills, promissory notes, receipts, acceptances, endorsements, cheques, Dividend warrants, releases, contracts, instruments and documents, and general correspondence, and to give the necessary authority for such purpose;
- (o) subject to the provisions of the Act and the Rules, to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and other Persons who are or were working for the Company delegated or seconded by any other organizations and the wives, widows and families or the dependents or connections of such Persons by building or contributing to the building of houses, dwellings, or by grants of money, pensions, gratuities, bonus, allowances or other payments; or by creating and from time to time subscribing or contributing to provident fund, including acceptance of transfer of money or from any other provident fund and any superannuation fund for being credited to the relevant fund created by the Company and to other associations, institutions, funds or trusts including any research and development organizations, training schools, by providing or subscribing or contributing towards research and development centres and places of instructions and recreation, hospitals and dispensaries, medical and other



attendance and other assistance as the Directors shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, educational, cultural, social and other institutions for objects which shall have any moral or other claims to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- (p) (i) before recommending any Dividend, to set aside, out of the profits of the Company such sums as they may think proper for depreciation in accordance with the provisions of the Act, or as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares) as the Board may, from time to time, think fit;
  - (ii) before the declaration of any dividend in any Financial Year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company; and
  - (iii) carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve .
- (q) to distribute by way of bonus amongst the staff of the Company a Share or Shares in the profits of the Company, and to give to any Director, officer or other Person employed by or working for the Company, a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
  - (r) to effect, make and enter into, on behalf of the Company, all transactions, agreements and other contracts within the scope of the business of the Company; and to appoint, constitute and at their discretion, remove or dissolve any consultant, advisors and Committee(s) as they may from time to time think fit, and to determine their powers and duties and fix their remuneration;
  - (s) from time to time and at any time, to make such arrangements as the Directors may consider appropriate for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any Person(s) to be in charge of such offices;
  - (t) subject to Section 179 of the Act, from time to time, and at any time to appoint any Person and to delegate to the Person so appointed, any of the powers, authorities and discretion for the time being vested in the Directors; and to authorize any Person to fill up any vacancies therein and to act notwithstanding vacancies; and such appointment or delegation may be made on such terms, and subject to such conditions as the Directors may think fit, and the Directors may, at any time remove any Person so appointed, and may annul or vary any such delegation;
  - (u) at any time, and from time to time, by power of attorney to appoint any Person or Persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents) and subject to the provisions of Section 179 of the Act and for such period and subject to such conditions as the Directors may, from time to time, think fit, and any such appointment may (if the Directors think fit) be



made in favour of any Person or in favour of any Company, or the Shareholders, Directors, nominees or Managers of any Company or firm or otherwise in favour of any fluctuating body of Persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such powers for the protection of convenience of Persons dealing with such attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them;

- (v) subject to Section 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- (w) to purchase or otherwise acquire or obtain licence for the use of, and to sell, exchange or grant licence for the use of any trade mark, patent, invention or technical know-how;
- (x) to undertake on behalf of the Company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned or to otherwise acquired by the Company, and to purchase the reversion or reversions, and otherwise to acquire the fee simple of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate;
- (y) to improve, manage, develop, exchange, lease, sell, re-sell, and re-purchase, dispose of, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company has or may have interest;
- (z) to let, sell or otherwise dispose of, subject to the provisions of Section 180 of the Act any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and accept payments of satisfaction for the same in cash or otherwise as they think fit;
- (aa) from time to time to make, vary and repeal bye-laws, regulations and other rules, guidelines or instructions for regulating the business of the Company, its officials employees and other Persons having dealings with the Company;
- (bb) to get insured 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, stores, produce and other movable property of the Company either separately or co-jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to assign, surrender or discontinue any policies of assurance effected in pursuance of this power; and
- (cc) Subject to Section 179 of the Act, to open accounts with any bank or bankers or with any Company, firm or individual and to pay money into and draw money from any account from time to time as the Directors may think fit.

#### DECISIONS OF THE BOARD OF DIRECTORS

172. A resolution of the Board of Directors shall be adopted by the affirmative vote of the majority



of the Directors present at a meeting, at which a quorum of the Board of Directors is present.

#### CHIEF EXECUTIVE OFFICER

173. (a) The Chief Executive Officer /Managing Director shall be vested with the day-to-day responsibility and discretion for managing the business and operations of the Company and the authority conferred on him by the Board of Directors. The Chief Executive Officer/Managing Director shall have, in addition to the powers and authorities normally incidental to the office of Chief Executive Officer / Managing Director, and the powers and duties set forth in these Articles, if any, the following authorities and accountabilities: (i) accountability to the Board of Directors to achieve the milestones, requirements and objectives as set forth in annual operating and capital budget or otherwise; (ii) day-to-day administration of the Company and co-ordination of the subcontractors; (iii) representing the Company in dealings with the Shareholders and third parties; (iv) proposing to the Board of Directors updates and amendments to annual operating and capital budgets; (v) delegating authority to other officers or employees of the Company the authority to discharge the functions on behalf of, and enter into transactions in the name of, the Company consistent with the Act and these Articles; and (vi) managing the personnel resources of the Company.
- (b) The Chief Executive Officer / Managing Director may be appointed by the Board for such term, at such remuneration and upon such terms and conditions as it may think fit; and any Chief Executive Officer / Managing Director so appointed may be removed by means of a resolution of the Board.
- (c) A Director may be appointed as Chief Executive Officer.

#### CHIEF FINANCIAL OFFICER

174. (a) The Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such terms and conditions as it may think fit; and any Chief Financial Officer so appointed may be removed by means of a resolution of the Board. Provided that, the Board may appoint one or more Chief Financial Officers for its multiple businesses.
- (b) A Director may be appointed as a Chief Financial Officer.
175. The Company shall have Senior Officers as decided by the Board of Directors. The Senior Officers shall be resident Indian citizens and shall discharge such functions as may be decided by the Board of Directors.

#### MANAGING DIRECTOR/ WHOLE TIME DIRECTOR

176. (a) Subject to the provisions of the Act and Articles 173 to 175, the Board shall have the power to appoint and reappoint and from time to time remove one or more Persons to be Managing Director(s) and whole time Director(s) of the Company for a fixed period as the Board thinks fit, and subject to the provisions of Article 178, the Board may by resolution vest in such Managing Director such of the powers hereby vested in the Board generally as it thinks fit, and such power may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it



may determine.

- (b) A Managing Director or a Whole-time Director shall receive such remuneration (whether by way of salary, perquisites, commission or participation in profits, or otherwise or partly in one way and partly in another) as the Directors may, subject to the provisions of the Act, or any other law applicable for the time being in force in that behalf, determine.
  - (c) Subject to the provisions of the Act, the Board of Directors may entrust to and confer upon a Managing Director or Whole-time Director any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as the Board may think fit, and either collaterally with or to the exclusion of powers of the Board, and may, from time to time, revoke, withdraw, alter or vary any of such powers.
177. (a) The Company shall not appoint or employ, or continue the appointment or employment of, a Person as its Managing or Whole-time Director who;
- (i) is an undischarged insolvent, or has, at any time, been adjudged an insolvent;
  - (ii) suspends, or has, at any time, suspended with his creditors, or makes, or has at any time made, a composition with them; or
  - (iii) is, or has at any time been convicted by a Court of an offense involving moral turpitude.
- (b) If the Managing or Whole-time Director ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director or whole time Director, as the case may be, of the Company.

#### MANAGER

178. (a) Subject to the provisions of the Act, if a Managing Director has not been appointed as provided for in the Articles, the Board may appoint a Manager for such term and on such remuneration and upon such conditions as it may deem fit; and any Manager so appointed may be removed by the Board.
- (b) The Manager shall exercise such power or powers and for such period or periods and upon such conditions and subject to such restrictions as the Board may determine.

#### THE SECRETARY

179. Subject to the provisions of the Act, the Board of Directors may, from time to time appoint and, at their discretion remove any individual (hereinafter called "the Secretary" or the "Company Secretary") who shall have such qualifications as may be prescribed to perform any functions, which by the Act or these Articles are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary. The Board of Directors may also at any time appoint some Persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The Secretary may be appointed by the Board of Directors on such terms and conditions and at such remuneration as it may deem fit.



## THE SEAL

180. The Board may, at its discretion, provide a Common Seal for the purposes of the Company, and shall have from time to time, power to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being.
181. The Seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or a Committee of the Board authorized by it in that behalf and except in the presence of at least one Director and of the Secretary or such other Person as the Board may appoint for the purpose, and such one Director and Secretary or other Person as aforesaid shall sign every instrument to which the Seal of the Company, if any, is so affixed in their presence.

Provided further that the certificates of Shares or Debentures shall be sealed in the manner and in conformity with the provisions of the Rules and any statutory modifications thereof, for the time being in force.

## DIVIDENDS

182. The profits of the Company, subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of Capital paid up or credited as paid up on the Shares held by them respectively but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such share shall rank for Dividend accordingly.
183. The Company, in General Meeting, may declare Dividends to be paid to Members according to their respective rights but no Dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a lower Dividend.
184. No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act, or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both.

Provided that:

- (a) if the Company has not provided for depreciation for any previous Financial Year or years, it shall, before declaring or paying any Dividend for any Financial Year, provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years;
- (b) if the Company has incurred any loss in any previous Financial Year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Schedule II of the Act or against both.





Provided further that, no Dividend shall be declared or paid for any Financial Year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 123 of the Act or such high percentage of its profits as may be allowed in accordance with that Section.

Provided further that, the Board may carry forward any profits which it may consider necessary not to divide, without setting them aside as reserve.

185. The Board may, from time to time, pay to the Members such interim Dividend as in its judgment the position of the Company justifies.
186. Where the Capital is paid in advance of the calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest, confer a right to participate in profits.
187. The Company shall pay Dividends in proportion to the amount paid up or credit as paid-up on some Shares than on others.
188. The Board may retain the Dividends payable upon Shares in respect of which any Person has become entitled to be a Member under Article 56 or any Person under that Article is entitled to transfer until such Person becomes a Member in respect of such Shares or shall duly transfer the same.
189. A waiver in whole or in part of any Dividend on any Share by any document (whether or not under Seal, if any) shall be effective only if such document is signed by the Member (or the Person entitled to the Share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
190. Any one of the several Persons who are registered as joint holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or other moneys payable in respect of such Share.
191. No Member shall be entitled to receive payment of any interest or Dividend or bonus in respect of his Share whilst any moneys may be due or owing from him to the Company in respect of such Share or otherwise, however, either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any Member all such sums of money so due from him to the Company.
192. (a) Unless otherwise directed, any Dividend payable in cash in respect of Shares may be paid by electronic mode, cheque or warrant payable only in India, or by a pay slip or receipt having the force of a cheque or warrant, sent through the post to the registered address of the Member or Person entitled, or in case of joint holders to that one of them first named in the Register of Members in respect of the joint holding.  
(b) Every such cheque or warrant shall be made payable to the registered holder of Shares or to his order or to his bankers.



- (c) Payment in any way whatsoever shall be made at the risk of the Person entitled to the money paid or to be paid. The Company shall not be liable or responsible for any cheque or warrants or payslip or receipt lost in transmission, or for any Dividend lost to the Member or Person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature on any payslip or receipt or the fraudulent or improper recovery of the Dividend by and other means. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
193. The Company shall pay the Dividend or send the cheque or warrant or given instructions for payment in electronic mode in respect thereof to the Member entitled to the payment of Dividend in accordance with the provisions of the law from the date of the declaration unless:
- (a) where the Dividend could not be paid by reason of the operation of any law;
- (b) where a Shareholder has given directions regarding the payment of the Dividend and those directions cannot be complied with;
- (c) where there is a dispute regarding the right to receive the Dividend; or
- (d) where for any other reason, the failure to pay the Dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
194. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the Shares.
195. No unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by law, and such forfeiture, when affected, shall be annulled in appropriate cases, and the Company shall comply with the provisions of Section 124 of the Act, as applicable, in respect of such Dividend.
196. Unclaimed Dividends shall be transferred to the unpaid Dividend account of the Company as hereinafter provided:
- (a) Where the Dividend has been declared but not paid but the warrant in respect thereof has not been posted, within thirty days from the date of the declaration to any Shareholder entitled to the payment thereof, the Company shall within seven days from the date of expiry of the said period of thirty days transfer the total amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted within the said period of thirty days to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account of ".....".
- A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the Shareholders to whom the money is due.
- (b) Any money transferred to the unpaid Dividend account of the Company in pursuance of sub-Article (a) hereof which remains unpaid or unclaimed for a period for seven



consecutive years or more from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund;

- (c) The Company shall, when making any transfer under Article 196(b) hereof to the general revenue account of the Central Government of any unpaid or unclaimed Dividend, furnish to such officer as the Central Government may appoint in this behalf a statement in the prescribed form setting forth in respect of all sums included in such transfer, the nature of the sums, the names and last known addresses of the Persons entitled to receive the sum, the amount to which each Person is entitled, and the nature of his claim thereto and such other particulars as may be prescribed by the Central Government.
197. Any General Meeting declaring a Dividend may, on the recommendations of the Board of Directors, make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the Dividend payable to him, and so that the call be made payable at the same time as the Dividend; and the Dividend may, if so arranged between the Company and the Members, be set off against the call.
198. No Dividend shall be payable except in cash. Provided that nothing in this Article 198 shall be deemed to prohibit the capitalization of the 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 any Shares held by Members of the Company.
199. Subject to the rights of Persons, if any, entitled to Shares with special rights as to Dividends, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article 199 as paid on the Share.
200. The Board may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
201. No Dividend shall bear interest against the Company.

#### CAPITALISATION BUY-BACK OF SHARES

202. (a) The Company in General Meeting may, upon the recommendation of the Board:
- (i) that it is desirable 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
- (ii) that such sum be accordingly set free for distribution in the manner specified in Article 202(b) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.



- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions of the Act, either in or towards:
  - (i) paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
  - (ii) 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;
  - (iii) partly in the way specified in Article 202(b)(i) and partly that specified in Article 202(b)(ii);
  - (v) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;
  - (vi) The Board shall give effect to the resolution passed by the Company in pursuance of this Article 202.
  
- 203. (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  - (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotment and issues of fully paid Shares if any; and
  - (ii) generally do all acts and things required to give effect thereto.
  
- (b) The Board shall have the power:
  - (i) make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (ii) to authorise 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 by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;
  - (iii) Any agreement made under such authority shall be effective and binding on such Members.

#### BUY-BACK OF SHARES

- 204. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act, or any other law for the time being in force, the Company may purchase its own Shares or other specified securities.



## ACCOUNTS

205. (a) The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of accounts in accordance with Section 128 of the Act with respect to:
- (i) all sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
  - (ii) all sales and purchases of goods by the Company; and
  - (iii) the assets and liabilities of the Company.

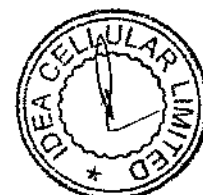
The books of accounts may also be maintained in electronic form.

- (b) Where the Board decides to keep all or any of the books of accounts at any place other than the Office of the Company, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
  - (c) The Company shall preserve in good order the books of accounts relating to a period of not less than eight years preceding the current year together with the vouchers relevant to entries in such books of account.
  - (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article 205 if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at the registered office or other place in India, at which the Company's books of account are kept as aforesaid.
  - (e) The books of account shall give a true and fair view of the state of the affairs of the Company.
  - (f) The books of account shall be open for inspection by any Director during business hours. No Member (not being a Director) shall have any right to inspect any books of account or books and papers or documents of the Company except as conferred by law or authorised by the Board.
206. The Board shall, from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid at each Annual General Meeting a profit and loss account and a balance sheet, containing a summary of the property and assets and of the Capital and liabilities of the Company, made up to a date not earlier than the date of the Meeting by more than six months or such extended period as may be permitted under the Act by the Registrar of Companies.
207. Every balance sheet and profit and loss account of the Company shall give a true and fair view of the affairs and the profit or loss of the Company for the financial year and shall comply with the requirements of Schedule III of the Act, so far as they are applicable thereto.
208. (a) Every balance sheet laid before the Company in Annual General Meeting shall be



accompanied by a report of the Board of Directors as to the state of the Company's affairs and as to the amounts, if any, which it recommends should be paid by way of Dividend and material changes and commitments, if any, affecting the financial position of the Company for which the balance sheet relates and the date of the report.

- (b) The Board's report shall so far as is material for the appreciation of the state of the Company's affairs by its Members and which will not, in the Board's opinion, be harmful to the business of the Company, deal with any change which have occurred during the Financial Year in the nature of the Company's business and generally in the classes of business in which the Company has an interest.
  - (c) The Board shall also give the fullest information and explanations in its Report aforesaid, or in an addendum to that report on every reservation, qualification or adverse remark contained in the Auditor's Report.
  - (d) The Board's Report and any addendum thereto shall be signed by its Chairman if he is authorized in that behalf by the Board, and where he is not so authorized, shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account of the Company.
  - (e) The Board shall have the right to charge any Person not being a Director with the duty of seeing that the provisions of Articles 208(a) to 208(c) are complied with.
209. (a) The profit and loss account and balance sheet shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors, one of whom shall be a Managing Director where there is one, provided that if there is only one Director present in India at the time the profit and loss account and balance sheet shall be signed by such Director but in such a case there shall be attached to the Profit and Loss Account and Balance Sheet a statement signed by such Director explaining the reason for non-compliance with the aforesaid provision requiring the signatures of two Directors.
- (b) The profit and loss account and balance sheet shall be audited by the Auditor and the Auditor's Report (including the Auditors separate, special or supplementary report, if any) shall be attached thereto, and such Report shall be read before the Company in General Meeting and shall be open to inspection by any Member.
210. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no members (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorized by the Directors or by a resolution of the Company in General Meeting.
211. A copy of every balance sheet including the profit and loss account, the Auditors' Report and every other document required by law to be annexed or attached as the case may be, to the balance sheet, which is to be laid before the Company in a General Meeting, shall be made available for inspection at the Registered Office, of the Company during working hours for a period of twenty one days before the date of the Meeting.



212. Subject to provisions of the Act and the Rules, where the Company has one or more subsidiaries, it shall, in addition to the financial statements to be prepared in accordance with these Articles, prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own.
213. A statement containing the salient features of such documents in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit, will be sent to every member of the Company and to every trustee for the holders of any Debentures issued by the Company not less than twenty one days before the date of the meeting as laid down in Section 136 of the Act and all other provisions of this Section shall apply in respect of the matters referred to in this Article 213.

#### DOCUMENTS AND NOTICES

214. (a) A document or notice may be served or given by the Company on any Member or officer of the Company either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices in him or by electronic mail.
- (b) Where a document or notice is sent by post, service of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice. Provided that where a Member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum, sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless, it is sent in the manner intimated by the Member, and such service shall be deemed to have been effected in the case of a notice of a Meeting, at the expiration of forty eight hours after the letter containing the documents or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- (c) Where a document or notice is sent by electronic mail, the document or notice shall be deemed to have been delivered upon an electronic mail containing the document or notice being sent to the email address provided to the Company by the Member.
215. A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears, on every Member who has no registered address in India or has not supplied to the Company an address within India for the serving of document on or the sending of notices to him.
216. A document or notice may be served or given by the Company on or to the joint-holders of a Share / Debenture by serving or giving the document or notice on or to the joint-holder named first in the Register of Members/ Register of Debenture-holders in respect of the Share/Debenture.
217. A document or notice may be served or given by the Company on or to the Persons entitled to a Share in consequence of death, insolvency or winding up of a Member by sending it through

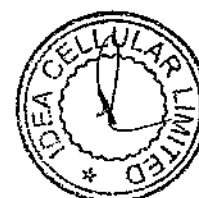


the post in a prepaid letter addressed to them by name or by the title of representatives of deceased, official assignee, receiver or liquidator of the Member in insolvency or winding-up or by any like description, at the address, if any, in India, supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death, insolvency or winding up had not occurred.

218. Documents of every General Meeting shall be served or given in the same manner hereinbefore authorized on or to every Member and to the Auditor or Auditors for the time being of the Company; and shall be served in the manner provided in Article 214 on every Person entitled to a share in consequence of the death, insolvency or winding up of a Member.
219. Every Person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the register of Members, shall have been duly served on or given to the Person from whom he derives his title to such share.
220. Any document or notice to be served or given by the Company may be signed by any Director, Secretary or some Person duly authorized by the Board of Directors for such purpose and the signature may be written, printed or lithographed.
221. All documents or notice to be served or given by Members on or to the Company or any Officer thereof shall be served or given by sending the same to the Company or officer at the Registered Office by post under a certificate of posting or by registered post, or by leaving the same at its Registered Office.
222. A Notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at his office.

#### WINDING UP

223. (a) Subject to the provisions of the Companies Act, 1956 or the Act, as applicable, and these Articles, if the Company shall be wound up, the liquidator, may with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose of aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may be determined how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any Shares of other securities whereon there is any liability.



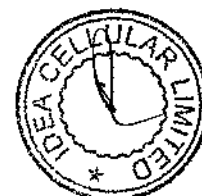


## INDEMNITY AND RESPONSIBILITY

224. (a) Save and except so far as the provisions of this Article 224 shall be avoided by Section 197(13) of the Act, the Board of Directors, Managing Director, Managers, Secretary, and other officers or other employees/servants for the time being of the any, Auditor and the trustees, if any, for the time being acting in relation to any of the affairs of the Company and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators shall or may incur or sustain by or reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trust, except such, if any as they shall incur or sustain through or by their own wilful neglect or default respectively.
- (b) None of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other Person with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except the same shall happen by or through their own wilful dishonesty, neglect or default respectively.

## SECRECY

225. (a) Every Director, Manager, Auditor, treasurer, trustee, Member of a Committee, officer, servant, agent, accountant or any other Person employed in the company shall, if so required by the Directors, or by any other Person authorized in this behalf before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and 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 discharge of his duties except when required to do so by the Directors or by law or by the Person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) Subject as aforesaid, every Director, Managing Director, Manager, Company Secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
- (c) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company without the permission of the Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may be relate to the conduct of the business of the



Company and which in the opinion of the Directors, would be inexpedient in the interest of the Company to disclose.

- (d) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Key Managerial Personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### GENERAL POWER

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

#### COMPLIANCE WITH THE LICENCE AGREEMENTS

- 227. The Company will adhere and comply with the conditions and terms stipulated in the Licence Agreements. Under extant requirements of the DoT, any violation of any such License Agreements shall automatically lead to the Company being unable to carry on its business in this regard.



## **PART II**

### **OVERRIDING EFFECT AND INTERPRETATION**

228. Subject to the requirements of Applicable Laws, in the event of any conflict between the provisions of Articles 1 to 227 (Part I of the Articles of Association of the Company) and Articles 228 to 235 (Part II of the Articles of Association of the Company), the provisions of Part II shall apply.
229. Nothing in the Overriding Articles shall be construed to limit or restrict or supersede the rights of the Company's lenders under the Long Term Facilities.
230. Interpretation of Articles 228 to 235 (Part II of the Articles of Association of the Company).

Notwithstanding the provisions of Articles 1 to 227 (Part I of the Articles of Association), (a) capitalised terms and expression used in the Articles, shall have the meaning assigned to such terms in Part II of the Articles of Association; (b) capitalised terms and expressions used in the Articles, but not defined in Part II of the Articles of Association shall have the meaning assigned to such terms in Articles 1 to 227; and (c) any terms and expressions (whether capitalised or not), used but not defined specifically in these Articles shall have the same meaning as ascribed to them in the Act or any statutory modification thereof.

"Affiliate" in relation to any entity, means any body corporate, partnership, unincorporated association which directly or indirectly Controls or is Controlled by or is under common Control with that entity.

"Alternate Director" has the meaning given in Article 233.

"Applicable Laws" means any applicable statute, law, regulation, ordinance, rule, judgment, rule of law, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any statutory or regulatory authority in effect in India.

"Audit Committee" means the audit committee of the Company.

"Audit Committee Nominee" has the meaning given in Article 232(b).

"Axiata" means Axiata Group Berhad (formerly known as TM International Berhad), a company incorporated under the laws of Malaysia and having its registered office at Level 42, North Wing, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia.

"Axiata Nominee" means TMI Mauritius Ltd. or any other Affiliate of Axiata, Khazanah or any entity Controlled by Khazanah.

"Axiata Parties" means TMI Mauritius Ltd. , Axiata, all Affiliates of Axiata and Khazanah.

"Base Shareholding Level" means fourteen point nine nine percent of the Equity Capital of the Company on 13<sup>th</sup> August, 2008 or the maximum Shareholding of Axiata as is, or has been, mutually agreed between the Company and Axiata from time to time in writing, and in either



case, as reset in accordance with Article 232.

“Control” (including the terms “Controlled by” and “under common Control with”) means, in relation to a body corporate, the right to exercise, or control the exercise of, whether directly or indirectly, acting alone or together with another Person, more than fifty percent of the total voting rights at a general meeting of that body corporate, or the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the affairs of that body corporate, including the composition of any Board of Directors of that body corporate, and, in relation to any Person which is not a body corporate, the right or power to direct, whether directly or indirectly, acting alone or together with another Person, the affairs of that Person.

“ESOS” means the Idea Employee Stock Option Scheme - 2006 and any other stock option schemes adopted by the Company pursuant to Applicable Laws, from time to time.

“FDI Limits” means the applicable Indian laws and regulations governing the maximum non-Indian direct and indirect shareholdings in an Indian telecommunications services company from time to time.

“Khazanah” means Khazanah Nasional Berhad, an entity established by the Government of Malaysia.

“Long Term Facilities” means the long term financing facilities entered into on 8<sup>th</sup> August, 2006 and 12<sup>th</sup> October, 2007 in the aggregate amount of Rs. 74,240,000,000 (Rupees seventy four billion two hundred and forty million) between the Company and a consortium of lenders led by IDBI Bank Limited (as lead arranger).

“Non-Residents” shall mean one or more Persons who are not Indian resident for the purposes of the FDI Limits.

“Person” means any individual, partnership, corporation, association, joint stock Company, joint venture corporation, trust, unincorporated organisation or government, or agency or subdivision thereof or any other legal entity.

“Related Party Transactions” means a transfer of resources or obligations, or any other material transactions or arrangements, between the Company and any Affiliate of the Company, regardless of whether or not a price is charged.

“SEBI DIP Guidelines” means the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, as amended from time to time.

“Shareholding of Axiata” means the direct and indirect holding of Shares by TMI Mauritius Ltd when aggregated with the direct and indirect holding of Shares by Axiata and all of Axiata’s Affiliates (other than TMI Mauritius Ltd).

“Spice” means Spice Communications Limited, a company incorporated under the Act, having its Registered Office at A-30, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110 044.

“TMI Mauritius Ltd” means the company named TMI Mauritius Ltd, which is incorporated under the laws of Mauritius and having its Registered Office at 3rd Floor, TM Building, Pope



Hennessy Street, Republic of Mauritius.

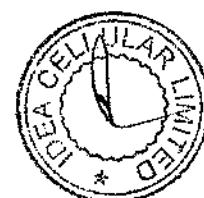
“Third Party” means a Person other than Axiata or its Affiliates.

231. Axiata’s rights upon further issue of Shares by the Company:

- (a) Save as otherwise provided in this Article 231, so long as the Shareholding of Axiata is at least ten percent of the total issued Equity Capital of the Company from time to time, if the Company intends to issue and allot Shares or any other securities convertible into Shares or any securities giving the right to call for the issue of Shares (“Relevant Securities”) other than:
  - (i) Shares issued on an event of default under the Long Term Facilities; or
  - (ii) Shares issued on the exercise of options under the ESOS; or
  - (iii) Relevant Securities being offered to all Shareholders in proportion to their percentage holding of Shares;

to any Third Party (“Further Preferential Issue”), the Company will, subject to compliance with Applicable Laws, offer Axiata or any Axiata Nominee nominated by Axiata in writing, the option of subscribing for Relevant Securities on the same terms and conditions (including as to price) as those proposed to be offered to such Third Party, in such manner as to maintain the Base Shareholding Level on a fully diluted basis (“Pro-Rata Top Up”) in accordance with the procedure set out in Article 232(b) below; and where any or all of the Relevant Securities in the Further Preferential Issue are intended to be allotted to Non-Residents, the Company shall ensure that the size of the offering to the Non-Residents is such that Axiata will be able to exercise its Pro-Rata Top Up without breaching any FDI Limits.

- (b) If the Shareholding of Axiata falls below ten percent of the total issued Equity Capital of the Company from time to time directly as a result of a breach by the Company of its obligations under this Article 232 or as a result of any issue by the Company of Relevant Securities if such issue is as a result of an event of default under the Long Term Facilities or the exercise of any options granted under the ESOS, Axiata shall retain its rights pursuant to Articles 232 to 235 and this Article 231.
- (c) The Company will notify Axiata in writing not less than thirty days in advance of any meeting of the Board to consider a Further Preferential Issue of its intention to make the Further Preferential Issue (a “Further Preferential Issue Notice”). Axiata agrees, within fifteen days of receipt by it of the Further Preferential Issue Notice (the “Axiata Acceptance Period”), to inform the Board: (a) whether it intends to exercise its rights in respect of the Pro-Rata Top Up; and (b) which Axiata Nominee will subscribe for the Relevant Securities (the “Axiata Notice”). If Axiata indicates in the Axiata Notice that it wishes to exercise the Pro-Rata Top Up, Axiata undertakes to complete the subscription for the Relevant Securities during the currency of the Company’s shareholder resolution passed in respect of the Further Preferential Issue (subject to any approval required from its shareholders and any applicable regulatory requirements (including consent of Bank Negara Malaysia) pursuant to the Pro-Rata Top Up. If Axiata does not serve a Axiata Notice before the expiry of the Axiata Acceptance Period or Axiata indicates in the Axiata Notice that it does not wish to exercise the Pro-Rata Top Up, the Company may freely issue and allot the Relevant



Securities on a preferential basis to the Person(s) identified in the Further Preferential Issue Notice on the same terms and conditions (including as to price) as those available to Axiata under the Pro-Rata Top Up.

(d) If Axiata's shareholder approval is required for Axiata or any Axiata Nominee to participate in the Pro-Rata Top Up, the Company will, subject to all Applicable Laws, ensure that the time frame for completion of the Further Preferential Issue will be sufficient to allow Axiata to seek and obtain such shareholders approval. Axiata acknowledges and agrees that it would seek any relevant shareholder approval as quickly as possible and would use its best efforts to ensure that the obtaining of such shareholders approval does not delay the completion of the Further Preferential Issue. If it is not possible for Axiata to obtain its shareholder approval without delaying the completion of the Further Preferential Issue past the latest time permitted for the Further Preferential Issue under the SEBI DIP Guidelines, Axiata will waive its Pro-Rata Top Up rights in respect of that Further Preferential Issue, provided that the Company convenes a further meeting of Shareholders as soon as possible thereafter to approve the Further Preferential Issue in favour of Axiata or an Axiata Nominee at the higher of: (a) the lowest price per Share permitted by Applicable Laws; and (b) the price paid by the subscriber in the relevant Further Preferential Issue, which would permit Axiata to increase its holding of Shares to the same percentage as it had immediately prior to the original Further Preferential Issue. Nothing in this Article 231(d) will imply that the Company needs to delay the holding of any meeting of Shareholders.

(e) Base Shareholding Level:

(i) Save as otherwise provided in this Article 231(e)(i), if Axiata fails to exercise its rights to Pro-Rata Top Up and, as a result, the Shareholding of Axiata is diluted below the Base Shareholding Level, the Base Shareholding Level shall be deemed to remain at the level immediately before the Further Preferential Issue in respect of which it failed to exercise its Pro-Rata Top Up right for a period of twelve months from the date on which the relevant dilution occurs (the "Standstill Period"). If there is more than one Further Preferential Issue in any twelve months period, the Base Shareholding Level will only be deemed to be adjusted downwards to the level that would have prevailed if there had been no Further Preferential Issue during the said twelve months period. If the Shareholding of Axiata has not, on the expiry of the Standstill Period, increased to the Base Shareholding Level through secondary purchases, the Base Shareholding Level shall be deemed to be adjusted downwards to reflect the percentage holding of Shares then held directly and indirectly by the Axiata Parties. If the FDI Limits are exceeded at any time during the Standstill Period, such Standstill Period shall automatically be extended until such time as the FDI Limits are no longer exceeded. If the Shareholding of Axiata is diluted below the Base Shareholding Level as a result of:

- (1) Shares being issued on an event of default under the Long Term Facilitates; or
- (2) Shares being issued on the exercise of options under the ESOS; or
- (3) the completion of a merger of any company with the Company, including a merger of Spice with the Company, the Base



Shareholding Level shall not be adjusted downwards.

- (ii) If the Axiata Parties sell any Shares to any Person other than an Axiata Party, the Base Shareholding Level shall be deemed to be reset at the percentage of the total issued Capital of the Company held by the Axiata Parties immediately following such sale.
- (iii) Save as otherwise provided in this Article 231, Axiata's rights under this Article 231 to Pro-Rata Top Up will not apply where the Shareholding of Axiata is diluted below the Base Shareholding Level for any reason other than a Further Preferential Issue or where the Shareholding of Axiata is diluted below the Base Shareholding Level as a result of:
  - (1) Shares being issued on an event of default under the Long Term Facilitates; or
  - (2) Shares being issued on the exercise of options under the ESOS,

in particular, such rights shall not apply in the event of any dilution taking place as a result of completion of a merger of any company with the Company including a merger of Spice with the Company, provided that in such event, Axiata shall be entitled to make secondary purchases of Shares not exceeding the Base Shareholding Level.

- (f) An Axiata Party shall be entitled (but not obliged) to acquire from any Person, and whether through the stock exchanges or not, such number of Shares as shall result in the Shareholding of Axiata being equal to (but not exceeding) the Base Shareholding Level.

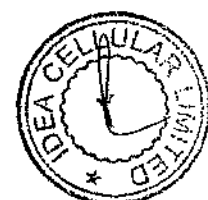
232. Axiata's Directors:

So long as the Shareholding of Axiata is at least ten percent of the total issued Equity Capital of the Company from time to time and subject to Article 231(b), Axiata will have the right to:

- (a) nominate to, and / or remove or replace from, the Board, one Director ("Nominee Director"); and
- (b) nominate and / or remove or replace the Nominee Director as a member of the Audit Committee of the Company ("Audit Committee Nominee"),

and the Company will do all things within its power to ensure that the Nominee Director and the Audit Committee Nominee is so appointed and remains in office unless otherwise instructed by Axiata in writing.

233. Notwithstanding anything to the contrary in Article 134, so long as the Shareholding of Axiata is at least ten percent of the total issued Equity Capital of the Company from time to time and subject to Article 231(b), upon the request of Axiata, the Company, shall as soon as reasonably possible, appoint an Alternate Director ("Alternate Director") in accordance with Section 161 of the Act, to act in place of the Nominee Director. In the event such Alternate Director ceases to hold office or Axiata wishes to replace such Alternate Director, the Company shall, as soon as reasonably possible, do all things required to effect such appointment, re-appointment or replacement. Such Alternate Director shall be entitled, while



holding office as such, to (i) receive notices of meetings of the Board or the Audit Committee; (ii) attend and vote as a Director at any such meetings of the Board or Audit Committee of which the Nominee Director is a member; and (iii) generally exercise all the powers, rights, duties and authorities and to perform all functions of the Nominee Director. Further, such Alternate Director shall be entitled to exercise the vote of the Nominee Director at any meeting of the Board or any such Committee. For the avoidance of doubt, Nominee Director and Alternate Director will not have any veto rights or affirmative control rights in respect of the activities of the Company.

234. Proceedings of the Audit Committee: So long as the Shareholding of Axiata is at least ten percent of the total issued Equity Capital of the Company from time to time and subject to Article 231(b), the Company will cause full details of all Related Party Transactions to be disclosed to the Audit Committee at least once every quarter. If the Audit Committee raises any concerns in relation to such transactions/arrangements, the Company will act in accordance with the recommendations of the Audit Committee.

235. Notification requirements:

So long as the Shareholding of Axiata is at least ten percent of the total issued Equity Capital of the Company from time to time and subject to Article 231(b), the Company shall, on a quarterly basis, inform Axiata of the aggregate shareholding of Non-Residents in the Company. In the event that the FDI Limits are reached at any time, the Company will notify Axiata promptly and will, on a monthly basis thereafter, notify Axiata of the aggregate holding of Shares by Non-Residents





## Part III

### 1. EFFECTIVE DATE; OVERRIDING EFFECT

This Part III of the Articles of Association shall be effective from the Effective Date (defined below). In the event of any conflict between Parts I and II of the Articles of Association and Part III of the Articles of Association, the provisions of Part III of the Articles of Association shall prevail.

### 2. DEFINITIONS & INTERPRETATION

#### 2.1 Definitions

Unless the context otherwise requires, the following words and terms shall have the meanings set forth below:

“**Acceptance Notice**” shall have the meaning given to it in Article 13.3.3;

“**Act**” means the Indian Companies Act, 2013 and shall include the provisions of the Indian Companies Act, 1956, to the extent the corresponding provision in the Indian Companies Act, 2013 has not been notified;

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, (a) owns greater than 26% of the voting equity or interest of such Person or is similarly owned by such Person; and (b) Controls, is Controlled by, or is under common Control with, such first Person, and in the case of a natural Person, shall include his or her Relatives;

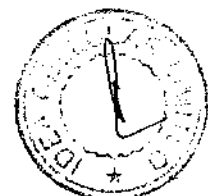
“**Agreed Shared Costs**” shall have the meaning as agreed, *inter alia*, among the Parties as on the date of the Shareholders’ Agreement;

“**Big Four Accounting Firm**” shall mean any of (i) KPMG, (ii) Deloitte Touche Tohmatsu Limited (iii) Ernst and Young LLP, or (iv) PricewaterhouseCoopers, or any of their Indian associates and affiliates.

“**Board**” means the board of directors of the Company constituted in accordance with the Articles of Association from time to time;

“**Books and Records**” means all accounting, financial reporting, tax, business, marketing and corporate files, documents, instruments, papers, books, registers and records (statutory or otherwise) of the Company and its Subsidiaries, including technical records, financial statements, journals, deeds, manuals, minute books, customer and client lists, reports, files, documents, electronic information and operating data, contracts, memoranda of understanding and agreements, in whatever form;

“**Business**” means the provision of fixed and mobile telecommunications services to consumer and enterprise customers, including direct-to-consumer video and content services that are bundled with telecommunications services by the Company and its Subsidiaries in the



Territory, and subject to amendment in accordance with Article 10 (*Reserved Matters*), any other business carried on by the Company and its Subsidiaries;

**“Business Day”** means a day other than Saturday and Sunday on which banks are open for normal banking business in London, United Kingdom, Mauritius, the Netherlands and Mumbai, India;

**“Business Plan”** means the detailed operating budget and the financial and strategic plan of the Company as prepared, approved and amended from time to time in accordance with the Articles of Association;

**“Call Option 1”** shall have the meaning given to it in Article 12.3.1(a);

**“Call Option 1 Equity Share Value”** means the Call Option 1 Equity Value divided by the sum of:

- (a) the number of Equity Shares of the Company (on a fully diluted basis) as on the Effective Date;
- (b) (without double counting) the number of Equity Shares issued pursuant to all Rights Recapitalisations occurring under Article 4; and
- (c) the number of Equity Shares issued as bonus shares with respect to any of the Equity Shares falling within (a) or (b) above,

and adjusted in customary manner for any split or reverse-split made with respect to such Equity Shares on or after the date on which they were issued;

**“Call Option 1 Equity Value”** means, in relation to a Call Option 1 Notice, the amount that is equal to the sum of:

- (a) Rs.945,524 million; and
- (b) (without double counting) the aggregate of value of all gross consideration received or receivable by the Company pursuant to all Rights Recapitalisations occurring under Article 4 and before the date of that Call Option 1 Notice;

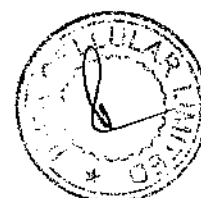
**“Call Option 1 Notice”** shall have the meaning given to it in Article 12.3.1(c);

**“Call Option 1 Period”** means a period of 36 (thirty six) months and one (1) Business Day from the Effective Date;

**“Call Option 1 Price”** shall have the meaning given to it in Article 12.3.1(c);

**“Call Option 1 Purchaser”** shall have the meaning given to it in Article 12.3.1(c);

**“Call Option 1 Shares”** shall have the meaning given to it in Article 12.3.1(c);



“**Call Option 2**” shall have the meaning given to it in Article 12.3.2(a);

“**Call Option 2 Notice**” shall have the meaning given to it in Article 12.3.2(d);

“**Call Option 2 Period**” shall have the meaning given to it in Article 12.3.2(a);

“**Call Option 2 Price**” shall have the meaning given to it in Article 12.3.2(e);

“**Call Option 2 Purchaser**” shall have the meaning given to it in Article 12.3.2(d);

“**Call Option 2 Shares**” shall have the meaning given to it in Article 12.3.2(b);

“**Call Option Cap**” means at any specified time, the number of Equity Shares that is equal to 50% of the Excess Equity Shares at such time (rounded down to the nearest whole Equity Share) (it being acknowledged that, at the end of the Effective Date, the Call Option Cap will be equal to 9.5% of the Share Capital);

“**Capped Options**” means Call Option 1, Call Option 2, Step Down Option 1 and the Rights Recapitalisation Call Option;

“**CEO**” means the chief executive officer of the Company, appointed from time to time in accordance with the Articles of Association;

“**CFO**” means the chief financial officer of the Company, appointed from time to time in accordance with the Articles of Association;

“**Chairperson**” shall have the meaning given to it in Article 5.7.1;

“**Circular Resolution**” shall have the meaning given to it in Article 5.8.1;

“**Closing Date**” shall have the meaning as agreed, *inter alia*, among the Parties as on the date of the Shareholders’ Agreement;

“**CoC Exercise Notice**” shall have the meaning given to it in Article 16.2.1;

“**CoC Notice**” shall have the meaning given to it in Article 16.1;

“**CoC Shareholder**” shall have the meaning given to it in Article 16.1;

“**CoC Shares**” shall have the meaning given to it in Article 16.2.1;

“**Committee**” shall have the meaning given to it in Article 5.4.1;

“**Company**” means Idea Cellular Limited, a company incorporated under the laws of India having its registered office at Suman Tower, Plot No. 18, Sector 11, Gandhinagar, Gujarat 382011, India;



**“Competing Business”** means a business in the Territory that is the same as or substantially similar to the Business;

**“COO”** means the chief operating officer of the Company, appointed from time to time in accordance with the Articles of Association;

**“Control”** (including with correlative meaning, the terms **“Controlled by”** and **“under common Control”** with) means the right to appoint the majority of the directors or to control the management or policy decisions of a Person, exercisable by a Person or Persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

**“Deadlock”** shall have the meaning given to it in Article 14.1;

**“Deadlock Notice”** shall have the meaning given to it in Article 14.2;

**“Deed of Adherence”** means the deed of adherence set out in the Shareholders’ Agreement;

**“Defaulting Promoter Group”** shall have the meaning given to it in Article 15.1.1;

**“Defaulting Shareholder Group”** shall have the meaning given to it in Article 15.2.1;

**“Diluted Group”** shall have the meaning given to it in Article 4.8.1;

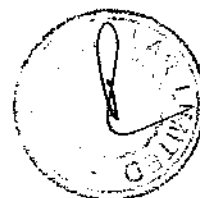
**“Directors”** mean the members of the Board appointed in accordance with the Articles of Association;

**“Draft Revised Business Plan”** shall have the meaning given to it in Article 11.1;

**“EBITDA”** means the consolidated profit before tax of the Company as per the Financial Statements for that relevant period after adding back:

- (a) any amount attributable to amortisation of intangible assets and goodwill, and depreciation of tangible assets;
- (b) Finance Charges;
- (c) items treated as exceptional;
- (d) Integration Costs; and
- (e) Agreed Shared Costs,

in each case, to the extent added, deducted or taken into account, as the case may be, in determining the consolidated profit before tax of the Company as per the relevant Financial Statements;



**“Effective Date”** means the Closing Date;

**“Equal Offer Notice”** shall have the meaning given to it in Article 12.6.3(a);

**“Equal Offer Period”** shall have the meaning given to it in Article 12.6.3(b);

**“Equal Shareholding Date”** means the first date on which the number of Excess Equity Shares becomes zero;

**“Equity Shares”** means fully-paid up equity shares issued from time to time forming part of the Share Capital;

**“Event of Default”** shall have the meaning given to it in Article 15.2.1;

**“Excess Equity Shares”** means, at any specified time and subject to Articles 4.6, 12.1.1, and 12.3.2(i), the number of Equity Shares that is equal to the greater of:

- (a) zero; and
- (b) (i) the Shareholding of the Vodafone Group Shareholders at such time minus (ii) the Shareholding of the ICL Group Shareholders at such time;

**“Excluded Financial Investor”** means any Financial Investor:

- (a) where 33% or more of that Financial Investor’s assets under management comprise an equity holding in a single Person that conducts a business that is similar to the Business within or outside the Territory; or
- (b) whose Investment Manager is Controlled by a Person who conducts a business that is similar to the Business within or outside the Territory;

**“Extended RCO Period”** shall have the meaning given to it in Article 4.7.1(c);

**“Fair Market Value”** means the Volume Weighted Average Market Price for a period of three (3) months preceding the Relevant Date, as traded on the Recognised Stock Exchange where the maximum volume of trading in the Equity Shares of the Company is recorded during the three-month period prior to the Relevant Date;

**“Finance Charges”** means, for any relevant period, the aggregate amount of interest, commission, fees, discounts, prepayment penalties or premiums, Forex Losses or Gains (if net losses) and other finance payments in respect of Financial Indebtedness whether accrued, paid or payable in respect of that relevant period, net of any treasury income (representing income from investing surplus cash in securities as per the treasury policy of the Company), or interest or similar income and Forex Losses or Gains (if net gains) whether accrued, received or receivable, and:

- (a) including the interest element of leasing and hire purchase payments;
- (b) including the mark to market gains or losses, whether realised or unrealised, on foreign exchange rate and interest rate derivative financial instruments; and



- (c) including any amounts in the nature of interest payable in respect of any shares other than ordinary equity share capital;

**“Financial Indebtedness”** means any borrowings or indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) accrued interest payable;
- (c) any interest bearing amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent;
- (d) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (e) the amount of any liability in respect of any finance lease;
- (f) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing under Ind AS;
- (h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); and
- (i) shares which are expressed to be redeemable or shares or instruments convertible into shares (other than compulsorily convertible instruments),

provided in each case that there shall be no double-counting of any indebtedness;

**“Financial Investor”** means any organisation (including banks, insurance companies, hedge funds, endowment funds, pension funds, sovereign wealth funds and other financial institutions) engaged in the business of holding and managing assets (including securities) or wealth management, for and on behalf of its clients, other than an Excluded Financial Investor;

**“Financial Statements”** means in relation to the Company the consolidated quarterly financial statements of the Company and its Subsidiaries prepared under Ind AS;

**“Financial Year”** means the Company’s fiscal year beginning on 1 April of each calendar year and ending on 31 March of the immediately succeeding calendar year, or such other period as the Board or the Shareholders, as the case may be, determine in accordance with applicable Law;

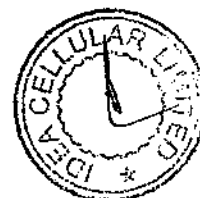
**“First Refusal Right”** shall have the meaning given to it in Article 13.3.1;

**“Forex Losses or Gains”** means the net foreign exchange gains or losses with respect to Financial Indebtedness denominated in currency other than INR;

**“General Meeting”** shall have the meaning given to it in Article 6.1;

**“GIL”** shall have the meaning given to it in Article 9.2.1(b);

**“Governmental Authority”** means any national, regional or local government or governmental, administrative, fiscal, judicial, or government-owned body of any nation or any of its ministries, departments, secretariats, agencies or any legislative body, commission, authority, court or tribunal or entity, and shall include any authority exercising jurisdiction over



any Person;

“**Group**” means, (i) the ICL Group and/or the Vodafone Group, as the context may require, (ii) in relation to the Company, the Company and its Subsidiaries, and (iii) in relation to any other company, means that company and any Affiliate of that company;

“**Higher Number**” shall have the meaning given to it in Article 4.3.2(ii)(A);

“**Higher Shareholder**” shall have the meaning given to it in Article 12.6.3;

“**ICL Bank**” shall have the meaning given to it in Article 4.3.2(ii);

“**ICL CoC Period**” shall have the meaning given to it in Article 16.2.1;

“**ICL CoC Price**” means an amount equal to the Vodafone Purchase Price;

“**ICL Confirmation Notice**” shall have the meaning given to it in Article 12.2.2(b);

“**ICL Group**” means the ICL Group Shareholders and their respective Affiliates, excluding the Company and its Subsidiaries;

“**ICL Group Directors**” shall have the meaning given to it in Article 5.2.2(a);

“**ICL Group Shareholders**” shall mean (i) Grasim Industries Limited, (ii) Aditya Birla Nuvo Limited, (iii) Pileri Investments and Industries Limited, (iv) Hindalco Industries Limited and (v) Birla TMT Holdings Private Limited, together with any Affiliates that execute a Deed of Adherence;

“**ICL Opposition Notice**” shall have the meaning given to it in Article 12.2.1(a);

“**Ind AS**” means Indian Accounting Standards as notified by Ministry of Corporate Affairs, Government of India;

“**Indian Competitor**” means: (a) any Person, including its Affiliates, engaged in a Competing Business; or (b) any Person who holds, directly and/or indirectly through its Affiliates, 26% (twenty six percent) or more in, and is categorised as a promoter of, a Person referred to in (a) above;

“**Integration Costs**” means costs incurred on or after the Effective Date in connection with the combination of the Company and Vodafone India Limited as agreed, *inter alia*, among the Parties as on the date of the Shareholders’ Agreement, which would not have been incurred otherwise;

“**Intellectual Property**” means all domestic and foreign intellectual property rights, including with respect to all patents, patent applications, and trademarks, service marks, trade names, trade dress, logos, corporate names, brand names, domain names, all copyrights, designs and mask works, and all registrations, applications and renewals in connection therewith, and



software and all website content (including text, graphics, images, audio, video and data) and trade secrets, confidential business information and other proprietary information;

“**Investment Bank**” means a Category I merchant banker registered with the Securities and Exchange Board of India;

“**Investment Manager**” in respect of any Person, means any general partner, investment manager or other person who controls the investment decisions of such Person;

“**KMB**” means Kumar Mangalam Birla, an individual residing in India;

“**Law**” means any statute, law, ordinance, rule, regulation, press note, notification, circular, order, writ, injunction, directive, judgment or decree issued by any Governmental Authority;

“**Leverage Breaching Group**” shall have the meaning given to it in Article 17.3.3;

“**Leverage Ratio**” means, at any time, the ratio of the Net Financial Debt to LTM EBITDA, each of which shall have been determined with reference to the same time;

“**Leverage Ratio Trigger**” is met in the case where the then current Leverage Ratio is above:

- (a) 6:1 in the financial year ended 31 March 2018;
- (b) 5.75:1 in the first quarter of the financial year ended 31 March 2019;
- (c) 5.5:1 in the second quarter of the financial year ended 31 March 2019;
- (d) 5.25:1 in the third quarter of the financial year ended 31 March 2019; or
- (e) 5:1 in the fourth quarter of the financial year ended 31 March 2019 or at any time thereafter;

“**Lower Number**” shall have the meaning given to it in Article 4.3.2(ii)(A);

“**LTM EBITDA**” means, at any time, the EBITDA (by reference to the Financial Statements) for the 12 (twelve) months up to the end of the most recent calendar quarter ended 31 March, 30 June, 30 September or 31 December. Where LTM EBITDA requires EBITDA to be determined for periods prior to the Effective Date, EBITDA for these periods shall be taken from the Financial Statements and the Vodafone Financial Statements and aggregated;

“**Net Assets**” means, at any time in relation to a Person, the aggregate of its assets (excluding intangible assets) less the aggregate of its liabilities (other than share capital and reserves, and provisions against intangible assets), in each case calculated on a consolidated basis in accordance with applicable accounting standards;

“**Net Assets Threshold**” means Rs.167,375 million;





**“Net Financial Debt”** means, at any time, the aggregate amount of all obligations of the Company for or in respect of Financial Indebtedness at that time but:

- (a) deducting the aggregate amount of cash and cash equivalent investments held by the Company at that time; and
  - (b) deducting the aggregate amount of interest receivable by the Company at that time,
- and so that no amount shall be included or excluded more than once;

**“New Qualifying Shareholder”** shall have the meaning given to it in Article 13.2.3;

**“Non-Diluted Group”** shall have the meaning given to it in Article 4.8.1;

**“Non-Equal Shareholder”** shall have the meaning given to it in Article 12.6.3;

**“Non-transferring Shareholder”** shall have the meaning given to it in Article 13.3.2;

**“Offered Shares”** shall have the meaning given to it in Article 13.3.2;

**“Offer Period”** shall have the meaning given to it in Article 13.3.3;

**“Option Transfer”** shall have the meaning given to it in Article 12.7.1;

**“Party”** means any of the ICL Group Shareholders, the Vodafone Group Shareholders and the Company in its capacity as a party to the Shareholders’ Agreement;

**“Person”** means any individual, general or limited partnership, corporation, limited liability company, joint stock company, trust, joint venture, unincorporated organisation, association or any other entity, including any Governmental Authority, or any group consisting of two (2) or more of the foregoing;

**“Promoter Group”** means the Vodafone Group Shareholders collectively and/or the ICL Group Shareholders collectively, as the context may require;

**“Proposed Transferee”** shall have the meaning given to it in Article 13.3.1;

**“Public Shareholder”** means any Person holding Public Shareholding;

**“Public Shareholding”** means, with respect to the Company, its public shareholding (as defined under rule 2(e) of the Securities Contracts (Regulation) Rules, 1957);

**“Qualifying Threshold”** means:

- (a) 26% of the Share Capital until 31 March 2020; and
- (b) 21% of the Share Capital at any time thereafter;



**“RCO Notice”** shall have the meaning given to it in Article 4.7.1(b);

**“RCO Period”** shall have the meaning given to it in Article 4.7.1;

**“RCO Price”** means, if the Vodafone Group Shareholders elect to Transfer Equity Shares: (i) on a Recognised Stock Exchange, the higher of the maximum price per Equity Share permitted under Law for such Transfer without the approval of any Governmental Authority (or if applicable Law does not prescribe a price, the per share Fair Market Value) and the subscription price per share for the Rights Recapitalisation; and (ii) in an off-exchange Transfer, the higher of the maximum price per Equity Share permitted under Law for such Transfer without the approval of any Governmental Authority (or if applicable Law does not prescribe a price, the per share Fair Market Value) and the subscription price per share for the Rights Recapitalisation;

**“RCO Purchaser”** shall have the meaning given to it in Article 4.7.1(b);

**“RCO Shares”** shall have the meaning given to it in Article 4.7.1;

**“RCO Withholding Computation”** shall have the meaning given to it in Article 4.7.1(g);

**“Recognised Stock Exchange”** means any stock exchange where the Equity Shares are listed;

**“Relative”** with respect to a natural Person, shall have the meaning given to the term in the Act;

**“Relevant Date”** means, for the purpose of determination of the Fair Market Value in: (i) Article 4.7.1(b), the date of the RCO Notice; (ii) Article 16, the date of the CoC Notice; and (iii) the context of Relevant India Telecom Equity Value, the earlier of the date of public announcement of and the date of execution of binding documentation for a Vodafone Permitted Group Sale Disposal or a Vodafone Restricted Group Sale Disposal, as applicable;

**“Relevant Holdco Equity Value”** means, in relation to: (i) item (a) of the definitions of Vodafone Permitted Group Sale Disposal and Vodafone Restricted Group Sale Disposal, the aggregate proportionate equity value of the entities or assets proposed to be included within such transaction, as derived from the agreed consideration for such transaction; and (ii) item (b) of the definitions of Vodafone Permitted Group Sale Disposal and Vodafone Restricted Group Sale Disposal, the aggregate proportionate equity value of the entities proposed to be included within such transaction as derived from a valuation opinion prepared by any one of the Persons specified in **Schedule 1** selected by the Vodafone Group by a draw of lots in the presence of an authorised representative of the ICL Group Shareholders;

**“Relevant India Telecom Equity Value”** means, with respect to Shareholder(s) proposed to be included within a Vodafone Permitted Group Sale Disposal or a Vodafone Restricted Group Sale Disposal, the equity value of the Company based on the Fair Market Value multiplied by the percentage Shareholding of such Shareholder(s);

**“Remaining ICL Shareholders”** shall have the meaning given to it in Article 16.2.1;



**“Remote Participation”** shall have the meaning given to it in Article 5.9.1;

**“Representatives”** means, with respect to any Person, its directors, officers, employees, consultants, agents, investment bankers, financial advisors, legal advisors, accountants, other advisors and authorised representatives;

**“Reserved Matters”** has the meaning given to it in Article 10;

**“Rights Cure Period”** shall have the meaning given to it in Article 17.3.2;

**“Rights Recapitalisation”** shall have the meaning given to it in Article 4.3;

**“Rights Recapitalisation Call Option”** shall have the meaning given to it in Article 4.7.1;

**“Rights Recapitalisation Cap”** means with respect to any Rights Recapitalisation, the lower of: (a) the number of new Equity Shares subscribed for by the Vodafone Group Shareholders in excess of the new Equity Shares to which they are entitled and (b) the number of new Equity Shares to which the ICL Group Shareholders were entitled under the Rights Recapitalisation but for which they did not subscribe;

**“Rights Recapitalisation Notice”** shall have the meaning given to it in Article 4.3;

**“Shareholder”** means any Person who holds Equity Shares in the Company;

**“Shareholding”** means, with respect to:

- (a) any Person as a Shareholder, at any time, that Person’s total direct and indirect shareholding in the Company; and
- (b) a group of Persons directly and indirectly holding shares in the Company, the aggregate of the total direct and indirect shareholding of each Person in the group in the Company without any duplication or double counting of shareholdings among such Persons,

in each case, on a fully diluted basis, it being understood that the indirect shareholding of any such Person in the Company means the voting interest held indirectly by such Person through its subsidiaries. Shareholding shall refer to the number of Equity Shares or the percentage of Share Capital, as the context may require;

**“Share Capital”** means the equity share capital of the Company on a fully diluted basis. For the purposes of Article 10.4 (*Reserved Matters*), Share Capital shall mean share capital of the Company on a fully diluted basis;

**“Shareholders’ Agreement”** means the Shareholders’ Agreement dated 20 March 2017, by and among the ICL Group Shareholders, the Vodafone Group Shareholders, the Company, KMB and the Vodafone Confirming Party;



**“Step Down 1 Excess Shareholding”** shall have the meaning given to it in Article 12.4;

**“Step Down Option 1”** shall have the meaning given to it in Article 12.4;

**“Step Down Option 1 Period”** shall have the meaning given to it in Article 12.4;

**“Step Down Option 2 Period”** shall have the meaning given to it in Article 12.5;

**“Step Down Share Value”** means, as of a particular date, the Step Down Value divided by the number of Equity Shares of the Company (on a fully diluted basis) as on the date of the Transfer of Equity Shares in accordance with Article 12.5;

**“Step Down Value”** means, in relation to a proposed Transfer of Equity Shares in accordance with Article 12.5, the amount that is equal to the sum of:

- (a) US\$14,123 million;
- (b) the aggregate of value of all gross consideration, whether in cash or otherwise, received or receivable by the Company in respect of each and every allotment of Equity Shares (or securities convertible into or exchangeable for Equity Shares), or grant of rights to subscribe for or otherwise acquire Equity Shares, in each case occurring between the date of the Shareholders’ Agreement and the date of that proposed Transfer of Equity Shares;
- (c) the aggregate value of all gross consideration, whether in cash or otherwise, received or receivable by the Company and/or a Subsidiary in respect of each and every allotment of equity shares in a Subsidiary (or securities convertible into or exchangeable for equity shares in a Subsidiary), or grant of rights to subscribe for or otherwise acquire equity shares in a Subsidiary (excluding any allotment or grant to the Company or another Subsidiary that is wholly owned by the Company), in each case occurring between the date of the Shareholders’ Agreement and the date of that proposed Transfer of Equity Shares,

and for the purpose of this definition: (i) any adjustment to the gross consideration received or receivable by the Company or such Subsidiary occurring or liable to occur after such allotment or grant shall be disregarded and (ii) the total amount of the maximum gross consideration receivable shall be brought into account for the purpose of this definition notwithstanding that all or any part of it is deferred or contingent);

**“Subsidiary”** means a subsidiary of the Company;

**“Tag-Along Right”** shall have the meaning given to it in Article 13.4.1;

**“Tag Exercise Notice”** shall have the meaning given to it in Article 13.3.3;

**“Tagged Shares”** shall have the meaning given to it in Article 13.4.3;

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

“**Target Group**” shall have the meaning as agreed, *inter alia*, among the Parties as on the date of the Shareholders’ Agreement;

“**Target Leverage Ratio**” means a Leverage Ratio of: (i) 4.5:1 during the financial years ended 31 March 2018 and 31 March 2019 and (ii) 4:1 at any time thereafter;

“**Tax**” means any tax payable under the Indian Income-tax Act, 1961, as amended;

“**Terms**” shall have the meaning given to it in Article 4.3.2(i);

“**Territory**” means India;

“**Third Banker**” shall have the meaning given to it in Article 4.3.2(ii)(C);

“**Third Number**” shall have the meaning given to it in Article 4.3.2(ii)(C)(a);

“**Transferring Shareholder**” shall have the meaning given to it in Article 13.3.1;

“**Transfer**” means to transfer, assign, pledge or otherwise alienate or dispose of, in any way, any Equity Shares, or any rights relating to such Equity Shares, and “**Transferred**” shall be construed accordingly;

“**Transfer Embargo**” means any prohibition on the Transfer of any Equity Shares pursuant to an order of a Governmental Authority issued in respect of any Party;

“**Transfer Notice**” shall have the meaning given to it in Article 13.3.2;

“**Ultimate Parent**” in relation to any Person, means the Person (if any) which is not itself subject to Control but which has Control of that first Person, either directly or through a chain of Persons each of which has Control over the next Person in the chain (being, as at the date of the Shareholders’ Agreement, Vodafone Plc in the case of the Vodafone Group Shareholders);

“**Underwriting Promoter Group**” shall have the meaning given to it in Article 4.3.2(ii);

“**Vodafone Bank**” shall have the meaning given to it in Article 4.3.2(ii);

“**Vodafone Confirmation Notice**” shall have the meaning given to it in Article 12.2.1(b);

“**Vodafone Confirming Party**” means Vodafone International Holdings B.V., a company incorporated under the laws of The Netherlands and having its registered office at Rivium Quadrant 173, 2909 LC Capelle aan den IJssel, The Netherlands;

“**Vodafone Direct Spin-off Disposal**” means a demerger or spin off (effected by a solvent reconstruction or otherwise) of the entire Shareholding held by the Vodafone Group Shareholders on a *pro rata* basis to the shareholders of the Ultimate Parent;



**“Vodafone Financial Statements”** means the consolidated financial statements of Vodafone India Limited and its subsidiaries prepared for group reporting purposes under IFRS;

**“Vodafone Group”** means the Vodafone Group Shareholders and their respective Affiliates, excluding the Company and its Subsidiaries;

**“Vodafone Group Directors”** shall have the meaning given to it in Article 5.2.2;

**“Vodafone Group Shareholders”** shall mean (i) Al-Amin Investments Ltd., (ii) Asian Telecommunication Investments (Mauritius) Ltd., (iii) CCII (Mauritius) Inc, (iv) Euro Pacific Securities Ltd., (v) Vodafone Telecommunications (India) Ltd., (vi) Mobilvest (vii) Prime Metals Ltd., (viii) Trans Crystal Ltd., (ix) Omega Telecom Holdings Private Limited, (x) Telecom Investments India Private Limited, (xi) Jaykay Finholding (India) Private Limited, and (xii) Usha Martin Telematics Limited, together with any Affiliates that execute a Deed of Adherence;

**“Vodafone Opposition Notice”** shall have the meaning given to it in Article 12.2.2(a);

**“Vodafone Permitted Group Sale Disposal”** means: (a) a transfer of shares, voting rights, assets or any economic interest in a Vodafone Group Shareholder(s) or an entity(ies) within the chain(s) of entities between a Vodafone Group Shareholder(s) and its Ultimate Parent; or (b) a demerger or spin off (effected by a solvent reconstruction or otherwise) involving the transfer or distribution of shares in any entity within the chain(s) of entities between the Vodafone Group Shareholders and their Ultimate Parent on a *pro rata* basis to the shareholders of the Ultimate Parent, in each case, where the Relevant India Telecom Equity Value represents 33% or less of the Relevant Holdco Equity Value;

**“Vodafone Permitted Transactions”** shall have the meaning given to it in Article 16.6;

**“Vodafone Plc”** means, as at the date of the Shareholders’ Agreement, Vodafone Group Plc, a company incorporated under the laws of England with its registered office at Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN, and shall instead mean, if applicable in the future, any company which becomes the holding company of Vodafone Group Plc provided that:

- (a) such holding company (directly or indirectly) owns 100% of the previous Vodafone Plc’s share capital (excluding any treasury shares);
- (b) such holding company is listed on a recognised stock exchange; and
- (c) the shareholders of such holding company when it becomes the holding company of the previous Vodafone Plc, include all or substantially all of the shareholders of the previous Vodafone Plc immediately prior to such event;

**“Vodafone Plc Shareholder Approval”** shall mean the approval (by means of an ordinary resolution) of the shareholders of Vodafone Plc at a general meeting of Vodafone Plc;



**“Vodafone Purchase Price”** means (a) the lower of: (i) the minimum price per Equity Share under Law for Transfers on a Recognised Stock Exchange and (ii) the minimum price per Equity Share permitted under Law for an off-exchange Transfer, in each case, without the approval of any Governmental Authority in respect of Transfers of Equity Shares by the resident to the non-resident; or (b) if applicable Law does not prescribe a price, the per share Fair Market Value;

**“Vodafone Restricted Group Sale Disposal”** means: (a) a transfer of shares, voting rights, assets or any economic interest in a Vodafone Group Shareholder(s) or an entity(ies) within the chain(s) of entities between a Vodafone Group Shareholder(s) and its Ultimate Parent; or (b) a demerger or spin off (effected by a solvent reconstruction or otherwise) involving the transfer or distribution of shares in any entity within the chain(s) of entities between the Vodafone Group Shareholders and their Ultimate Parent on a *pro rata* basis to the shareholders of the Ultimate Parent, in each case, where the Relevant India Telecom Equity Value represents more than 33% of the Relevant Holdco Equity Value;

**“Vodafone Sale Price”** means (a) the higher of (i) the maximum price per Equity Share permitted under Law for Transfers on a Recognised Stock Exchange and (ii) the maximum price per Equity Share permitted under Law for an off-exchange Transfer, in each case, without the approval of any Governmental Authority in respect of Transfers of Equity Shares by the non-resident to the resident; or (b) if applicable Law does not prescribe a price, the per share Fair Market Value;

**“Volume Weighted Average Market Price”** means the product of the number of Equity Shares traded on a Recognised Stock Exchange and the closing price of each Equity Share divided by the total number of Equity Shares traded on the Recognised Stock Exchange;

**“Voting Default”** shall have the meaning given to it in Article 15.1.1; and

**“Withholding Computation”** shall have the meaning given to it in Article 12.3.3.

## 2.2 Interpretation

Unless the context otherwise requires, in this Part III of the Articles of Association:

2.2.1 the expression “Articles” or “Articles of Association” shall mean the Articles included in this Part III;

2.2.2 any reference to any statute or statutory provision shall include:

- (i) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
- (ii) such provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Article 2.2.2 shall operate to increase the liability of any



Party beyond that which would have existed had this Article 2.2.2 been omitted;

- 2.2.3 any reference to the singular shall include the plural and *vice-versa* and references to any gender includes the other gender;
- 2.2.4 the terms “herein”, “hereof”, “hereto”, “hereunder” and words of similar purport refer to the Articles of Association as a whole and not to any particular provision of the Articles of Association;
- 2.2.5 any references to a “company” shall include a body corporate;
- 2.2.6 references to a document shall be a reference to that document as modified, amended, novated or replaced from time to time;
- 2.2.7 the expression “this Article” shall, unless followed by reference to a specific provision, be deemed to refer to the whole Article (not merely the sub-Article, paragraph or other provision) in which the expression occurs;
- 2.2.8 headings are for convenience only and shall be ignored in construing or interpreting any provision of the Articles of Association;
- 2.2.9 if the last day of any period of days specified in the Articles of Association is not a Business Day, then such period shall include the following Business Day;
- 2.2.10 a reference to a specific time for the performance of an obligation is a reference to that time in the place where that obligation is to be performed;
- 2.2.11 the words “include” and “including” shall be construed without limitation;
- 2.2.12 reference to any Person shall include that Person’s successors in title and permitted assigns or transferees that have executed a Deed of Adherence in accordance with the Shareholders’ Agreement ;
- 2.2.13 where a wider construction is possible, the words “other” and “otherwise” shall not be construed *ejusdem generis* with any foregoing words;
- 2.2.14 any reference to any Indian legal term or concept (including for any action, remedy, judicial proceeding, document, legal status, statute, court, official governmental authority or agency) shall, in respect of any jurisdiction other than India, be interpreted to mean the nearest and most appropriate analogous term to the Indian term in the legal language in that jurisdiction as the context reasonably requires so as to produce as nearly as possible the same effect in relation to that jurisdiction as would be the case in relation to India;
- 2.2.15 any undertaking by any of the Parties not to do any act or thing will be deemed to include an undertaking not to permit or suffer or assist the doing of that act or thing (to the extent that such action or omission will be under the control or influence of the relevant Party);
- 2.2.16 where any obligation is imposed on the Company under the Articles of Association, it





will be deemed that the Promoter Groups have a corresponding obligation to exercise all their powers (including voting powers) and take all necessary steps and do or cause to be done all acts, deeds and things, commissions or omissions as required to ensure compliance with such obligation of the Company;

- 2.2.17 where any obligation is imposed on any member of a Promoter Group under the Articles of Association (irrespective of whether or not such obligation on such member is independent of or in conjunction with the same obligation being placed on the Company), the members of such Promoter Group will have a corresponding obligation to cause themselves as well as each of the other members of such Promoter Group to exercise all their powers (including voting powers) and take all necessary steps and do or cause to be done all acts, deeds and things, commissions or omissions as required to ensure compliance with such obligation of the Promoter Group;
- 2.2.18 unless otherwise expressly specified in the Articles of Association, all Shareholders who are members of the same Group shall be deemed to be one (1) Shareholder and shall act together in the exercise of their rights;
- 2.2.19 unless otherwise expressly specified in the Articles of Association, the rights and obligations of the ICL Group Shareholders contained in the Articles of Association shall be exercised and performed jointly and severally by the ICL Group Shareholders;
- 2.2.20 unless otherwise expressly specified in the Articles of Association, the rights and obligations of the Vodafone Group Shareholders contained in the Articles of Association shall be exercised and performed jointly and severally by the Vodafone Group Shareholders;
- 2.2.21 any obligation, covenant, warranty, representation or undertaking hereto that is expressed to be made, undertaken or given by the ICL Group Shareholders will be deemed to be jointly and severally undertaken and given by each of the ICL Group Shareholders;
- 2.2.22 any obligation, covenant, warranty, representation or undertaking hereto that is expressed to be made, undertaken or given by the Vodafone Group Shareholders will be deemed to be jointly and severally undertaken and given by each of the Vodafone Group Shareholders;
- 2.2.23 notices issued in respect of options for shares shall be irrevocable except as provided in Article 12.i.1 or agreed among the Parties in writing;
- 2.2.24 a Person may exercise its votes as a Shareholder in accordance with the Articles of Association in any manner permitted by applicable Law, including at a General Meeting, through postal ballot or through e-voting;
- 2.2.25 references to "INR" or "Rs." are to Indian National Rupees;
- 2.2.26 references to "US\$" or "U.S. Dollars" are to United States Dollars;
- 2.2.27 References to "EUR" or "€" are to Euros.
- 2.2.28 "fully diluted basis" means a calculation assuming that all outstanding mandatorily



convertible securities and any options issued or reserved for issuance under the employee stock option plan or any other stock option plan or scheme by whatever name called existing at the time of determination have been exercised or converted into equity shares, and equity shares under all outstanding commitments to issue equity shares or other ownership interests have been issued, in each case, as adjusted for any stock splits or any capital or other restructuring or consolidation or reduction of capital;

2.2.29 references to number of shares of a company and price at which any option for shares can be exercised shall be adjusted for bonus issue, reduction, reclassification, buy-back, split, sub-division or consolidation of share capital, or any similar corporate action, of such company; and

2.2.30 the expressions "holding company" and "subsidiary" shall have the same meanings in the Articles of Association as their respective definitions in the Act

### **3. ARTICLES AND OTHER MATTERS**

#### **3.1 Articles of Association**

3.1.1 The rights of the Promoter Groups in the Company shall be governed by, and enforceable against each of them, in accordance with the terms of the Articles. The Promoter Groups shall perform and comply with, and pursuant to exercise of their voting and other rights, ensure that the Company performs and complies with, all of their respective obligations under the Articles.

3.1.2 The Company shall take all necessary steps to amend and alter the Articles from time to time to reflect any changes made to the Shareholders' Agreement in accordance with the terms thereof from time to time.

3.1.3 In the event of any ambiguity or discrepancy between the provisions of the Shareholders' Agreement and the Articles of Association, the provisions of the Shareholders' Agreement shall prevail. The Company shall take all necessary steps to amend and alter the Articles of Association from time to time to resolve any such ambiguity or discrepancy.

#### **3.2 Promoters**

Based on their Shareholding and rights under the Shareholders' Agreement on the Effective Date, each ICL Group Shareholder and each Vodafone Group Shareholder shall be categorised as a "*promoter*" of the Company.

#### **3.3 Subsidiaries**

- 3.3.1 The Company shall, and each Promoter Group shall procure that the Company shall, cause each Subsidiary to take all actions necessary to amend the articles of association of such Subsidiary to include (a) the governance provisions set forth in the Articles of Association (including with respect to board representation, quorum requirements and Reserved Matters), and (b) a provision stating that no resolution shall be adopted by the board or shareholders of such Subsidiary unless it is in compliance with the articles of association of such Subsidiary and the Shareholders' Agreement.
- 3.3.2 With respect to each Subsidiary, the Company shall procure the appointment of the maximum permissible number of directors nominated, and such number of independent directors as may be required under applicable Law from among the Persons recommended for appointment, by each Promoter Group, in the same proportion as is applicable to the constitution of the Board in Article 5.2.
- 3.3.3 If and to the extent the Promoter Groups have not exercised their respective rights with respect to nomination of directors to the boards of the Subsidiaries, the Board shall have the power to select the proposed directors of the Subsidiaries.
- 3.3.4 All resolutions to be considered by the shareholders of the Subsidiaries shall be subject to prior consideration by and approval of the Board in accordance with the Articles of Association.
- 3.3.5 The Company shall exercise its voting rights in each Subsidiary (in its capacity as a shareholder of such Subsidiary) in accordance with the Articles of Association. The Company shall vote in favour of only those resolutions which have been approved by the Board in accordance with the Articles of Association and shall vote against such resolutions which have not been so approved.

#### 4. FUNDING

- 4.1 It is the intention of the Promoter Groups and the Company that the Company is self-funding and that the Company and its Group should be capable of financing their activities on a standalone basis.
- 4.2 Neither Promoter Group shall be obliged to provide any funding, whether in the form of equity or debt, to the Company or its Group, except for the purposes of Article 9.2.2 in the case of the ICL Group Shareholders.
- 4.3 If the Leverage Ratio Trigger is met, either Promoter Group may give written notice to the other Promoter Group and the Company directing the Company to implement a rights issue (a "**Rights Recapitalisation**", and such notice, a "**Rights Recapitalisation Notice**") in order to reduce the Leverage Ratio to the Target Leverage Ratio as soon as reasonably practicable. If a Rights Recapitalisation Notice is given after 31 March 2019:
- 4.3.1 Within 15 (fifteen) Business Days of receipt of the Rights Recapitalisation Notice, each Promoter Group shall give written notice to the Company and to the other Promoter Group as to whether it is willing to underwrite the Rights Recapitalisation in proportion to its Shareholding relative to the total Shareholding.
- 4.3.2 IF:



- (i) each Promoter Group gives such notice that it is willing to so underwrite the Rights Recapitalisation, the pricing (being a discount to the then current market price), timing and other terms of the Rights Recapitalisation (the “**Terms**”) shall, subject to Article 4.3.3, be as the Promoter Groups shall agree;
- (ii) only one Promoter Group gives such notice that it is willing to so underwrite the Rights Recapitalisation (such Promoter Group being the “**Underwriting Promoter Group**”), the Terms shall be in accordance with the recommendation of an Investment Bank which is selected by both Promoter Groups. If the Promoter Groups are unable to agree on the selection of an Investment Bank within five (5) Business Days of the notice specified above, each Promoter Group shall promptly appoint one Investment Bank, each of whom shall determine the pricing of the Rights Recapitalisation (“**ICL Bank**” and “**Vodafone Bank**”) and the following procedure shall apply:
  - (A) the higher of the prices determined by the Vodafone Bank and the ICL Bank shall be the “**Higher Number**” and the lower of the prices determined by the Vodafone Bank and the ICL Bank shall be the “**Lower Number**”;
  - (B) if the Higher Number is not more than 110% of the Lower Number, the price will be the arithmetic average of such two numbers;
  - (C) if the Higher Number is more than 110% of the Lower Number, a third Investment Bank shall promptly be appointed by the Board from among the Investment Banks listed in **Schedule 1** (“**Third Banker**”) by a draw of lots to determine the pricing of the Rights Recapitalisation and the price of the Rights Recapitalisation shall be:
    - (a) the Higher Number, if the price determined by the Third Banker (“**Third Number**”) is greater than the Higher Number;
    - (b) the Lower Number, if the Third Number is less than the Lower Number;
    - (c) the arithmetic average of the Third Number and the other number (Higher Number or Lower Number) that is closer to the Third Number, if the Third Number falls within the range between (and including) the Lower Number and the Higher Number; or
    - (d) the Third Number, if the Lower Number and the Higher Number are equally close to the Third Number.

Further, the Underwriting Promoter Group shall be entitled to underwrite all or part of the proportion of the Rights Recapitalisation which the other Promoter Group has not agreed to underwrite and/or procure that one or more Investment Banks underwrites all or a part of the proportion which the other Promoter Group has not agreed to underwrite on such terms as the Underwriting Promoter Group chooses; or

- (iii) neither Promoter Group gives such notice, the Rights Recapitalisation shall only proceed if there is a decision of the Board to do so, and in such case the



Board shall decide the Terms, it being understood that such decision shall be a Reserved Matter.

4.3.3 If Article 4.3.2(i) applies and the Promoter Groups are unable to agree on the Terms within fifteen (15) Business Days of delivery of notices under Article 4.3.2(i), the Terms shall be in accordance with the recommendation of an Investment Bank which is selected by both Promoter Groups. If the Promoter Groups are unable to agree on the selection of an Investment Bank within five (5) Business Days of the expiration of the 15-Business Day period mentioned above, the Vodafone Group Shareholders shall appoint the Vodafone Bank and the ICL Group Shareholders shall appoint the ICL Bank, and the procedure set out in Article 4.3.2(ii) shall apply *mutatis mutandis*.

4.3.4 All costs, fees and other expenses of the Investment Bank(s) appointed pursuant to this Article 4.3 shall be borne by the Company.

4.4 The Company shall proceed with and promptly implement any Rights Recapitalisation in accordance with this Article 4. Regardless of whether it agrees to underwrite the Rights Recapitalisation, each Promoter Group shall take all steps necessary to procure that the Company proceeds with and promptly implements any Rights Recapitalisation in accordance with this Article 4 (except pursuant to Article 4.9).

4.5 To the extent required by applicable Law, any participation by the Promoter Groups in a Rights Recapitalisation shall be subject to compliance by the Company with the minimum public shareholding, if any, prescribed under applicable Law.

#### 4.6 Calculation of Excess Equity Shares following a Rights Recapitalisation

In any Rights Recapitalisation, if the Vodafone Group Shareholders (or their nominated Affiliates) subscribe to a higher percentage of their entitlement than the ICL Group Shareholders (or their nominated Affiliates), the number of Equity Shares subscribed to by the Vodafone Group Shareholders shall, to the extent it relates to the greater relative participation of the Vodafone Group Shareholders in the Rights Recapitalisation, be excluded from the Shareholding of the Vodafone Group Shareholders for calculating the Excess Equity Shares to the extent of such higher relative participation. It is clarified that Equity Shares acquired by the ICL Group Shareholders (or their nominated Affiliates) under Article 4.7 shall be considered for the purposes of calculating the Excess Equity Shares, as per the preceding sentence.

#### 4.7 Rights Recapitalisation Call Option prior to the Equal Shareholding Date

4.7.1 If, at any time prior to the Equal Shareholding Date, the percentage Shareholding of the ICL Group Shareholders is diluted pursuant to their non-participation or partial participation in a Rights Recapitalisation under this Article 4, then for a period of six (6) months from the date of completion of the relevant Rights Recapitalisation (the "RCO Period"), the ICL Group Shareholders shall have the right to acquire from the Vodafone Group Shareholders, directly or through their Affiliates, such number of Equity Shares not exceeding the Rights Recapitalisation Cap (the "RCO Shares") in the manner set forth in this Article 4.7 (the "Rights Recapitalisation Call Option"), provided that the Shareholding of the Vodafone Group Shareholders does not fall below the Qualifying Threshold pursuant to the exercise of such right:

- (a) The Rights Recapitalisation Call Option may be exercised only once during the RCO Period.



- (b) The ICL Group Shareholders may exercise the Rights Recapitalisation Call Option by issuing a written notice to the Vodafone Group Shareholders (the “RCO Notice”), which shall specify: (i) the identity of the purchaser(s) (the “RCO Purchaser(s)"); (ii) certification that the RCO Purchaser(s) is an ICL Group Shareholder or an Affiliate of an ICL Group Shareholder; and (iii) the number of RCO Shares.
- (c) The Vodafone Group Shareholders shall, at their sole discretion, determine: (i) the identity of the Vodafone Group Shareholder(s) that shall Transfer the RCO Shares to the RCO Purchaser and the number of Equity Shares that each such Vodafone Group Shareholder will Transfer; (ii) whether such Transfer shall occur on a Recognised Stock Exchange or off-exchange; and (iii) the RCO Price, and shall, within five (5) Business Days of the receipt of the RCO Notice, notify the foregoing details (in writing) to the RCO Purchaser. Notwithstanding anything contained in the Articles of Association, no Vodafone Group Shareholder shall be required to Transfer any RCO Shares to the RCO Purchaser at a price less than the RCO Price. If applicable Law does not permit the RCO Purchaser to pay the RCO Price to the Vodafone Group Shareholders for the purchase of the RCO Shares during the RCO Period without the approval of a Governmental Authority, then at the option of the Vodafone Group Shareholders, (i) Clause 25.14.2 of the Shareholders Agreement shall apply or (ii) the RCO Period shall be extended for a period of three (3) months (the “Extended RCO Period”).
- (d) For the purposes of the sale and purchase of the RCO Shares, the RCO Purchaser and the relevant Vodafone Group Shareholders shall execute a share purchase agreement in the form set out in the Shareholders’ Agreement. Such share purchase agreement, the Shareholders’ Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the RCO Shares.
- (e) The consummation of the sale and purchase of the RCO Shares shall be completed within 10 (ten) Business Days of the date of receipt of the RCO Notice by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the RCO Notice).
- (f) The ICL Group Shareholders shall ensure that the exercise of the Rights Recapitalisation Call Option does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.
- (g) The ICL Group Shareholders and the Vodafone Group Shareholders shall jointly appoint a Big Four Accounting Firm, or if no Big Four Accounting Firm is able or willing to act, another accounting firm of international standing, to provide:
- (i) a certificate confirming (i) the RCO Price; and (ii) whether any Taxes are required to be withheld with respect to the sale and purchase of



the RCO Shares, if such certificate is required under applicable Law;  
and

- (ii) an opinion on computation of capital gains Taxes in connection with (a) above along with the necessary supporting documents in respect of cost of acquisition of the RCO Option Shares,

(together, the “**RCO Withholding Computation**”). The Vodafone Group Shareholders shall promptly provide any information required by the appointed accounting firm for purposes of issue of such certificate and shall confirm to the ICL Group Shareholders that such information is true and correct. On the date of completion of the Transfer of the RCO Shares, the RCO Purchaser shall pay the RCO Price to the relevant Vodafone Group Shareholders after withholding or deduction of any Tax required pursuant to the RCO Withholding Computation. All costs, fees and other expenses of the accounting firm appointed for the purposes of provision of the RCO Withholding Computation shall be borne equally by each Promoter Group.

- (h) The ICL Group Shareholders and the Vodafone Group Shareholders shall execute all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer of the RCO Shares.

4.7.2 If:

- (a) the ICL Group Shareholders have issued one or more RCO Notices and have acquired the RCO Shares specified therein up to the Rights Recapitalisation Cap pursuant to Article 4.7.1, the ICL Group Shareholders shall, for a period of three (3) months from the date of the last such acquisition, be entitled to acquire from the market such number of Equity Shares out of the entitlement of the ICL Group Shareholders that were subscribed to by the Public Shareholders (for avoidance of doubt, in excess of the Public Shareholders’ entitlement) in the Rights Recapitalisation;
- (b) the ICL Group Shareholders have issued one or more RCO Notices but, due to restrictions under applicable Law, have been unable to acquire all of the RCO Shares specified therein up to the Rights Recapitalisation Cap during the RCO Period and the Extended RCO Period pursuant to Article 4.7.1(c), the ICL Group Shareholders shall, for a period of three (3) months from the expiration of the Extended RCO Period, be entitled to acquire from the market (i) any remaining RCO Shares as well (ii) as such number of Equity Shares out of the entitlement of the ICL Group Shareholders that have been subscribed to by the Public Shareholders (for avoidance of doubt, in excess of the Public Shareholders’ entitlement) in the Rights Recapitalisation; or
- (c) the Rights Recapitalisation Cap is zero, the ICL Group Shareholders shall, for a period of six (6) months from the date of completion of the relevant Rights Recapitalisation, be entitled to acquire from the market such number of Equity Shares out of the entitlement of the ICL Group Shareholders that have been subscribed to by the Public Shareholders (for avoidance of doubt, in excess of the Public Shareholders’ entitlement) in the Rights Recapitalisation.



#### **4.8 Dilution pursuant to a Rights Recapitalisation after the Equal Shareholding Date**

- 4.8.1 At any time after the Equal Shareholding Date, if the percentage Shareholding of any Promoter Group is diluted (the “**Diluted Group**”) to a level below the Shareholding of the other Promoter Group (the “**Non-Diluted Group**”) pursuant to its non-participation or partial participation in a Rights Recapitalisation under this Article 4, then the Diluted Group shall, for a period of six (6) months of the date of completion of the relevant Rights Recapitalisation, have the right to acquire Equity Shares from the market, directly or through its Affiliates, to equalise its Shareholding with the Non-Diluted Group.
- 4.8.2 The Diluted Group shall ensure that the exercise of its rights under Article 4.8.1 does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

#### **4.9 Initial Rights Recapitalisation Period**

- 4.9.1 During the period from the Effective Date until 31 March 2019, if any Promoter Group seeks to implement a Rights Recapitalisation, it shall notify the other Promoter Group in writing. Within a period of 30 (thirty) days of such notice, the Promoter Groups shall discuss, in good faith, whether the Company requires additional equity capital taking into account the performance of and outlook for the Company at that time and the expected timing for realisation of synergies pursuant to the combination of the Company and Vodafone India Limited.
- 4.9.2 If the Promoter Groups cannot agree whether the Company requires additional equity capital within the 30-day period specified in Article 4.9.1, the matter shall be referred to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration, and such persons shall be required to resolve the matter within 30 (thirty) days of the reference.
- 4.9.3 In the event such representatives of the Promoter Groups are unable to resolve such matter within the 30-day period specified in Article 4.9.2, the Promoter Groups shall jointly appoint an Investment Bank to advise the Board on the Terms of the Rights Recapitalisation proposed pursuant to Article 4.9.1. If the Promoter Groups are unable to agree on the selection of an Investment Bank within five (5) Business Days of the expiration of the 30-day period specified in Article 4.9.2, an Investment Bank shall promptly be appointed by the Board from among the Investment Banks listed in **Schedule 1** by draw of lots.
- 4.9.4 The Board shall consider the Terms of the Rights Recapitalisation proposed by the Investment Bank appointed by the Promoter Groups or by draw of lots, as applicable, and the Rights Recapitalisation shall proceed only if there is a decision of the Board to do so by a simple majority vote, it being understood that such decision shall not be a Reserved Matter.
- 4.9.5 All costs, fees and other expenses of the Investment Bank(s) appointed pursuant to this Article 4.9 shall be borne by the Company.

### **5. BOARD OF DIRECTORS OF THE COMPANY**





## 5.1 Authority of the Board

Subject to the provisions of the Articles of Association and applicable Law, the Board shall be responsible for the management of the Company. The Board shall give due consideration to the views of Committees, however, the Board shall be responsible for taking final decisions on matters considered by such Committees. The approval of the Shareholders will be obtained for such matters as may be required under applicable Law or pursuant to the Articles of Association.

## 5.2 Composition of the Board

5.2.1 The Board shall consist of twelve (12) Directors as follows:

- (a) three (3) nominee Directors of the ICL Group Shareholders;
- (b) three (3) nominee Directors of the Vodafone Group Shareholders; and
- (c) six (6) independent Directors,

in each case, appointed in accordance with this Article 5.2.

5.2.2 Subject to Article 17.3, each Promoter Group shall be entitled, by notice in writing to the Company (with a copy to the other Promoter Group), to require the Company to:

- (a) appoint three (3) Directors nominated by it (the “**Vodafone Group Directors**” and the “**ICL Group Directors**”, as applicable); and
- (b) appoint three (3) independent Directors from among the persons recommended by it for such appointment.


5.2.3 To the extent the entitlement of any Promoter Group to nominate Directors and/or recommend persons for appointment as independent Directors is extinguished pursuant to any provision of the Articles of Association, such entitlement shall be transferred to the other Promoter Group and the entitlement of such other Promoter Group pursuant to Article 5.2.2 shall be increased automatically, provided that the Shareholding of such other Promoter Group is equal to or higher than the Qualifying Threshold and such other Promoter Group has rights under this Article 5.2.

5.2.4 If, at any time, the entitlement of any Promoter Group to nominate Directors and/or recommend persons for appointment as independent Directors is extinguished pursuant to any provision of the Articles of Association, then such Promoter Group shall procure that an appropriate number of Directors nominated or recommended for appointment by that Promoter Group shall resign and vacate office as promptly as practicable.

## 5.3 Qualification

The Directors shall not be required to hold any qualification Equity Shares.

## 5.4 Board Committees



5.4.1 Subject to Article 17.3, the Board shall constitute and determine the terms of reference of committees of the Board (each, a “Committee”) to the extent required under applicable Law, including an audit committee, a nomination and remuneration committee, a stakeholders’ relationship committee, a risk management committee and a corporate social responsibility committee.

5.4.2 Each Committee shall include:

- (a) such number of independent Directors as may be required under applicable Law from among the Persons recommended for appointment by the Promoter Groups; and
- (b) the maximum permissible number of ICL Group Directors and Vodafone Group Directors,

in each case, in the same proportion as is applicable to the constitution of the Board in Article 5.2.

5.4.3 The provisions of this Article 5, including with respect to conduct of meetings, quorum and manner of approval of business, and Article 10, as they apply to the Board, shall apply *mutatis mutandis* to Committees. If any Committee cannot agree on any matter, the Committee shall refer the matter to the Board.

## 5.5 Removal of Directors; Casual Vacancy

5.5.1 Each Promoter Group shall be entitled, by notice in writing to the Company (with a copy to the other Promoter Group and the concerned Director), to require any Director nominated by it to be removed from such position and the Company and the Promoter Groups shall promptly take steps for the removal of such Director in accordance with such request. In the event of such removal or if any Director nominated by a Promoter Group ceases to hold office for any other reason, such Promoter Group shall be entitled to require the Company to appoint another Director in his or her place pursuant to Article 5.2.2, as promptly as practicable.

5.5.2 In the event that an independent Director appointed from among the persons recommended by any Promoter Group ceases to hold office as a Director for any reason, such Promoter Group shall be entitled to recommend another person in his/her place.

5.5.3 Except as set forth in Article 5.2.4, the removal of a Director nominated by a Promoter Group or an independent Director appointed from among the persons recommended by any Promoter Group shall be subject to the prior written consent of such Promoter Group.

## 5.6 Notice of Board Meetings

5.6.1 A Board meeting may be called by the Chairperson or any two (2) other Directors by giving notice in writing to the company secretary of the Company, who shall convene a Board meeting within ten (10) days of such notice.

5.6.2 A notice of a Board meeting shall (i) be in English; (ii) specify a reasonably detailed written agenda specifying the date, time and agenda of such Board meeting; (iii) include copies of all papers relevant for such Board meeting; and (iv) be sent via e-



mail and in addition via courier. Unless waived in writing by at least one (1) Vodafone Group Director and at least one (1) ICL Group Director, no discussion, action, vote or resolution with respect to any item not included in the agenda of any meeting shall be taken at any meeting of the Board.

#### 5.7 **Chairperson of the Board**

- 5.7.1 Subject to Article 17.3, the ICL Group Shareholders shall have the right to appoint the group chairperson of the ICL Group (or his successor) as the chairperson of the Company ("**Chairperson**"). The Chairperson shall chair all meetings of the Board that he attends.
- 5.7.2 In the absence of the Chairperson at a meeting of the Board, the Board shall appoint the chairperson from among the Directors present for such meeting of the Board.
- 5.7.3 In case of equality of votes, the Chairperson or any other person acting as chairperson at a meeting of the Board shall not have a second and casting vote.

#### 5.8 **Resolution by Circulation**

- 5.8.1 Any resolution that is not required to be considered only at a Board meeting under applicable Law may be adopted by circulation by the Board, and such written resolution, if approved, shall be filed with the minutes of proceedings of the Board along with all the documents/information circulated with it ("**Circular Resolution**").
- 5.8.2 Subject to Article 10 (*Reserved Matters*), no Circular Resolution shall be deemed to have been duly passed by the Board, unless the resolution has been circulated in draft in accordance with the Act, together with the necessary papers required for considering the resolution, and approved in writing by a majority of the Directors as are entitled to vote on the resolution.

#### 5.9 **Remote Participation**

Subject to the provisions of the Act:

- 5.9.1 the Directors may participate in a Board meeting by way of video conference or conference telephone or similar equipment ("**Remote Participation**") designed to allow the Directors to participate equally in the Board meeting; and
- 5.9.2 a Board meeting held by Remote Participation shall be valid so long as a quorum in accordance with Article 5.10 is achieved pursuant to the Directors being able to participate in such Board meeting through video conference, telephone conference or similar equipment. Such a Board meeting shall be deemed to take place at the registered office of the Company.

#### 5.10 **Quorum**

The quorum for a meeting of the Board, duly convened and held, including by Remote Participation, shall be one-third of the total number of Directors or two (2) Directors, whichever shall be higher. Provided however that, no quorum as aforesaid shall be validly constituted, and no business at any Board meeting shall be transacted, unless at least one (1) ICL Group Director and one (1) Vodafone Group Director are present at the commencement of such meeting and throughout its proceedings (unless this requirement has been expressly



waived in writing by the relevant Promoter Group). In the absence of a valid quorum at a duly convened Board meeting, the Board meeting shall be automatically adjourned to the same day in the next week at the same time. The quorum at such adjourned Board meeting shall, notwithstanding anything to the contrary contained hereinabove, be one-third of the total number of Directors or two (2) Directors, whichever shall be higher and all business transacted thereat shall be regarded as having been validly transacted, provided, however, that no Reserved Matters shall be discussed or transacted at any such adjourned Board meeting unless at least one (1) ICL Group Director and at least one (1) Vodafone Group Director are present at the commencement of such adjourned meeting and throughout its proceedings.

#### **5.11 Voting**

5.11.1 At any Board meeting, each Director may exercise one (1) vote.

5.11.2 Subject to Article 10 (*Reserved Matters*), all business arising at any Board meeting shall be approved by a resolution passed by a majority of the Directors present and voting at such meeting.

5.11.3 In case of equality of votes while voting on a resolution not pertaining to a Reserved Matter, the relevant resolution shall be referred to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration and decision. In the event such representatives of the Promoter Groups are unable to resolve such matter, then *status quo* shall prevail.

5.11.4 Each Promoter Group shall use all reasonable endeavours to ensure that at least one (1) Director nominated by it shall attend each Board meeting.

#### **5.12 Observers at the Board Meeting**

The CEO and the CFO shall attend meetings of the Board as observers. In addition, the Board shall be entitled to invite any employees or advisors of the Company to attend meetings of the Board as observers or for such other purpose as it may deem fit.

#### **5.13 Compliance**

The Company shall, and each Promoter Group shall procure that the Company shall, comply with the Articles of Association, including Article 5. Each Promoter Group shall exercise its votes in relation to all the Equity Shares held by it and take all other actions necessary to ensure compliance with the Articles of Association, including Article 5.

### **6. SHAREHOLDERS MEETINGS**

#### **6.1 General Meetings of Shareholders**

The Chairperson of the Board shall be the chairperson of the meeting of the Shareholders ("**General Meeting**"). In the absence of the Chairperson, the Directors present shall select the chairperson from among themselves for such General Meeting.

#### **6.2 Quorum**

Quorum at the General Meeting shall comprise of such number of Shareholders to be present in person as required under applicable Law, provided, however that, no quorum as aforesaid



shall be validly constituted, and no business at any General Meeting shall be transacted, unless at least one (1) duly authorised representative of the ICL Group Shareholders and at least one (1) duly authorised representative of the Vodafone Group Shareholders are present at the commencement of such meeting and throughout its proceedings (unless this requirement has been expressly waived in writing by the relevant Promoter Group). In the absence of a valid quorum at a duly convened General Meeting, the General Meeting shall be adjourned to the same day in the next week at the same time and place or such other date, time and place as the Board may determine. In the absence of a valid quorum at such adjourned General Meeting, the Shareholder(s) present in person thereat shall, notwithstanding anything to the contrary herein contained, constitute the quorum and all business transacted thereat shall be regarded as having been validly transacted, provided, however that, no Reserved Matters shall be discussed or transacted at any such adjourned General Meeting unless at least one (1) representative of the ICL Group Shareholders and at least one (1) representative of the Vodafone Group Shareholders are present at the commencement of such adjourned meeting and throughout its proceedings.

## **7. KEY EMPLOYEES**

Subject to Article 17.3:

- 7.1 The appointment of the CEO and the COO shall require the approval of both Promoter Groups (and the ICL Group Directors and the Vodafone Group Directors, as applicable) in accordance with Article 10;
- 7.2 Either Promoter Group may at any time, by giving written notice to the other Promoter Group and the Company, require the dismissal from the Company of the CEO or the COO. Upon receipt of such notice, the Company shall effect such dismissal as soon as reasonably practicable and each Promoter Group shall take all steps necessary to effect such dismissal; and
- 7.3 The Vodafone Group Shareholders shall have the right to appoint or dismiss the CFO by giving written notice to the ICL Group Shareholders and the Company. Upon receipt of such notice, the Company shall effect such appointment or dismissal as soon as reasonably practicable and each Promoter Group shall take all steps necessary to effect such appointment or dismissal.

## **8. UNDERTAKINGS OF THE COMPANY**

- 8.1 The Company hereby undertakes and covenants to the Promoter Groups as follows:
  - 8.1.1 the Company shall not recognise or register any Transfer of Equity Shares unless effected in accordance with the provisions of the Articles of Association;
  - 8.1.2 the Company shall maintain prudent insurance, including directors' and officers' liability insurance, with a well-established and reputable insurer(s) in accordance with current industry practice from time to time against all risks usually insured against by companies carrying on the same business as or a business similar to the Company;
  - 8.1.3 the Company and its Group, at all times, shall keep and maintain proper, complete and accurate proper Books and Records in accordance with Ind AS and applicable Law;



- 8.1.4 the Company shall procure that its Group's Books and Records, as required, are duly audited by the auditors annually as soon as possible after the end of each Financial Year and as required from time to time pursuant to applicable Law;
- 8.1.5 the Company shall use all reasonable endeavours to obtain and maintain in full force and effect all approvals, consents or licences necessary for the conduct of the Business and comply with all material applicable Law in the conduct of its business;
- 8.1.6 subject to applicable Law, the Company shall provide such information to the Promoter Groups as may be required by any member of their Group for any statutory filings under applicable Law or any other general financial reporting of their Group;
- 8.1.7 the Company shall take all steps promptly to protect the Intellectual Property rights it or its Group owns or lawfully uses. The Company shall immediately notify the relevant Promoter Group upon becoming aware of any infringement of Intellectual Property rights of such Promoter Group;
- 8.1.8 the Company shall, and shall ensure that during the course of performance of their duties, the management of the Company shall, at all times, provide equal treatment to the Shareholders except as set forth in the Articles of Association;
- 8.1.9 no Shareholder, Director, officer, employee, agent or any of their respective delegates shall take any action purporting to commit the Company or a Subsidiary in relation to any of the Reserved Matters unless such Reserved Matter has been approved in accordance with Article 10;
- 8.1.10 the Company and its Group shall comply with such corporate policies and procedures, including in relation to anti-bribery and anti-corruption, insider dealing and data and privacy protection, as shall have been adopted in a form agreed, *inter alia*, among the Parties and effective as of the Closing Date; and
- 8.1.11 subject to Article 10 (*Reserved Matters*), if the Company or any member of its Group procures any products or services from any member(s) of a Promoter Group, the contract or arrangements entered into with respect to such products or services will be entered into on an arms' length basis and in accordance with applicable Law.

## 9. UNDERTAKINGS OF THE OTHER PARTIES

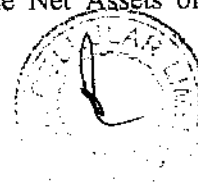
- 9.1 Each Promoter Group hereby undertakes and covenants to the other Promoter Group and the Company as follows:
  - 9.1.1 the Directors nominated by it shall:
    - (a) not wilfully or unreasonably fail to attend a Board meeting in order to prevent the transaction of business at that Board meeting; and
    - (b) exercise their rights to ensure compliance with the Articles of Association by the relevant Promoter Group and the Company;
  - 9.1.2 the members of the relevant Promoter Group shall, including through their duly authorised representatives, proxies or agents at General Meetings, exercise votes in respect of the Equity Shares held by them to ensure compliance with the Articles of Association by the relevant Promoter Group and the Company;



- 9.1.3 if any shareholders' resolution contrary to the terms of the Articles of Association is proposed, the relevant Promoter Group shall vote against such resolution;
- 9.1.4 if any shareholders' resolution is adopted or rejected otherwise than in accordance with the terms of the Articles of Association, the relevant Promoter Group shall cooperate with the other Promoter Group and the Company to convene another General Meeting or issue a fresh notice for a shareholders' vote;
- 9.1.5 if any proposal that is a Reserved Matter is approved and/or implemented in contravention of the Articles of Association, it shall exercise all rights and powers available to it, including voting and causing the ICL Group Directors or the Vodafone Group Directors, as applicable, to vote in favour of, any subsequent resolutions of the Board or the Shareholders, to procure that the position which prevailed prior to such proposal having been approved and/or implemented is restored;
- 9.1.6 it shall not Transfer, or cause to be Transferred, any Equity Shares held by such Promoter Group except in accordance with the Articles of Association; and
- 9.1.7 it shall not undertake any acquisition that results in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

## 9.2 ICL Group

- 9.2.1 So long as any ICL Group Shareholder (or any Affiliate thereof) holds Equity Shares:
- (a) KMB hereby undertakes and covenants to the Vodafone Group Shareholders and the Company that: (i) he shall, as a Shareholder, comply with the terms of the Articles of Association; (ii) he shall, and shall do everything within his power to cause the ICL Group Shareholders to (by way of his and his Affiliates' direct and indirect shareholding in the ICL Group Shareholders or otherwise), comply with the Articles of Association and vote the Equity Shares held by him and them to implement the provisions of the Articles of Association; (iii) he shall, directly or through his Affiliates, continue to be a promoter of each ICL Group Shareholder; and (iv) he shall own at least 26% of the share capital of each ICL Group Shareholder, either directly or through his Affiliates. If any of (iii) or (iv) is not satisfied in respect of any ICL Group Shareholder, the Shareholding of such ICL Group Shareholder shall be excluded for the purpose of determining whether the ICL Group Shareholders hold the Qualifying Threshold;
  - (b) the ICL Group Shareholders hereby undertake and covenant to the Vodafone Group Shareholders and the Company that Grasim Industries Limited ("GIL") and Aditya Birla Nuvo Limited (if not yet merged with GIL) shall remain ICL Group Shareholders;
  - (c) GIL undertakes that it shall, on an annual basis (within 60 (sixty) days of the end of its financial year), provide a confirmation to the Vodafone Group Shareholders that its Net Assets are equal to at least the Net Assets Threshold; and
  - (d) the ICL Group Shareholders undertake that if the Net Assets of GIL fall



below the Net Assets Threshold, GIL's Shareholding shall immediately be transferred to an Affiliate that satisfies the Net Assets Threshold in accordance with Article 13.2.1.

9.2.2 Until 31 March 2020, the ICL Group Shareholders shall ensure that their Shareholding does not fall below 26% of the Share Capital.

### 9.3 **Vodafone Confirming Party**

The Vodafone Confirming Party hereby undertakes and covenants to the ICL Group Shareholders and the Company that so long as any Vodafone Group Shareholder (or any Affiliate thereof) holds Equity Shares:

9.3.1 it shall ensure that the Vodafone Group Shareholders shall comply with the Articles of Association and shall vote the Equity Shares held by them to implement the provisions of the Articles of Association;

9.3.2 it shall, on an annual basis (within 60 (sixty) days of the end of its financial year), provide a confirmation to the ICL Group Shareholders that its Net Assets are equal to at least the Net Assets Threshold; and

9.3.3 if at any time its Net Assets fall below the Net Assets Threshold, it shall procure that an Affiliate that satisfies the Net Assets Threshold will immediately replace it as the Vodafone Confirming Party by executing a deed of adherence that shall require compliance with its obligations under the Articles of Association.

### 9.4 **Holding of Equity Shares**

To the extent required by applicable Law, the Vodafone Group Shareholders shall hold Equity Shares that are subject to the Call Option 1 and the Call Option 2 for the prescribed time period, if any, for the exercise of such call options.

## 10. **RESERVED MATTERS**

10.1 No action shall be taken by the Company or any member of its Group in relation to any matter enumerated in Article 10.4 (each, a "**Reserved Matter**"): (i) without the affirmative vote of at least one (1) ICL Group Director and at least one (1) Vodafone Group Director present and voting if the matter is placed before a Board meeting and without the prior written approval of at least one (1) ICL Group Director and at least one (1) Vodafone Group Director if the matter is placed before the Board through a Circular Resolution; and (ii) if the matter is placed before the Shareholders at a General Meeting or otherwise, without the affirmative vote of all ICL Group Shareholders and all Vodafone Group Shareholders.

10.2 In relation to any Reserved Matter that requires the approval of the Shareholders pursuant to the Act or the Articles of Association, such matter shall not be placed before the Shareholders until it has been approved by the Board in accordance with the Articles of Association. If a Reserved Matter has been approved by the Board pursuant to Article 10.1 and then placed before the Shareholders, each member of the Promoter Groups shall be required to vote in favour of it in their capacity as a Shareholder.

10.3 If a resolution for any matter that is a Reserved Matter is proposed directly by any Public Shareholder for the consideration of the Shareholders in a General Meeting pursuant to the Act, which matter has not previously been considered and approved by the Board then, unless



both of the Promoter Groups agrees (in writing) to vote in favour prior to the General Meeting, each Promoter Group shall be required to vote against it at the General Meeting.

10.4 The following matters shall be the Reserved Matters under the Articles of Association:

- 10.4.1 any amendment to the memorandum of association of the Company or the Articles of Association;
- 10.4.2 any change to the rights attaching to any class of shares in the Company;
- 10.4.3 any consolidation, sub-division, reclassification or cancellation of any Share Capital (or share premium or other reserve);
- 10.4.4 any redemption, reduction or buy-back of any Share Capital;
- 10.4.5 the issue or allotment of any Share Capital or the creation of any option or right to subscribe or acquire, or convert any security into, any Share Capital, including pursuant to employee stock option schemes, other than as permitted pursuant to Article 4;
- 10.4.6 liquidation or dissolution of the Company or the filing of a petition for winding up by the Company or the making of any arrangement with creditors generally or any application for an administration order or for the appointment of a receiver or administrator;
- 10.4.7 merger, amalgamation, demerger, reorganisation or restructuring of the Company, including pursuant to a scheme of arrangement under the Act;
- 10.4.8 any dividend policy which has effect during the Term and any change in the dividend policy or treasury policy of the Company;
- 10.4.9 declaration or payment of any dividend in any manner inconsistent with the dividend policy of the Company;
- 10.4.10 incurrance of any financial indebtedness in excess of Rs.70 billion or the variation or termination of any agreement for the raising of any such indebtedness (including early repayment) other than in accordance with the Company's treasury policy;
- 10.4.11 entering into any derivatives transactions, other than in accordance with the Company's treasury policy;
- 10.4.12 the adoption of any new Business Plan or any amendment to any current Business Plan, or the approval or ratification of any departure from the current Business Plan;
- 10.4.13 acquisition or disposal of any shares, assets (including receivables and financial assets), business, business organisation or division in any manner in excess of Rs.2 billion in a single transaction or series of related transactions (other than in accordance with the Company's treasury policy);
- 10.4.14 entry into (or the amendment, variation or termination of) any partnership, joint venture or profit-sharing agreement other than any arrangements entered into in the ordinary course of the Business;
- 10.4.15 entry into any agreement for the procurement of materials and/or services where the



value of the contract over its term exceeds Rs.1 billion;

10.4.16 entry into (or the amendment or variation of) any related party transaction the value of which exceeds Rs.250 million in aggregate;

10.4.17 the appointment of the CEO and the COO;

10.4.18 any material change to the nature or scope of the Business;

10.4.19 any change to the name or key brands or branding strategy of the Business (including any decision to cease using the Idea or Vodafone brands), or any step to implement any such change;

10.4.20 any change in the size of the Board;

10.4.21 any change in statutory auditors or accounting policies;

10.4.22 authorising, or committing or agreeing to take, any of the foregoing actions; and

10.4.23 the effecting of any of the above matters by any member of the Company's Group (as if references to the Company were to such member).

## 11. BUSINESS PLAN

11.1 The Company shall procure that the executive management of the Company shall prepare a Business Plan which is submitted to the Board to replace the existing Business Plan (each, a "Draft Revised Business Plan") as follows:

11.1.1 by no later than six (6) months prior to the end of the Financial Year commencing after the Effective Date, comprising a financial and strategic plan for a period of five (5) years from the commencement of the following Financial Year;

11.1.2 by no later than 70 (seventy) days prior to the end of each Financial Year commencing after the Effective Date, an update of the plan prepared in accordance with Article 11.1.1 above and a detailed monthly operating budget for the 12 (twelve) months comprising the next Financial Year,

in the same format as the initial business plan in effect on or immediately after the Effective Date or in such other format as has been approved in accordance with Article 10 (*Reserved Matters*).

11.2 Each Draft Revised Business Plan submitted to the Board in accordance with Article 11.1 shall address, but not be limited to, the items and subject matter of the initial business plan in effect on or immediately after the Effective Date.

11.3 The Draft Revised Business Plan referenced in Article 11.1.2 shall be finalised by the executive management of the Company prior to the start of the period to which it relates. Promptly following such finalisation, such Draft Revised Business Plan shall be considered, and subject to Article 10 (*Reserved Matters*), adopted as the Business Plan, by the Board. The Board shall use all reasonable endeavours to approve the Business Plan referenced in Article 11.1.2 prior to the start of the last month of the Financial Year.

11.4 In the event that a Draft Revised Business Plan is not approved and adopted as the Business



Plan by the Board, the Company will continue to operate in accordance with the most recent approved Business Plan. In the event that the most recent approved Business Plan does not cover the next applicable period under Article 11.1.2, the Company shall be operated in accordance with the most recently approved Business Plan, adjusted to reflect the percentage change in the consumer price index (as published by the Government of India) for the relevant period.

- 11.5 The executive management of the Company shall present to the Board a comparison of the Company's actual operating performance with the Business Plan on a quarterly basis, in a format agreed with the Promoter Groups.

## **12. TERMS OF EQUALISATION**

- 12.1 The provisions of this Article 12 shall apply until the earlier of: (i) the Equal Shareholding Date; and (ii) the expiration of nine (9) years and one (1) Business Day from the Effective Date, except as set forth in this Article 12.1:

12.1.1 The Vodafone Group Shareholders shall promptly notify the ICL Group Shareholders and the Company (in writing) of any imposition and cessation of a Transfer Embargo to which they are subject. If a Call Option 1 Notice or a Call Option 2 Notice is issued and, if one or more Vodafone Group Shareholders are subject to a Transfer Embargo as a result of which the Call Option 1 Shares or the Call Option 2 Shares, as the case may be, cannot be Transferred to the Call Option 1 Purchaser(s) or the Call Option 2 Purchaser(s) within the time periods set out in Article 12.3, the Promoter Groups shall complete the Transfer of such Equity Shares promptly upon cessation of the Transfer Embargo, provided that in the event that the Transfer Embargo is in force upon the expiration of twelve (12) months from the date of the Call Option 1 Notice or the Call Option 2 Notice, as applicable, the ICL Group Shareholders shall have the right to withdraw such notice. Following such withdrawal, the Vodafone Group Shareholders shall not have any obligation to Transfer the Call Option 1 Shares or the Call Option 2 Shares, as applicable, to the Call Option 1 Purchaser(s) or the Call Option 2 Purchaser(s), as applicable, and the Call Option 1 Shares or the Call Option 2 Shares, as applicable, shall be excluded from the calculation of Excess Equity Shares and, for the avoidance of doubt, shall not be subject to the voting restrictions under Article 12.2.

12.1.2 During the Step Down Option 1 Period or the Step Down Option 2 Period, if one or more Vodafone Group Shareholders are subject to a Transfer Embargo, the Step Down Option 1 Period and the Step Down Option 2 Period, as applicable, shall be deemed to be extended by the duration of the Transfer Embargo.

12.1.3 The provisions of Article 12.2 shall apply to any Excess Equity Shares: (a) in respect of which a Call Option 1 Notice or Call Option 2 Notice has been issued and that are subject to a Transfer Embargo until the earlier of (i) withdrawal of the Call Option 1 Notice or the Call Option 2 Notice, as applicable, by the ICL Group Shareholders and (ii) completion of the Transfer pursuant to the exercise of the Call Option 1 or the Call Option 2, as applicable, upon cessation of the Transfer Embargo as set out in Article 12.1.1; and (b) during any extension of the Step Down Option 1 Period and/or the Step Down Option 2 Period, as applicable, pursuant to Article 12.1.2.

## **12.2 Voting rights in Excess Equity Shares**

Subject to Articles 15.1.3, 15.2.4 and 17.3:



### 12.2.1 ICL Opposition Notice

- (a) If the ICL Group Shareholders intend to oppose any resolution(s) at a General Meeting or through postal ballot, they shall, within five (5) Business Days of receipt of the notice for the General Meeting or postal ballot, send a written notice to the Vodafone Group Shareholders and the Company specifying the resolution(s) which they intend to oppose (the “**ICL Opposition Notice**”).
- (b) Within five (5) Business Days of receipt of the ICL Opposition Notice, the Vodafone Group Shareholders shall inform the ICL Group Shareholders and the Company (in writing) of the number of Excess Equity Shares they hold at the time and whether they intend to oppose any resolution(s) specified in the ICL Opposition Notice (“**Vodafone Confirmation Notice**”).
- (c) The Vodafone Group Shareholders shall waive, and shall not exercise, the voting rights attached to the Excess Equity Shares in relation to the resolution(s) specified in the ICL Opposition Notice unless the Vodafone Confirmation Notice specifies the intention of the Vodafone Group Shareholders to vote against any such resolution(s), in which case the Vodafone Group Shareholders shall exercise their voting rights attached to the Excess Equity Shares to vote against such resolution(s).

### 12.2.2 Vodafone Opposition Notice

- (a) If the Vodafone Group Shareholders intend to oppose any resolution(s) at a General Meeting or through postal ballot, they shall, within five (5) Business Days of receipt of the notice for the General Meeting or postal ballot, send a written notice to the ICL Group Shareholders and the Company specifying the resolution(s) they intend to oppose and the number of the Excess Equity Shares they hold at the time (the “**Vodafone Opposition Notice**”).
- (b) Within five (5) Business Days of the receipt of the Vodafone Opposition Notice, the ICL Group Shareholders shall inform the Vodafone Group Shareholders and the Company (in writing) whether they intend to oppose any resolution(s) specified in the Vodafone Opposition Notice (“**ICL Confirmation Notice**”).
- (c) The Vodafone Group Shareholders shall waive, and shall not exercise, the voting rights attached to the Excess Equity Shares in relation to the resolution(s) specified in the Vodafone Opposition Notice unless the ICL Confirmation Notice confirms the intention of the ICL Group Shareholders to vote against any such resolution(s), in which case the Vodafone Group Shareholders shall exercise their voting rights attached to the Excess Equity Shares to vote against such resolution(s).

12.2.3 If no ICL Opposition Notice or Vodafone Opposition Notice is received in respect of a shareholders’ resolution, each Promoter Group shall exercise its vote in favour of such resolution at a General Meeting or through postal ballot in respect of all the Equity Shares held by it.

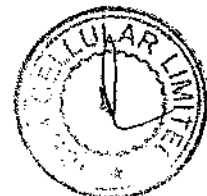


Any vote by the Vodafone Group Shareholders in respect of the Excess Equity Shares in violation of this Article 12.2 (*Voting rights in Excess Equity Shares*) shall be invalid, null and void *ab initio*, and the Company shall not recognise or give effect to such vote in respect of the resolution(s) to which the ICL Opposition Notice or the Vodafone Opposition Notice, as applicable, relates.

## 12.3 Equalisation Call Options

### 12.3.1 Call Option 1

- (a) During the Call Option 1 Period, the ICL Group Shareholders shall have the right to acquire from the Vodafone Group Shareholders, directly or through their Affiliates, such number of Equity Shares that is equal to or less than the Call Option Cap, in the manner set forth in this Article 12.3.1 (“**Call Option 1**”).
- (b) Call Option 1 may be exercised a maximum of four (4) times during the Call Option 1 Period, each time in compliance with the provisions of this Article 12.3.1. For the avoidance of doubt, the number of Equity Shares that may be purchased by the ICL Group Shareholders pursuant to each exercise of the Call Option 1 shall not exceed the Call Option Cap at the time of such exercise.
- (c) The ICL Group Shareholders may exercise Call Option 1 by issuing a written notice to the Vodafone Group Shareholders (a “**Call Option 1 Notice**”), which shall specify: (i) the identity of the purchaser(s) (the “**Call Option 1 Purchaser(s)**”); (ii) certification that the Call Option 1 Purchaser(s) is an ICL Group Shareholder or an Affiliate of an ICL Group Shareholder (iii) the number of Equity Shares the Call Option 1 Purchaser(s) wishes to acquire (the “**Call Option 1 Shares**”); and (iv) the price payable for such Call Option 1 Shares, which shall be equal to the product of the Call Option 1 Equity Share Value and the number of Call Option 1 Shares (the “**Call Option 1 Price**”).
- (d) The Vodafone Group Shareholders shall, at their sole discretion, determine the identity of the Vodafone Group Shareholder(s) that shall Transfer the Call Option 1 Shares to the Call Option 1 Purchaser(s) and shall, within five (5) Business Days of the receipt of the Call Option 1 Notice, notify the details thereof (in writing) to the Call Option 1 Purchaser(s) together with the number of Equity Shares that each such member will Transfer. Notwithstanding anything contained in the Articles of Association, no Vodafone Group Shareholder shall be required to Transfer any Call Option 1 Shares to the Call Option 1 Purchaser(s) at a price less than the Call Option 1 Price.
- (e) For the purposes of the sale and purchase of the Call Option 1 Shares, the Call Option 1 Purchaser(s) and the relevant Vodafone Group Shareholder(s) shall execute a share purchase agreement in the form set out in the Shareholders’ Agreement. Such share purchase agreement, the Shareholders’ Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the Call Option 1 Shares.



- (f) Subject to Article 12.1, the consummation of the sale and purchase of any Call Option 1 Shares shall be completed within ten (10) Business Days of the date of receipt of a Call Option 1 Notice by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from, or make any necessary filing with, any Governmental Authority or seek any Vodafone Plc Shareholder Approval in accordance with Article 12.7, provided that such extended period shall be no longer than 12 (twelve) months from the date of the Call Option 1 Notice).
- (g) The ICL Group Shareholders shall ensure that the exercise of Call Option 1 does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.

### 12.3.2 Call Option 2

- (a) During a period of one (1) year following the expiration of the Call Option 1 Period (“**Call Option 2 Period**”), the ICL Group Shareholders shall have the right to acquire from the Vodafone Group Shareholders, directly or through their Affiliates, such number of Equity Shares that is equal to or less than the Call Option Cap, in the manner set forth in this Article 12.3.2 (“**Call Option 2**”).
- (b) Within seven (7) Business Days of the commencement of the Call Option 2 Period, the ICL Group Shareholders shall notify the Vodafone Group Shareholders (in writing) of the precise number of Equity Shares, if any, that the ICL Group Shareholders will acquire from the Vodafone Group Shareholders pursuant to the exercise of Call Option 2 during the Call Option 2 Period (the “**Call Option 2 Shares**”). If such notice is not given within such time period, Call Option 2 shall cease to be capable of exercise and shall lapse. If such notice is given within such time period, the ICL Group Shareholders must acquire the Call Option 2 Shares strictly in accordance with this Article 12.3.2.
- (c) Call Option 2 is required to be exercised only once during the Call Option 2 Period.
- (d) The ICL Group Shareholders may exercise Call Option 2 by issuing a written notice to the Vodafone Group Shareholders (“**Call Option 2 Notice**”), which shall specify: (i) the identity of the purchaser(s) (the “**Call Option 2 Purchaser(s)**”); and (ii) certification that the Call Option 2 Purchaser(s) is an ICL Group Shareholder or an Affiliate of an ICL Group Shareholder.
- (e) The Vodafone Group Shareholders shall, at their sole discretion, determine the identity of the Vodafone Group Shareholder(s) that shall Transfer the Call Option 2 Shares to the Call Option 2 Purchaser(s) and shall, within five (5) Business Days of the receipt of the Call Option 2 Notice, notify the details thereof (in writing) to the Call Option 2 Purchaser(s) together with the number of Equity Shares that each such member will Transfer. The price payable for the Call Option 2 Shares shall be equal to the product of the Vodafone Sale Price (determined on the date of the Transfer) and the number of Call Option 2 Shares (the “**Call Option 2 Price**”). Notwithstanding anything contained in the Articles of Association, no Vodafone Group



Shareholder shall be required to Transfer any Call Option 2 Shares to the Call Option 2 Purchaser(s) at a price less than the Vodafone Sale Price.

- (f) For the purposes of the sale and purchase of the Call Option 2 Shares, the Call Option 2 Purchaser(s) and the relevant Vodafone Group Shareholder(s) shall execute a share purchase agreement in the form set out in the Shareholders' Agreement. Such share purchase agreement, the Shareholders' Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the Call Option 2 Shares.
- (g) Subject to Article 12.1, the consummation of the sale and purchase of the Call Option 2 Shares shall be completed within 10 (ten) Business Days of the date of receipt of the Call Option 2 Notice by the Vodafone Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority or seek any Vodafone Plc Shareholder Approval in accordance with Article 12.7, provided that such extended period shall be no longer than 12 (twelve) months from the date of the Call Option 2 Notice).
- (h) The ICL Group Shareholders shall ensure that the exercise of Call Option 2 does not result in any requirement to make a public announcement of an open offer with respect to the Company under the Takeover Code.
- (i) If, following the issue of a notice to the Vodafone Group Shareholders pursuant to Article 12.3.2(b), the ICL Group Shareholders fail to exercise the Call Option 2 for all of the Call Option 2 Shares within the Call Option 2 Period, the Call Option 2 Shares shall not be included in the Shareholding of the Vodafone Group Shareholders for purposes of calculation of the Excess Equity Shares and, for the avoidance of doubt, shall not be subject to the voting restrictions under Article 12.2.

12.3.3 In respect of each exercise of Call Option 1 and the exercise of Call Option 2, the Vodafone Group Shareholders and the ICL Group Shareholders shall jointly appoint a Big Four Accounting Firm, or if no Big Four Accounting Firm is able or willing to act, another accounting firm of international standing, to provide:

- (a) a certificate confirming (i) the Call Option 1 Price or the Call Option 2 Price, as applicable; and (ii) whether any Taxes are required to be withheld with respect to the sale and purchase of the Call Option 1 Shares or the Call Option 2 Shares, as applicable, if such certificate is required under applicable Law; and
- (b) an opinion on computation of capital gains Taxes in connection with (a) above along with the necessary supporting documents in respect of cost of acquisition of the Call Option 1 Shares or the Call Option 2 Shares, as applicable,

(together, the "**Withholding Computation**"). The Vodafone Group Shareholders shall promptly provide any information required by the appointed accounting firm for purposes of issue of such certificate and shall confirm to the ICL Group Shareholders that such information is true and correct. All costs, fees and other expenses of the

accounting firm appointed for the purposes of provision of the Withholding Computation shall be borne by the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable.

- 12.3.4 The Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, shall pay the Call Option 1 Price or the Call Option 2 Price, as applicable, without withholding or deduction of any Tax unless required by the Withholding Computation. If any such withholding or deduction is required pursuant to the Withholding Computation, the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, shall, at the time of payment of the Call Option 1 Price or the Call Option 2 Price, as applicable, pay to the Vodafone Group Shareholders such additional amount as will ensure that the Vodafone Group Shareholders receives the same total amount that they would have received if no such withholding or deduction had been required. If any sum payable by the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, to the Vodafone Group Shareholders pursuant to Articles 12.3.1 and 12.3.2 is required by applicable Law to be brought into charge to Tax in the hands of the Vodafone Group Shareholders, then the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, shall pay such additional amount as shall be required to ensure that the total amount paid, less the Tax chargeable on such amount (or which would be chargeable but for the use or set-off of any Tax relief of the recipient), is equal to the amount that would be payable if the sum payable by the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, were not required by applicable Law to be brought into charge to Tax in the hands of the Vodafone Group Shareholders.
- 12.3.5 It is clarified that any Tax benefits or refunds accruing to or received by the Vodafone Group Shareholders following completion of a Transfer of the Call Option 1 Shares and/ or the Call Option 2 Shares in respect of such Transfer shall promptly be transferred to the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, up to the maximum amount of the payment received by the Vodafone Group Shareholders from the Call Option 1 Purchaser or the Call Option 2 Purchaser, as applicable, under Article 12.3.4.
- 12.3.6 The Parties shall undertake all reasonable endeavours to ensure that the Transfers of Call Option 1 Shares and the Call Option 2 Shares, as applicable, is completed in a Tax efficient manner. The Vodafone Group Shareholders shall ensure that the Call Option 1 Shares and the Call Option 2 Shares will be Transferred by Vodafone Group Shareholders that are tax residents of Mauritius or India.
- 12.3.7 The ICL Group Shareholders and Vodafone Group Shareholders shall execute all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer of the Call Option 1 Shares and the Call Option 2 Shares.

#### 12.4 Step Down Option 1

If the Equal Shareholding Date has not occurred by the expiration of the Call Option 2 Period, then the Vodafone Group Shareholders shall, during a period of three (3) years of the expiration of the Call Option 2 Period (the “**Step Down Option 1 Period**”), sell and Transfer to such Persons as the Vodafone Group Shareholders may (subject to Article 13) choose and



which Persons do not execute a Deed of Adherence in terms of Article 13, that part of their combined holding of Equity Shares as is in aggregate equal to the lower of:

- (a) the number of Excess Equity Shares as at the expiration of the Call Option 2 Period; and
- (b) 10% of the Share Capital as at the expiration of the Call Option 2 Period,

(as applicable, the “**Step Down 1 Excess Shareholding**”), together with any Equity Shares to the extent attributable to any split, reverse-split, bonus issue or any similar corporate action with respect to the Step Down 1 Excess Shareholding during the period starting at the commencement of the Step Down Option 1 Period and ending at the time of each relevant disposal pursuant to this Article 12.4 (“**Step Down Option 1**”).

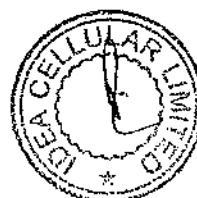
## 12.5 **Step Down Option 2**

If the Equal Shareholding Date has not occurred by the expiration of the Step Down Option 1 Period, then the Vodafone Group Shareholders shall, within a period of two (2) years of the expiration of the Step Down Option 1 Period (the “**Step Down Option 2 Period**”), sell and Transfer to such Persons as the Vodafone Group Shareholders may (subject to Article 13) choose and which Persons do not execute a Deed of Adherence in terms of Article 13, all remaining Excess Equity Shares at the expiration of Step Down Option 1 Period (together with any Equity Shares to the extent attributable to any split, reverse-split, bonus issue or any similar corporate action with respect to such Excess Equity Shares since the commencement of the Step Down Option 2 Period), provided that in the judgment of the Vodafone Group, acting reasonably, that:

- 12.5.1 market conditions are conducive for such sale;
- 12.5.2 the valuation that can be achieved for such sale is not lower than the product of the Step Down Share Value and the number of Equity Shares proposed to be Transferred; and
- 12.5.3 the ratio of (i) the proposed sale consideration per share multiplied by the number of Equity Shares of the Company (on a fully diluted basis) plus the Net Financial Debt of the Company, in each case, on the date of the proposed Transfer to (ii) the LTM EBITDA as of the date of the Transfer, is higher than 6.5:1.

## 12.6 **Standstill**

- 12.6.1 Neither Promoter Group shall be permitted to Transfer any Equity Shares to any Person during the Call Option 1 Period except pursuant to Article 4.7 (*Rights Recapitalisation Call Option prior to the Equal Shareholding Date*), 12.3.1 (*Call Option 1*), 13.2.1 (*Transfer to Affiliates*) or 16 (*Change in Control*).
- 12.6.2 The Vodafone Group Shareholders shall not be permitted to Transfer any Call Option 2 Shares during the Call Option 2 Period except pursuant to (i) Article 12.3.2 (*Call Option 2*); (ii) 13.2.1 (*Transfer to Affiliates*), subject to Articles 9.7 and 12.3.6 and any subsequent Transfer pursuant to Call Option 2 being no less favourable to the



Call Option 2 Purchaser than if made by the transferring Vodafone Group Shareholder; or (iii) Article 16.3.2.

12.6.3 Following the expiration of the Call Option 2 Period, any Promoter Group which holds lesser Equity Shares ("**Non-Equal Shareholder**") than the other Promoter Group ("**Higher Shareholder**") shall have the right to acquire such number of Equity Shares as would entitle the Non-Equal Shareholder to equalise its Shareholding with the Higher Shareholder in the manner set out in this Article 12.6.3:

- (a) The Non-Equal Shareholder shall first make a written offer to the Higher Shareholder to purchase Equity Shares from the Higher Shareholder at a specified price ("**Equal Offer Notice**").
- (b) If the Higher Shareholder declines, partially accepts or fails to respond to the Equal Offer Notice within ten (10) Business Days of receipt of the Equal Offer Notice ("**Equal Offer Period**"), then the Non-Equal Shareholder shall have the right to acquire all of or, if the Higher Shareholder partially accepts the Equal Offer Notice, of the remaining, Equity Shares as specified in the Equal Offer Notice from the market at or below the price specified in the Equal Offer Notice within 30 (thirty) days of the expiry of the Equal Offer Period.
- (c) If the Higher Shareholder accepts the Equal Offer Notice (in writing), in full or part, within the Equal Offer Period, the Non-Equal Shareholder and the Higher Shareholder shall complete the Transfer of Equity Shares agreed to be Transferred within 10 (ten) days of the expiration of the Equal Offer Period (such 10-day period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the expiration of the Equal Offer Period).
- (d) For giving effect to the Transfer contemplated in this Article 12.6.3, the Parties shall execute a share purchase agreement in the form set out in the Shareholders' Agreement and all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer. Such share purchase agreement, the Shareholders' Agreement and such other terms as may be mutually agreed shall be the sole terms which govern the sale and purchase of the Equity Shares contemplated in this Article 12.6.3.

## 12.7 Cap

12.7.1 Subject to Article 12.7.3, if a disposal of any Equity Shares by the Vodafone Group Shareholders pursuant to the Capped Options (an "**Option Transfer**") would, immediately following that Option Transfer, result in the total consideration received by the Vodafone Group Shareholders for all Option Transfers exceeding Rs.830 billion, the Vodafone Group Shareholders may (but shall not be obliged to) procure that Vodafone Plc shall, within a reasonable timeframe, seek Vodafone Plc Shareholder Approval for any such Option Transfer.

12.7.2 Subject to Article 12.7.3, if:



- (a) Vodafone Plc does not seek Vodafone Plc Shareholder Approval for such Option Transfer within 60 (sixty) days of exercise of the Capped Option; or
- (b) the ordinary resolution to approve any such Option Transfer is not passed by the shareholders of Vodafone Plc within 90 (ninety) days of the exercise of Capped Option,

the consideration for that Option Transfer shall be limited such that, immediately following that Option Transfer, the total consideration received by the Vodafone Group Shareholders for all Option Transfers shall not exceed Rs.830 billion.

12.7.3 The Vodafone Group Shareholders may disapply Article 12.7.1 and 12.7.2 by written notice to the ICL Group Shareholders within seven (7) days of the exercise of a Capped Option, in which case Article 12.7.1 and Article 12.7.2 shall cease to apply in respect of such Capped Option with immediate effect and the consummation of a Transfer of Equity Shares pursuant to the exercise of:

- (a) Call Option 1 at the Call Option 1 Price, in accordance with Article 12.3; and/or
- (b) Call Option 2 at the Call Option 2 Price, in accordance with Article 12.3, and/or
- (c) the Rights Recapitalisation Call Option at the RCO Price, in accordance with Article 4.7,

(as applicable) or under Step Down Option 1, shall not require Vodafone Plc Shareholder Approval.

12.8 If either Promoter Group Transfers Equity Shares to a New Qualifying Shareholder, such New Qualifying Shareholder shall be liable to comply with this Article 12 instead of such Promoter Group, unless the Promoter Group continues to hold Equity Shares, in which case, both the New Qualifying Shareholder and such Promoter Group shall be liable to comply with this Article 12 as one block.

### 13. TRANSFER OF SHARES

13.1 The Equity Shares held by the Promoter Groups shall only be transferable in the manner provided in the Articles of Association. A member of a Promoter Group may Transfer its Equity Shares in a manner otherwise than in accordance with the Articles of Association with the prior written consent of the other Promoter Group and provided that such Transfer is completed within 30 (thirty) days of receipt of such written consent (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of receipt of the written consent), failing which, fresh written consent will be required. Any Transfer of Equity Shares by a member of a Promoter Group which is not in accordance with the Articles of Association shall be null and *void ab initio* and the Company shall not recognise or give effect to such Transfer or recognise any votes in respect of such Equity Shares until the Transfer is reversed (if already effected).

## 13.2 Permitted Transfers

### 13.2.1 Transfers to Affiliates

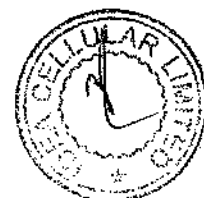
- (a) A member of a Promoter Group may Transfer all or some of the Equity Shares held by it to an Affiliate, subject to such Affiliate executing a Deed of Adherence and upon giving prior written notice to the other Promoter Group. The Affiliate must be under an obligation, given in favour of the Company and the other Promoter Group, to re-Transfer the Equity Shares to the original transferring Promoter Group member or another Affiliate of the original transferring Promoter Group member immediately, if it ceases to be an Affiliate of that original transferring Promoter Group member.
- (b) Following a Transfer of Equity Shares to an Affiliate: (i) the original transferring Promoter Group member (but not a subsequent transferor in a series of Transfers to Affiliates) shall, at the option of the non-transferring Promoter Group, remain a Party to the Shareholders' Agreement and shall be jointly and severally liable with the transferee and the other members of the relevant Promoter Group under the Shareholders' Agreement as a member of the relevant Promoter Group; and (ii) the transferee shall be included as a member of the relevant Promoter Group for the purposes of the Articles of Association. Without prejudice to Article 9.2.1(d) and other provisions of the Articles of Association, Article 13.2.1(b)(i) shall not apply with respect to an *inter se* Transfer of Equity Shares between members of a Promoter Group who are Parties on the date of the Shareholders' Agreement .

### 13.2.2 Transfers to Third Parties

Following the expiration of the Call Option 1 Period and subject to Article 12.6.2 in respect of the Vodafone Group Shareholders, any member of a Promoter Group shall be entitled to Transfer its Equity Shares to:

- (a) any Financial Investor, provided that such Transfer will not result in the transferee (together with its Affiliates) owning more than 10% (ten percent) of the Share Capital; and
- (b) subject to Articles 13.3 (*Right of First Refusal*) and 13.4 (*Tag-Along Right*):
  - (i) any Financial Investor which will result in the transferee (together with its Affiliates) owning more than 10% (ten percent) of the Share Capital; and
  - (ii) any Person other than a Financial Investor.

13.2.3 Notwithstanding anything to the contrary contained in the Articles of Association, any transferee of any Equity Shares that is not a member of a Promoter Group shall not execute a Deed of Adherence and shall not be entitled to any rights under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) unless such transferee's Shareholding (together with its Affiliates) pursuant to a Transfer under Article 13.2.2(b) will be equal to or more than the Qualifying Threshold (such transferee, a "New Qualifying Shareholder"). A New Qualifying Shareholder shall be required to execute a Deed



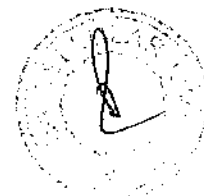
of Adherence pursuant to which it shall become a party to the Shareholders' Agreement and be entitled to rights of the transferor Promoter Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*), provided that if the New Qualifying Shareholder's Shareholding (together with its Affiliates) will be equal to or more than the Qualifying Threshold and the transferor's Shareholding (together with its Affiliates) is also equal to or more than the Qualifying Threshold, the New Qualifying Shareholder (together with its Affiliates) shall not be entitled to any rights under Article 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) or 10 (*Reserved Matters*) and the transferor (together with its Affiliates) shall continue to be entitled to rights under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*). If a subsequent Transfer of Equity Shares results in the transferor's Shareholding (together with its Affiliates) being less than the Qualifying Threshold and the New Qualifying Shareholder's Shareholding (together with its Affiliates) being equal to or more than the Qualifying Threshold, the New Qualifying Shareholder shall, from the time of such Transfer, be entitled to rights under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) in substitution for the transferor.

13.2.4 If any transferee that is not a member of a Promoter Group is required to make a public announcement of an open offer with respect to the Company under the Takeover Code following acquisition of Equity Shares from either Promoter Group, such transferee's Shareholding that has been acquired from the Public Shareholders pursuant to such open offer will be subject to voting restrictions specified in Article 12.2 and must be sold in the market to the public or to Financial Investor(s) pursuant to Article 13.2.2(a) within six (6) months of acquisition.

### 13.3 **Right of First Refusal**

13.3.1 Except as provided in Articles 13.2.1 and 13.2.2(a) and subject to Article 12.6.2 in respect of the Vodafone Group Shareholders, in the event any member of a Promoter Group (a "**Transferring Shareholder**") receives a *bona fide* offer from any Person (a "**Proposed Transferee**") to Transfer any Equity Shares, it shall grant to the other Promoter Group a right of first refusal over any such Transfer of Equity Shares ("**First Refusal Right**") in the manner set forth in this Article 13.3.

13.3.2 If the Transferring Shareholder proposes to Transfer to the Proposed Transferee any of the Equity Shares which are subject to the First Refusal Right, the Transferring Shareholder shall first offer the Equity Shares to the other Promoter Group by serving a written notice ("**Transfer Notice**") on such other Promoter Group ("**Non-transferring Shareholder**") stating: (i) the number of Equity Shares proposed to be Transferred to the Proposed Transferee ("**Offered Shares**") and the maximum number of Equity Shares that the Proposed Transferee is willing to acquire; (ii) the consideration for the Transfer; (iii) the other terms and conditions of the Transfer, if any, as may be reasonably necessary for the Non-transferring Shareholder to determine the price and other terms of such offer; and (iv) the identity of the Proposed Transferee and of its Ultimate Parent and beneficial owner(s). The Non-transferring Shareholder may also require the Transferring Shareholder to produce to the Non-transferring Shareholder such further information as may be reasonably required to enable the Non-transferring Shareholder to establish the *bona fides* of the offer of the Proposed Transferee.



13.3.3 Within 30 (thirty) days after the receipt of the Transfer Notice by the Non-transferring Shareholder ("**Offer Period**"), the Non-transferring Shareholder may deliver a written notice to the Transferring Shareholder: (a) requiring the Transferring Shareholder to Transfer all, but not some only, of the Offered Shares at the same price and on other terms no less favourable to the Non-transferring Shareholder than those stated in the Transfer Notice, to the Non-transferring Shareholder or its Affiliate ("**Acceptance Notice**"); or (b) stating that it declines to exercise its First Refusal Right on the Offered Shares or (c) stating that it is electing to exercise its Tag-Along Right under Article 13.4 ("**Tag Exercise Notice**"). An Acceptance Notice shall be irrevocable and shall constitute a binding agreement between the Transferring Shareholder and the Non-transferring Shareholder to purchase the Offered Shares. If the Non-transferring Shareholder fails to serve an Acceptance Notice within the Offer Period, it shall be deemed to have declined to exercise its First Refusal Right on the Offered Shares.

13.3.4 In the event an Acceptance Notice has been served pursuant to Article 13.3.3, the Transferring Shareholder shall be bound to Transfer the Offered Shares to the Non-transferring Shareholder.

13.3.5 If the Transferring Shareholder:

- (a) has not received an Acceptance Notice under Article 13.3.3 in respect of all of the Offered Shares or, having received the same, has not within 15 (fifteen) days thereafter (such 15-day period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority) received the consideration for the Offered Shares (provided the Transferring Shareholder is not in breach of this Article 13.3); or
- (b) has not received either an Acceptance Notice or a Tag Exercise Notice under Article 13.3.3,

it shall be entitled to Transfer all, but not some only, of the Offered Shares to the Proposed Transferee at the same price and on other terms no more favourable to the Proposed Transferee than those stated in the Transfer Notice, provided that, if such Transfer is not completed within 90 (ninety) days after the expiration of the Offer Period (such 90-day period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of expiration of the Offer Period), the right to Transfer the Offered Shares to the Proposed Transferee shall lapse.

#### 13.4 **Tag-Along Right**

13.4.1 In the event that the Non-transferring Shareholder has not exercised its First Refusal Right upon receipt of the Transfer Notice in accordance with Article 13.3 (*Right of First Refusal*), the Non-transferring Shareholder shall have the *pro rata* right, but not an obligation ("**Tag-Along Right**"), to require the Proposed Transferee to purchase from the Non-transferring Shareholder such number of Equity Shares as may be decided by such Non-transferring Shareholder in its sole discretion but not exceeding its *pro rata* entitlement, such that the number of Equity Shares sold by the Transferring Shareholder and the Non-transferring Shareholder, shall be proportionate to the respective *pro rata inter se* Shareholding of the Transferring



Shareholder and the Non-transferring Shareholder, at not less than the price and on other terms no less favourable to the Non-transferring Shareholder than those stated in the Transfer Notice. To the extent the Non-transferring Shareholder exercises its Tag-Along Right, the number of Shares that the Transferring Shareholder may Transfer to the Proposed Transferee shall be correspondingly reduced. Notwithstanding anything contained in this Article 13.4.1, in the event that the proposed Transfer of Equity Shares by the Transferring Shareholder to the Proposed Transferee will result in a change in Control of the Company, the Tag-Along Right of the Non-transferring Shareholder shall extend to the entire Shareholding of the Non-transferring Shareholder.

13.4.2 In the event the Non-transferring Shareholder has served a Tag Exercise Notice within the Offer Period pursuant to Article 13.3.3, the Transfer of any Equity Shares to the Proposed Transferee shall be in the manner set forth in this Article 13.4. If the Non-transferring Shareholder fails to serve a Tag Exercise Notice within the Offer Period, it shall be deemed to have declined to exercise its Tag-Along Right.

13.4.3 The Transfer of the Non-transferring Shareholder's Equity Shares pursuant to the exercise of the Tag-Along Right ("Tagged Shares") shall be completed within 30 (thirty) days of the receipt of the Tag Exercise Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the Tag Exercise Notice).

13.4.4 The Transferring Shareholder shall not Transfer any of the Offered Shares to the Proposed Transferee unless and until, simultaneously with such Transfer, the Proposed Transferee purchases all the Tagged Shares at not less than the price, and on terms no less favourable, than those stated in the Transfer Notice.

13.4.5 For the avoidance of doubt, this Article 13.4 shall only apply when Article 13.3 is also applicable.

### 13.5 Prohibited Transfer

Notwithstanding anything contained in the Articles of Association, no member of a Promoter Group shall directly or indirectly Transfer any Equity Shares to an Indian Competitor.

### 13.6 Further Acquisitions

Except as provided in Articles 4 (*Funding*), 12 (*Terms of Equalisation*), 13 (*Transfer of Shares*) and 16 (*Change in Control*), no member of a Promoter Group or its Affiliates shall acquire any Equity Shares without the prior written consent of the other Promoter Group.

13.7 For giving effect to the Transfers contemplated in this Article 13, the Parties shall execute all such documents, take all such actions and shall render all such assistance to each other as may be reasonably required to complete the Transfer.

## 14. DEADLOCK

14.1 For the purpose of this Article 14, a "Deadlock" shall be deemed to have occurred if:

14.1.1 a proposal is made in respect of any Reserved Matter but is not approved in



accordance with Article 10 at two (2) consecutive duly convened meetings of the Board (or following the circulation of the relevant Circular Resolution in writing on two (2) separate occasions); or

14.1.2 a quorum is not present at two (2) consecutive duly convened meetings of the Board by reason of the absence of the Directors nominated and appointed upon request of the same Promoter Group.

14.2 In the event of a Deadlock, either Promoter Group may give written notice to the other and to the Company that it regards a Deadlock as having occurred ("**Deadlock Notice**") and immediately refer the Deadlock to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group (or nominees of such representatives) for resolution through mutual discussion (only one Deadlock Notice may be served in respect of any one proposal or series of related proposals).

14.3 If the Deadlock is not resolved within 30 (thirty) days of the Deadlock Notice, then *status quo* shall prevail, provided that if the Deadlock relates to a Draft Revised Business Plan, the provisions of Article 11.4 shall apply.

14.4 If the Deadlock is resolved within 30 (thirty) days of the Deadlock Notice, then the Promoter Groups shall procure that the Company gives effect to the relevant resolution(s).

## 15. **DEFAULT**

### 15.1 **Failure to Comply with Voting**

15.1.1 If any member of a Promoter Group fails to vote the Equity Shares held by it in accordance with the Articles of Association or votes the Equity Shares held by it contrary to the Articles of Association (such Group, the "**Defaulting Promoter Group**" and the failure to vote or voting contrary to the Articles of Association, a "**Voting Default**"), the Defaulting Promoter Group shall be deemed to be in material breach of the Articles of Association pursuant to which Article 15.1.3 shall apply unless:

(a) within 30 (thirty) days of the date of the Voting Default, the Promoter Groups or the Board agree to convene another General Meeting or issue a fresh notice for a shareholders' vote pursuant to Article 9.1.4, following which the Defaulting Promoter Group votes the Equity Shares held by it or refrains from voting the Equity Shares held by it in accordance with the Articles of Association and the relevant resolution is approved or rejected in accordance with the Articles of Association; or

(a) if the Defaulting Promoter Group demonstrates, within 30 (thirty) days of the date of the Voting Default, to the reasonable satisfaction of the non-defaulting Promoter Group, that the Voting Default was on account of an administrative error.

15.1.2 In the event the Defaulting Promoter Group is unable to demonstrate to the reasonable satisfaction of the other Promoter Group pursuant to Article 15.1.1(b) that the Voting Default was on account of an administrative error, either Promoter Group shall have the right to refer the matter to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration and decision within 15 (fifteen) days of the expiration of the 30-day period referred to in Article



15.1.1(b). The chief executive officer of Vodafone Plc and the group chairperson of the ICL Group shall decide the matter within 30 (thirty) days of the date of referral and such decision shall be final and binding on the Promoter Groups. In the event the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group are unable to agree to a decision, either Promoter Group may refer the matter to an expedited arbitration procedure under the provisions of the Shareholders' Agreement to be completed within six (6) months of the date of referral.

15.1.3 If the Voting Default is not cured or resolved pursuant to Article 15.1.1(a) or 15.1.1(b) or 15.1.2:

- (a) the rights of the Defaulting Promoter Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) shall cease;
- (b) the obligations of the Defaulting Promoter Group under the Articles of Association shall cease only if the Defaulting Promoter Group no longer holds any Equity Shares; and
- (c) if the Defaulting Promoter Group comprises ICL Group Shareholders, Article 12.2 shall cease to apply.

## 15.2 Event of Default

15.2.1 An event of default ("**Event of Default**") shall occur or be deemed to have occurred in relation to a Promoter Group ("**Defaulting Shareholder Group**") if:

- (a) a member of the Defaulting Shareholder Group commits a material breach of Article 4 (*Funding*), 5 (*Board of Directors of the Company*), 10 (*Reserved Matters*), 12 (*Terms of Equalisation*), 13 (*Transfer of Shares*) or 16 (*Change in Control*) and such breach is not cured within 30 (thirty) days of written notice by the non-defaulting Promoter Group, provided that any such breach that arises from non-receipt of any approval of a Governmental Authority in respect of Article 4 (*Funding*), 12 (*Terms of Equalisation*), 13 (*Transfer of Shares*) or 16 (*Change in Control*) for reasons beyond the control of the relevant Party shall not be regarded as a material breach; or
- (b) any member of the Defaulting Shareholder Group has:
  - (i) an official manager, receiver, trustee, voluntary administrator, liquidator or provisional liquidator appointed for all or substantially all of its assets or undertaking and such appointment is not dismissed, reversed, vacated or stayed within 90 (ninety) days of such appointment; or
  - (ii) entered into or resolved to enter into winding up proceedings or an arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of creditors, or proceedings are commenced by such Shareholder to sanction such an arrangement, composition or compromise, in each case, other than for the purposes of (A) a *bona fide* scheme of restructuring, reconstruction or amalgamation, or (B) a voluntary liquidation of entities that no longer hold Equity Shares and do not have substantial assets.



15.2.2 The Defaulting Shareholder Group shall be entitled to demonstrate, within 30 (thirty) days of the date of notification of the Event of Default by the non-defaulting Promoter Group, to the reasonable satisfaction of the non-defaulting Promoter Group, that such Event of Default occurred on account of an administrative error.

15.2.3 In the event the Defaulting Shareholder Group is unable to demonstrate to the reasonable satisfaction of the non-defaulting Promoter Group pursuant to Article 15.2.2 that the Event of Default was on account of an administrative error, either Promoter Group shall have the right to refer the matter to the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group for their consideration and decision within 30 (thirty) days of the expiration of the 30-day period referred to in Article 15.2.2. The chief executive officer of Vodafone Plc and the group chairperson of the ICL Group shall decide the matter within 30 (thirty) days of the date of referral and such decision shall be final and binding on the Promoter Groups. In the event the chief executive officer of Vodafone Plc and the group chairperson of the ICL Group are unable to agree to a decision, either Promoter Group may refer the matter to an expedited arbitration procedure under the provisions of the Shareholders' Agreement to be completed within six (6) months of the date of referral.

15.2.4 If an Event of Default is not cured or resolved pursuant to Article 15.2.1(a), 15.2.2 or 15.2.3:

- (a) the rights of the Defaulting Shareholder Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) shall cease;
- (b) the obligations of the Defaulting Shareholder Group under the Articles of Association shall cease only if the Defaulting Shareholder Group no longer holds any Equity Shares; and
- (c) if the Defaulting Shareholder Group comprises ICL Group Shareholders, Article 12.2 shall cease to apply.

15.3 Nothing in Article 15.1 or 15.2 shall affect the right of the non-defaulting Promoter Group to claim any losses, damages, costs and expenses, including legal fees and expenses, to the extent arising or resulting from a Voting Default or an Event of Default, regardless of whether such default has been cured.

15.4 Notwithstanding anything contained in the Articles of Association, if any member of either Promoter Group is unable to comply with any obligation under the Articles of Association pursuant to an order of a Governmental Authority issued in respect of such member, the rights of the relevant Promoter Group under the Articles of Association shall not cease provided that such Promoter Group uses all reasonable endeavours to procure that such order is vacated.

## 16. CHANGE IN CONTROL

16.1 Each Promoter Group shall notify (in writing) the other Promoter Group of any proposed change in Control of any of its members (a "CoC Shareholder"), and the Vodafone Group Shareholders shall immediately notify (in writing) the ICL Group Shareholders of any proposed Vodafone Restricted Group Sale Disposal, in each case, within five (5) Business Days of the public announcement of such proposed transaction or the execution of binding documentation in respect of such proposed transaction, whichever is earlier, and such notice shall specify the manner in which such transaction will occur (the "CoC Notice").



16.2 Following issue of a CoC Notice in respect of a listed CoC Shareholder that is an ICL Group Shareholder:

16.2.1 the other ICL Group Shareholders (the “**Remaining ICL Shareholders**”) shall be entitled, within 30 (thirty) days of the CoC Notice (the “**ICL CoC Period**”), to require such CoC Shareholder to Transfer all of its Equity Shares (“**CoC Shares**”) to them or their Affiliate(s) at the ICL CoC Price pursuant to a written notice (“**CoC Exercise Notice**”) issued to the CoC Shareholder (with a copy to the Company and the Vodafone Group Shareholders), and the CoC Shares shall then be promptly Transferred to the Remaining ICL Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.2.1 shall be completed within 45 (forty five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice); and

16.2.2 if the Remaining ICL Shareholders fail to issue a CoC Exercise Notice pursuant to Article 16.2.1 within the ICL CoC Period, the Vodafone Group Shareholders shall be entitled, within 30 (thirty) days of the expiration of the ICL CoC Period to require the CoC Shareholder to Transfer all of the CoC Shares to the Vodafone Group Shareholders or their Affiliate(s) at the Vodafone Purchase Price pursuant to a CoC Exercise Notice issued to the CoC Shareholder (with a copy to the Company and the ICL Group Shareholders), and the CoC Shares shall then be promptly Transferred to the Vodafone Group Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.2.2 shall be completed within 75 (seventy five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice).

16.3 Following issue of a CoC Notice in respect of an unlisted CoC Shareholder that is an ICL Group Shareholder, the Vodafone Group Shareholders shall be entitled to take either of the following actions within 30 (thirty) days of the CoC Notice:

16.3.1 pursuant to a CoC Exercise Notice, require such CoC Shareholder to Transfer all of the CoC Shares to the Vodafone Group Shareholders or their Affiliate(s) at the Vodafone Purchase Price, and the CoC Shares shall then be promptly Transferred to the Vodafone Group Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.3.1 shall be completed within 45 (forty five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice); or

16.3.2 pursuant to a CoC Exercise Notice, require the ICL Group Shareholders to purchase from the Vodafone Group Shareholders such number of Equity Shares as may be decided by the Vodafone Group Shareholders in their sole discretion but not exceeding their *pro rata* entitlement, such that the number of Equity Shares sold by the Vodafone Group Shareholders represents the same proportion of the Share Capital as the number of Equity Shares held by the CoC Shareholder, at the Vodafone Sale Price. The Transfer of Equity Shares pursuant to this Article 16.3.2 shall be completed within 45 (forty five) days of the CoC Notice issued by the Vodafone



Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice).

16.4 Following issue of a CoC Notice in respect of a CoC Shareholder that is a Vodafone Group Shareholder or in case of a Vodafone Restricted Group Sale Disposal, the ICL Group Shareholders shall be entitled to take either of the following actions within 30 (thirty) days of the CoC Notice:

16.4.1 pursuant to a CoC Exercise Notice, require such CoC Shareholder to Transfer all of the CoC Shares to the ICL Group Shareholders or their Affiliate(s) at the Vodafone Purchase Price, and the CoC Shares shall then be promptly Transferred to the ICL Group Shareholders or their Affiliate(s). The Transfer of the CoC Shares pursuant to this Article 16.4.1 shall be completed within 45 (forty five) days of the CoC Notice (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice); or

16.4.2 pursuant to a CoC Exercise Notice, require the Vodafone Group Shareholders to purchase from the ICL Group Shareholders such number of Equity Shares as may be decided by the ICL Group Shareholders in their sole discretion but not exceeding their *pro rata* entitlement, such that the number of Equity Shares sold by the ICL Group Shareholders represents the same proportion of the Share Capital as the number of Equity Shares held by the CoC Shareholder, at the Vodafone Sale Price. The Transfer of Equity Shares pursuant to this Article 16.4.2 shall be completed within 45 (forty five) days of the CoC Notice issued by the ICL Group Shareholders (such period to be extended *pro tanto* by the period required to obtain any necessary regulatory approval from or make any necessary filing with any Governmental Authority, provided that such extended period shall be no longer than 12 (twelve) months from the date of the CoC Exercise Notice).

16.5 Following any change in Control of a CoC Shareholder, the Shareholding of such CoC Shareholder shall not be counted towards the Shareholding of the Promoter Group to which it belonged (unless Article 16.2.1 or 16.6 is applicable).

16.6 Nothing in the Articles of Association shall prevent, constitute a breach, require the sale or Transfer of any Equity Shares or otherwise restrict in any manner, with respect to the Vodafone Group:

16.6.1 any change in control of Vodafone Plc following (i) a successful public offer for shares (which, for the avoidance of doubt, may be implemented by a scheme of arrangement) or (ii) a transaction which involves the issue of shares in Vodafone Plc to one or more persons which would require a general offer for the shares of Vodafone Plc but for the requirement to make such offer having been waived, in each case in accordance with the UK City Code on Takeovers and Mergers;

16.6.2 a Vodafone Direct Spin-off Disposal; or

16.6.3 a Vodafone Permitted Group Sale Disposal;

(collectively, the “Vodafone Permitted Transactions”) and, in each case, any Transfers



pursuant to or in connection with any Vodafone Permitted Transaction. The Vodafone Group Shareholders shall notify (in writing) the ICL Group Shareholders of any proposed Vodafone Permitted Transaction within five (5) Business Days of the public announcement of such transaction or the execution of binding documentation in respect of such transaction, whichever is earlier, and such notice shall specify the manner in which such transaction will occur. For the avoidance of doubt, none of the Vodafone Permitted Transactions shall be considered a breach of the Articles of Association or an Event of Default.

- 16.7 If any transferee that is not a member of a Promoter Group is required to make a public announcement of an open offer with respect to the Company under the Takeover Code following a change in Control of a member of either Promoter Group that is subject to the provisions of this Article 16, such transferee's Shareholding that has been acquired from the Public Shareholders pursuant to such open offer will be subject to voting restrictions specified in Article 12.2 and must be sold in the market to the public or to a Financial Investor pursuant to Article 13.2.2(a) within six (6) months of acquisition.

## 17. TERMINATION; FALL AWAY OF RIGHTS

- 17.1 The Shareholders' Agreement shall automatically terminate:

17.1.1 in respect of the rights and obligations of any Promoter Group, upon that Promoter Group ceasing to hold any Equity Shares, it being understood that the Shareholders' Agreement shall remain in force between the non-exiting Promoter Group and any New Qualifying Shareholder and, subject to the provisions of the Shareholders' Agreement, the non-exiting Promoter Group and the exiting Promoter Group shall not have any rights or obligations with respect to each other; and

17.1.2 in respect of the rights and obligations of the Vodafone Group Shareholders in the event of a Vodafone Direct Spin-off Disposal.

- 17.2 The Shareholders' Agreement may be terminated by each Promoter Group with immediate effect upon the earlier of the following, the occurrence of which shall be promptly notified by the Company to each Promoter Group:

17.2.1 any execution or other process of any Governmental Authority issued against or levied upon all or substantially all of the Company's assets, which is not discharged or withdrawn or stayed or vacated within 90 (ninety) days of the date of issue;

17.2.2 an official manager, receiver, trustee, voluntary administrator, liquidator or provisional liquidator is appointed for all or substantially all of the Company's assets or undertaking and such appointment is not dismissed, reversed, vacated or stayed within 90 (ninety) days of such appointment; or

17.2.3 the Company has entered into or resolved to enter into winding up proceedings, or an arrangement, composition or compromise with or assignment for the benefit of its creditors generally or any class of creditors, or proceedings are commenced by a Shareholder to sanction such an arrangement, composition or compromise, in each case, other than for the purposes of a bona fide scheme of restructuring, reconstruction or amalgamation.

- 17.3 Notwithstanding anything contained in the Articles of Association:

17.3.1 Subject to Article 17.3.2, if the Shareholding of a Promoter Group falls below the



Qualifying Threshold, the rights of such Promoter Group under Articles 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) and 10 (*Reserved Matters*) shall cease and the following shall apply:

- (a) the obligations of such Promoter Group under the Articles of Association shall cease only if such Promoter Group no longer holds any Equity Shares; and
- (b) if the Shareholding of the ICL Group Shareholders has fallen below the Qualifying Threshold, Article 12.2 shall cease to apply.

17.3.2 If the rights of the ICL Group Shareholders under the Articles of Association fall away pursuant to Article 17.3.1 as a result of non-participation or partial participation in a Rights Recapitalisation under Article 4, such rights shall be restored if the ICL Group Shareholders increase their Shareholding to at least the Qualifying Threshold in accordance with Article 4.7 (*Rights Recapitalisation Call Option prior to the Equal Shareholding Date*) within the time period specified therein (the “**Rights Cure Period**”), in which case:

- (a) the ICL Group Shareholders shall not be entitled to any rights under Article 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) or 10 (*Reserved Matters*) during the Rights Cure Period;
- (b) before, during and after the Rights Cure Period, the obligations of the ICL Group Shareholders under the Articles of Association shall cease only if no ICL Group Shareholder holds any Equity Shares; and
- (c) Article 12.2 shall not be applicable during the Rights Cure Period and, if the Shareholding of the ICL Group Shareholders is not increased to the Qualifying Threshold within the Rights Cure Period, Article 12.2 shall cease to apply thereafter.

17.3.3 If the Effective Date occurred following failure by a Target Group (the Promoter Group to which such Target Group is related being the “**Leverage Breaching Group**”) to satisfy a condition in respect of Leverage Ratio not exceeding a specified level as agreed, *inter alia*, among the Parties as on the date of the Shareholders’ Agreement, and waiver of such condition by the other Promoter Group:

- (a) the Leverage Breaching Group shall not have any rights under Article 5 (*Board of Directors of the Company*), 6 (*Shareholders Meetings*), 7 (*Key Employees*) or 10 (*Reserved Matters*);
- (b) the Leverage Breaching Group shall waive all its rights under Article 4 (*Funding*), including the right to participate in any Rights Recapitalisation, unless the other Promoter Group agrees otherwise;
- (c) the obligations of the Leverage Breaching Group under the Articles of Association shall cease only if the Leverage Breaching Group no longer holds any Equity Shares; and
- (d) if the Leverage Breaching Group comprises the ICL Group Shareholders, Article 12.2 shall cease to apply.



**18. JOINT AND SEVERAL LIABILITY**

18.1 Notwithstanding any provisions to the contrary in the Articles of Association, all ICL Group Shareholders shall be treated as a single shareholder for the purpose of the Articles of Association and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one ICL Group Shareholder of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other ICL Group Shareholders of their respective rights, obligations, covenants and undertakings hereunder.

18.2 Notwithstanding any provisions to the contrary in the Articles of Association, all Vodafone Group Shareholders shall be treated as a single shareholder for the purpose of the Articles of Association and their rights, obligations, covenants and undertakings hereunder shall be joint and several, and a breach by any one Vodafone Group Shareholder of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other Vodafone Group Shareholders of their respective rights, obligations, covenants and undertakings hereunder.

**19. CONSENTS; NOTICES**

References to consents or notices by the Parties may be satisfied by GIL on behalf of the ICL Group Shareholders or Euro Pacific Securities Ltd. on behalf of the Vodafone Group Shareholders.

**20. ANTI-CORRUPTION LAWS**

The Parties shall not, and shall procure that the members of their respective Groups shall not, directly or indirectly through their Representatives or any Person authorised to act on their behalf (a) offer, promise, pay, authorise or give money or anything of value to any Person for the purposes of (i) influencing any act or decision of any governmental official, (ii) inducing any government official to do or omit to do an act in violation of a lawful duty, (iii) securing any improper advantage or (iv) inducing any government official to influence the act or decision of a Governmental Authority or (b) engage in any other activity, practice or conduct which would give rise to an offence under, or non-compliance with, any applicable anti-bribery and anti-corruption Laws.

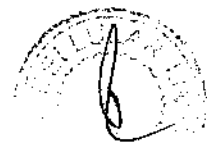
**21. FURTHER ASSURANCES**

Each Party shall, upon being required to do so by any other Party, execute such documents and perform such acts and things as such other Party may reasonably consider necessary for giving effect to the provisions of the Articles of Association.



**SCHEDULE 1**  
**INVESTMENT BANKS**

1. Morgan Stanley
2. UBS
3. Goldman Sachs
4. Deutsche Bank
5. Bank of America Merrill Lynch
6. J.P. Morgan
7. HSBC
8. Credit Suisse
9. Citibank





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

Name, Address, Description and occupation of each Subscriber	Number of Equity Shares taken by each Subscriber	Signature of Subscriber	Signature of Witness and his name, address, description and occupation
Shri Mahesh Chandra Bagrodia S/o Shri K D Bagrodia B-2 15th Floor , Prithvi Apartments, Altamount Road, Bombay 400 001  Service	10 (Ten)	Sd/- M C Bagrodia	Witness to All Sd/- Shri Narayan Rathi S/o Shri Tulsidas Rathi R1/15 Goverdhangiri Society Bangur Nagar Goregaon ( W ) Bombay 400 090  Company Secretary
Shri Raghuvir Bhandari S/o Dr Shree Krishna Raj Bhandari 1 Tahiti Co-op Housing Society 23 Juhu Versova Link Road Bombay 400 053  Service	10 (Ten)	Sd/- R Bhandari	
Shri Sushil Kumar Saboo S/o Madan Lal Saboo Satnam Apartments 4th Floor Colaba Bombay 400 005  Service	10 (Ten)	Sd/- S K Saboo	
Shri Gopi Krishna Tulsian S/o Laxmi Narayan Tulsian 301 Pradeep Worli Hill Estate Bombay 400 018  Service	10 (Ten)	Sd/- G K Tulsian	
Shri Raghuram Raju S/o Shri K V Rama Raju E-GE DDA Flats Mayapuri New Delhi 110 064  Advocate	10 (Ten)	Sd/- R Raju	
Shri Deepak Adalkha S/o Shri L D Adalkha E-25 A East of Kailash New Delhi 110 065  Advocate	10 (Ten)	Sd/- D Adalkha	
Ms Jyoti Pande D/o Shri R C Pande 104 Friends Colony New Delhi 110 065  Advocate	10 (Ten)	Sd/- J Pande	
Total	70 (Seventy )		

Place: Bombay  
Date: March 01, 1995