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MINUTES

MINUTES OF THE EXTRA-ORDINARY GENERAL MEETING OF THE EQUITY SHAREHOLDERS OF APAR INDUSTRIES LIMITED HELD ON FRIDAY, THE 29TH APRIL, 2011 AT 11.00 A.M. AT VANIJYA BHAVAN, CENTRAL GUJARAT CHAMBER OF COMMERCE, RACE COURSE CIRCLE, VADODARA – 390 007.

PRESENT :

Shri K.N. Desai	-	Managing Director & Member of the Company
Shri Chaitanya N.Desai	-	Joint Managing Director & Member of the Company
Shri F.B.Virani	-	Non-Executive – Independent Director and Member of the Company
Shri H.N.Shah	-	Non-Executive – Independent Director and Member of the Company

and 49 Equity Shareholders including 4 Company-members through their representatives.

IN ATTENDANCE :

Shri Sanjaya Kunder	-	Company Secretary
Shri V.C.Diwadkar	-	Chief Finance Officer of the Company

The Company Secretary informed the Meeting that the Chairman of the Board of Directors, Dr. N.D. Desai is unable to attend to-day's meeting as he is out-of-country. The directors present at the meeting, thereupon, unanimously proposed the name of Shri Kushal N. Desai to preside over the meeting.

Accordingly, with the permission of the members present, Shri Kushal N. Desai, Managing Director of the Company occupied the Chair at 11.00 A.M. and called the Meeting to order. As there was requisite quorum for the Meeting, he declared the same as validly constituted and commenced proceedings.

The Chairman informed the Members that the Company has received 33 proxies for equity shares, representing 65.04% of the Paid-up Equity Share Capital of the Company.

He then informed the meeting that the following documents and Registers were placed on the table and were available for inspection by any member.

a) A copy of the Draft Proposal / Scheme of Amalgamation of Uniflex Cables Limited (UCL) along with enclosures as submitted to BIFR and other relevant documents,

b) A copy of the Draft Proposal / Scheme of Amalgamation of Marine Cables & Wires Private Limited (MCWPL) along with enclosures as submitted to BIFR and other relevant documents,

c) Copy of the Subscription and Investor Rights Agreement dated 31st March, 2011 entered into between the Company and Templeton Strategic Emerging Markets Fund III, L.D.C., the Investor.

.....2

CHAIRMAN'S INITIALS

d) A copy of the Certificate from Sharp & Tannan, Chartered Accountants, Statutory Auditors of the Company, certifying that the preferential issue to Investor is in accordance with prescribed guidelines of SEBI.

e) The proposed Articles of Association of the Company incorporating the effect of proposed alterations,

f) Register of Directors' Shareholding (remained open for inspection during the meeting) and

g) Proxy Register and 33 valid Proxies lodged with the Company in connection with this Extra-Ordinary General Meeting (remained open for inspection during the meeting)

He then introduced the Directors of the Company sitting on the dais.

With the permission of the Shareholders present at the Meeting, Notice dated 30th March, 2011 convening the Meeting was taken as read. The Chairman then addressed the Meeting and briefly explained that the purpose of calling the Extra-Ordinary General Meeting was to seek approval of Shareholders in respect of various businesses as mentioned in the Notice dated 30th Mach, 2011.

He thereafter took up the Agenda items of the meeting listed in Notice of the meeting.

Agenda Item No. 1 :

Approval of Draft Scheme of Amalgamation of Uniflex Cables Limited (UCL) with the Company .

The Chairman, in the capacity as shareholder of the Company proposed the following Resolution as **a Special Resolution :**

"RESOLVED THAT subject to the sanction of the Board for Industrial and Financial Reconstruction (BIFR) under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) / or any such concerned authority, a draft Scheme of Amalgamation of Uniflex Cables Limited (UCL), with the Company as laid before the meeting be and is hereby approved and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) be authorized to accept such alterations and modifications in the said Scheme as may be stipulated or required by BIFR / or any such concerned authority, Operating Agency, State or Central Government authorities and other concerned persons if any, while sanctioning or participating in the Rehabilitation Scheme by way of Amalgamation and / or granting such approvals, if any required in connection therewith, which the Board may deem fit and in the interest of the Company and to do such acts, deeds, things and matters as may be necessary to give effect to the said Scheme of Amalgamation."

Mr. Anupam Shukla, a Shareholder (Client ID 42467136 & DP ID No. IN300476) seconded the Resolution.

The Chairman invited questions and comments from members present. The members had no questions or comments on the Resolution.

The Chairman then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

.....3

CHAIRMAN'S INITIALS

HELD AT..... ON ..... TIME .....

Agenda Item No. 2 :

Authorising the Board of Directors to issue and allot Shares of the Company in exchange of the Shares of Uniflex Cables Limited upon Amalgamation of Uniflex Cables Limited with the Company.

Mr. Anupam Shukla, a shareholder (Client ID 42467136 & DP ID No. IN300476), proposed the following Resolution as **a Special Resolution :**

"RESOLVED THAT in accordance with the provisions of Section 81, 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and any other rules / regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by the Government of India (GOI), the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and/or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges on which the Company's shares are listed, or any other relevant authority from time to time and subject to such approvals, permissions and sanctions, consents and / or permissions and subject also to such terms, conditions and modifications as may be prescribed or imposed while granting such approvals, sanctions, permissions and / or consent and agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), the consent, authority and approval of the Company be and is hereby accorded to the Board to the issue and allotment of one equity share of Rs. 10/- each of the Company to the shareholder(s) of Uniflex Cables Limited (UCL) in exchange of Ten equity shares of Rs.10/- each fully paid up, held by it / them in UCL or as may be determined in the Rehabilitation Scheme of Amalgamation / finally sanctioned by Board for Industrial and Financial Reconstruction (BIFR) or any such concerned authority / Parties and in case of any change, the matter should be placed before the Board of Directors and they be authorized to accept and / or execute such change in accordance with final approval of the Scheme by BIFR or any such concerned authority and that the shares so issued and allotted shall be subject to Lock in period as specified in Regulation 78 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

FURTHER RESOLVED THAT in the event of any shareholder of UCL becoming entitled to any fraction of the shares of the Company as a result of such issue, no fractional certificates shall be issued by the Company and such fractions shall be consolidated into whole shares and the Board of Directors of the Company will allot such shares to any person or persons as they may, in their absolute discretion, deem fit for the purpose of holding and selling such whole shares at such time or times at such price or prices as may be approved by the Board of Directors of the Company and the aggregate sale proceeds of such whole shares, after defraying all costs, charges and expenses of sale, shall be distributed pro-rata amongst such members of UCL as would otherwise have been entitled to such fractions of the shares of the Company pursuant to the Scheme.

FURTHER RESOLVED THAT the Equity shares so allotted by the Company to the member(s) of the UCL shall in all respects rank pari-passu with the existing equity shares of the Company for dividend and voting rights etc. and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby empowered to make such changes in the number of shares to be allotted, the ratio of shares to be allotted and such other changes as may be required in the Scheme of Amalgamation by the BIFR or any such concerned authority, Government and other authorities while granting their approvals and which are acceptable to the Board of Directors of the Company."

.....4

CHAIRMAN'S INITIALS

Mr. Shailesh Shah, a Shareholder (Client ID 12557511 & DP ID No. IN301151) seconded the Resolution.

The Chairman invited questions and comments from members present. The members had no questions or comments on the Resolution.

The Chairman then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

Agenda Item No. 3 :

Approval of Draft Scheme of Amalgamation of Marine Cables & Wires Private Limited (MCWPL), the Subsidiary of Uniflex Cables Limited (UCL) with the Company.

Mr. Prasad Pachegaokar, a shareholder (Client ID 11816447 & DP ID No. IN300513), proposed the following Resolution as **a Special Resolution :**

"RESOLVED THAT subject to the sanction of the Board for Industrial and Financial Reconstruction (BIFR) under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) or any such concerned authority, a draft Scheme of Amalgamation of Marine Cables & Wires Private Limited (MCWPL), with the Company as laid before the meeting be and is hereby approved and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution), be and is hereby authorized to accept such alterations and modifications in the said Scheme as may be stipulated or required by BIFR / or any such concerned authority, Operating Agency, State or Central Government authorities and other concerned persons if any, while sanctioning or participating in the Rehabilitation Scheme by way of Amalgamation and / or granting such approvals, if any required in connection therewith, which the Board may deem fit and in the interest of the Company and to do such acts, deeds, things and matters as may be necessary to give effect to the said Scheme of Amalgamation. "

Mr. H. M. Mehta, a Shareholder (Folio No. H0000924) seconded the Resolution.

The Chairman invited questions and comments from members present. The members had no questions or comments on the Resolution.

The Chairman then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

Agenda Item No. 4 :

Authorising the Board of Directors to issue 3,636,363 Equity Shares on Preferential Allotment basis under Section 81 (1A) of the Companies Act, 1956 to Templeton Strategic Emerging Markets Fund III, L.D.C.

Mr. H.B.Trivedi, a shareholder (Client ID 14682779 & DP ID No. IN301549), proposed the following Resolution as **a Special Resolution :**

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "***Act***", *including any statutory modification or re-enactment thereof for the time being in force*), and in accordance with the applicable provisions of Foreign Exchange Management Act, 1999 and rules and

.....5

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

regulations made thereunder (the "***FEMA Regulations***"), the guidelines and clarifications issued by the Government of India ("***GOI***"), Securities and Exchange Board of India ("***SEBI***") including Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "***SEBI ICDR Regulations***") and enabling provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and each of the stock exchanges on which the securities of the Company are listed (collectively the "***Stock Exchanges***"), and subject to all such approvals, permissions, consents and sanctions of any authorities, as may be necessary, including the approval of the Foreign Investment Promotion Board ("***FIPB***"), Reserve Bank of India ("***RBI***"), SEBI or any other relevant authority, from time to time, or approval from banks, financial institutions or other lenders of the Company, and subject to such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions and as agreed to by the Board, 3,636,363 (Three Million Six Hundred and Thirty Six Thousand Three Hundred and Sixty Three) Equity Shares (the "***Investor Equity Share***") of Rs. 10 (Rupees Ten only) each at a premium of Rs. 210 (Rupees Two Hundred and Ten only) per Investor Equity Share, in accordance with SEBI ICDR Regulations and other relevant guidelines/ regulations as may be applicable, be offered, issued and allotted to Templeton Strategic Emerging Markets Fund III, L.D.C. established under the laws of Cayman Islands ("***Investor***"), having its registered office at C/o. Maples Corporate Services Ltd., P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, on a preferential allotment basis in accordance with the terms and conditions and in such manner as is contemplated in the Subscription and Investor Rights Agreement dated 31 March 2011.

RESOLVED FURTHER THAT:

(1) the Investor Equity Shares to be so issued and allotted be subject to the provisions of the Memorandum and Articles of Association of the Company and the provisions of SEBI ICDR Regulations, and shall rank *pari passu* with the then existing equity shares of the Company in all respects and be listed and have the same voting rights as the existing equity shares and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and in all the subsequent years;

(2) the relevant date for the purpose of determining the price of the Investor Equity Shares in accordance with the SEBI ICDR Regulations be fixed as 30th March, 2011, being 30 days prior to 29th April, 2011 (i.e. 30 days prior to the date on which meeting of the general body of shareholders is held, in terms of Section 81(1A) of the Act to consider the proposed issue);

(3) the offer, issue and allotment of the Investor Equity Shares be made not later than, 15 (fifteen) days from the date of shareholders approval (subject to the provision of the SEBI ICDR Regulations);

(4) the Board be and is hereby authorised to take all such acts and comply with all formalities and procedures required to be complied with in relation to the issuance of the Investor Equity Shares including filing of the return of allotment with the Registrar of Companies and the necessary documents with the RBI and other authorities;

(5) the Board be and is hereby authorised to decide and approve any other terms and conditions of the issue of the Investor Equity Shares and also shall be entitled, subject to agreement with Investor to vary, modify or alter any of the terms and conditions, as it may deem expedient, without being required to seek any further consent or approval of the Company in General Meeting, subject however to compliance with the provisions of all applicable law, guidelines, notification, rules and regulations;

.....6

CHAIRMAN'S INITIALS

(6) the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or any Committee of Directors or any other employee or officer of the Company (as it may consider appropriate) to give effect to the aforesaid resolutions.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or incidental to this resolution and to settle any question, difficulty or doubt that may arise from time to time in regard to the offer, issue and allotment of the Investor Equity Shares to the Investor and further to do all such acts, deeds, matters and things and to finalise and execute all documents, papers, agreements, deeds and writings as may be necessary, desirable or expedient as it may deem fit."

Mr. Shailesh Shah, a Shareholder (Client ID 12557511 & DP ID No. IN301151) seconded the Resolution.

The Chairman invited questions and comments from members present. The members had no questions or comments on the Resolution.

The Chairman then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

Agenda Item No. 5 :

Approving proposed alteration of Articles of Association of the Company.

Mr. Hemang Mehta (Folio No. H0000924), proposed the following Resolution as **a Special Resolution :**

"**RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, approval of the shareholders be and is hereby accorded to alter and amend Articles of Association to include the provisions of Subscription & Investor Rights Agreement entered into between the Company and Templeton Strategic Emerging Markets Fund III, L.D.C. ("**Investor**")

"**RESOLVED FURTHER THAT**

(1) The definition of "Affiliate" in the existing Article 2(a) of the Articles of Association which reads as follows:

""Affiliate" means, in relation to any Person, any entity controlled, directly or indirectly, by that Person, any entity that controls, directly or indirectly, that Person, or any entity under common control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such person. For the purpose of this definition:

*(i) "**control**" means the power to direct the management and policies of an entity whether through the ownership of voting capital, by contract or otherwise, and*

(ii) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity;"

is replaced in entirety by the following:

.....7

CHAIRMAN'S INITIALS

""Affiliate" means, in relation to any Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such person. For the purpose of this definition:

*(i) "**Control**" means the power to direct the management and policies of an entity whether through the ownership of voting capital, through the right to appoint a majority of directors to the board of an entity, by contract or otherwise (and the terms "Controlled" and "Controlling" shall be construed accordingly unless repugnant to the context), and*

(ii) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity;

Without limiting the generality of the foregoing, with respect to the Investor, the term "Affiliate" "shall also mean (a) any Person that acquires the Investor; and (b) any fund (present and in future) or collective investment scheme of which the Investor or its Affiliate is an investment manager or general partner."

(2) The following definition of "ARIA II" be deleted from the existing Article 2(a) of the Articles of Association.

ARIA II

"ARIA II" means Aria Investment Partners II, LP and / or its Subsidiaries.

(3) The following definition of "Agreement" be inserted in Article 2(a) of the Articles of Association:

""Agreement" means the Subscription & Investor Rights Agreement dated 31st March, 2011 between the Company and the Investor."

(4) The definition of "Board" in the existing Article 2(a) of the Articles of Association which reads as follows:

""Board" or the "Board of Directors" means a meeting of the Directors duly called and constituted, or as the case may be the Directors assembled at a Board, or the requisite number of Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively."

is replaced in entirety by the following:

""Board" or the "Board of Directors" means the board of directors of the Company or any Committee thereof."

(5) The definition of "Business" in the existing Article 2(a) of the Articles of Association which reads as follows:

*"**BUSINESS**" means the business currently being carried out by the Company namely the manufacturing and marketing of uninsulated conductors of all types, polymers and speciality oils (including transformer oils).*

Is replaced in entirety by the following :

.....8

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

*""**BUSINESS**" means the business currently being carried out by the Company namely the manufacturing and marketing of uninsulated conductors of all types and speciality oils (including transformer oils)".*

(6) The definition of "Business Day" in the existing Article 2(a) of the Articles of Association which reads as follows:

""Business Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in Mumbai, India, New York, USA and Hong Kong and Port Louis, Mauritius for the transaction of normal banking business."

is replaced in entirety by the following:

""Business Day" means a day which is not (a) a Saturday or Sunday; nor (b) a day on which banks in Mumbai and Mauritius are closed for ordinary banking business."

(7) The following definition of "Confidential Information" be inserted in Article 2(a) of the Articles of Association:

""Confidential Information" includes but is not limited to information relating to the business, affairs, performance and finances of the Company or any company, which is for the time being, a Subsidiary of the Company, and trade secrets (including, without limitation, technical data and know-how) relating to the business of the Company or any company, which is for the time being, a Subsidiary of the Company or of any of its respective clients or customers."

(8) The following definition of "Connected Person/Concern" be deleted from the existing Article 2(a) of the Articles of Association.

"Connected Person / Concern" means any related parties (as defined in Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India).

(9) The following definition of "Days" be inserted in Article 2(a) of the Articles of Association

"Days" shall mean "calendar days;"

(10) The definition of "Directors" in the existing Article 2(a) of the Articles of Association which reads as follows:

""Directors" means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board or acting by circular resolution under the Articles."

is replaced in entirety by the following:

""Directors" shall mean a director on the Board from time to time appointed from time to time in accordance with applicable laws;"

(11) The definition of "Investor" in the existing Article 2(a) of the Articles of Association of which reads as follows:

""Investor" means Shinny Limited, a company incorporated and registered under the laws of Mauritius and having its office at c/o Citco (Mauritius) Limited, 5th Floor, Cathedral Square, Port Louis, Mauritius which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns."

.....9

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

is replaced in entirety by the following:

""*Investor" means Templeton Strategic Emerging Markets Fund III, L.D.C., a company incorporated under the laws of the Cayman Islands, having its registered office at C/o. Maples Corporate Services Ltd., P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns.*"

(12) The definition of "Investor Shares" in the existing Article 2(a) of the Articles of Association which reads as follows:

""*Investor Shares" means the Subscription Shares and the Equity Shares held by the Investor and/or any member of the Investor Group at any time and from time to time, including without limitation the Equity Shares issued on conversion of the Subscription Shares;*"

is replaced in entirety with the following:

""*Investor Shares" means the Subscription Shares and any other Equity Shares or Securities convertible into, or exchangeable for, Equity Shares as may be subscribed to from time to time by the Investor or any of its Affiliates*"

(13) The definition of "Losses" in the existing Article 2(a) of the Articles of Association which reads as follows:

""*Losses" means all direct losses, costs, and charges including reasonable out-of-pocket expenses;*"

is replaced in entirety with the following:

""*Losses" means all direct losses, claims, liabilities, costs, and damages, including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements.*"

(14) The following definition of "Marine Cables" be inserted in Article 2(a) of the Articles of Association:

""*Marine Cables" means Marine Cables & Wires Private Limited having its registered office at Apar House, Corporate Park, Sion Trombay Road, Chembur, Mumbai 400 071.*"

(15) The definition of "Ordinary Course of Business" in the existing Article 2(a) of the Articles of Association which reads as follows:

""*Ordinary Course of Business" is defined as any business activities that relate to the Company's Business;*"

is replaced in its entirety by the following:

""*Ordinary Course of Business" shall mean the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency), but only to the extent consistent with applicable Law and the custom of entities engaged in the same business of the Company.*"

...10

CHAIRMAN'S INITIALS

HELD AT ON TIME

(16) The definition of "Paid up Capital" in the existing Article 2(a) of the Articles of Association which reads as follows:

""*Paid up capital or "Capital paid up" includes capital credited as paid up.*"

is replaced in its entirety by the following:

""*Paid-Up Share Capital" shall mean the fully diluted equity share capital of the Company from time to time.*"

(17) The definition of "Promoters" in the existing Article 2(a) of the Articles of Association which reads as follows:

""*Promoters" means Dr. N. D. Desai, Shri K. N. Desai and Shri C. N. Desai.*"

is replaced in its entirety by the following:

""*Promoters" means Dr. N. D. Desai, Shri K. N. Desai, Shri C. N. Desai, M/s. Chaitanya N. Desai Family Trust (Trustee Dr. N. D. Desai), M/s. Kushal Chaitanya Desai Family Trust (Trustee Dr. N. D. Desai), M/s. Kushal N. Desai Family Trust (Trustee Dr. N. D. Desai), Mr. Rishabh K. Desai, Ms. Gaurangi K. Desai, Smt. Noopur K. Desai, Apar Corporation Private Limited and Scope Private Limited.*"

(18) The following definition of "Reorganisation" be inserted in Article 2(a) of the Articles of Association:

""*Reorganisation" means every issue by way of capitalisation of profits or reserves and every issue by way of rights or bonus and every consolidation or sub-division or reduction of capital, buy-back of Equity Shares or Securities or capital distribution or other reconstruction or adjustment relating to the equity share capital of the Company and any amalgamation or reconstruction affecting the equity share capital of the Company.*"

(19) The following definition of "Securities" be inserted in Article 2(a) of the Articles of Association:

""*Securities" has the meaning given to such term in the Securities Contracts (Regulation) Act, 1956.*"

(20) The following definition of "Shareholders" be inserted in Article 2(a) of the Articles of Association:

""*Shareholders" shall mean all the holders of Equity Shares, including but not limited to the Investor and the Promoters.*"

(21) The definition of "Subscription Shares" in the existing Article 2(a) of the Articles of Association which reads as follows:

""*Subscription Shares" means the 3,445,978 5.40% Cumulative Compulsorily Convertible Preference Shares with participating rights of Rs. 185/- each issued by the Company to the Investor.*"

is replaced in its entirety by the following:

""*Subscription Shares" means 36,36,363 ("Thirty Six Lacs Thirty Six Thousand Three Hundred and Sixty Three") Equity Shares of the Company of Rs. 10/- (Rupees Ten) each of the Company.*"

.....11

CHAIRMAN'S INITIALS

(22) The following definition of "Uniflex" be inserted in Article 2(a) of the Articles of Association:

""*Uniflex" means Uniflex Cables Limited having its registered office at Apar House, Corporate Park, Sion Trombay Road, Chembur, Mumbai 400 071.*"

(23) The following Article 11 of the Articles of Association be stand deleted in its entirety:

"*11.* ***SUBSCRIPTION SHARES***

(1) The Company shall duly pay the requisite amount of stamp duty in respect of the Equity Shares to be issued on conversion of the Subscription Shares and shall use its best endeavors (i) to take all actions for the credit of the Equity Shares to be issued on conversion of the Subscription Shares, to the depositary account of the Investor (the details of which shall be provided by the Investor to the Company in advance) within Seven (7) Business Days of such conversion, as the case may be and (ii) to take all requisite actions (including all actions reasonably requested by the Investor) to procure that the Equity Shares issued on conversion of the Subscription Shares are listed on the Exchanges within Fifteen (15) days of their issue and for this purpose shall obtain the final listing approval of the Exchanges. Provided, however, the Company shall obtain final listing approval of the exchanges as aforesaid within thirty (30) days from the date of issues of the Equity Shares on conversion.

(2) The Company shall declare a preference dividend of 5.40% per annum on the Subscription Shares prior to their conversion into Equity Shares.

(3) The Company shall ensure that the Subscription Shares are converted into Equity Shares in accordance with their terms."

(24) The existing Article 23A(a) of the Articles of Association which reads as follows:

""*23A. (a) Subject to these Articles, the Investor shall be entitled to assign all but not less than all its rights and transfer its obligations hereunder to any Permitted Investor Nominee, provided (i) the Investor has transferred the Subscription Shares and/or Equity Shares to such transferee; (ii) such transferee continues to hold not less than 5% of the outstanding Equity Share capital (or Subscription Shares convertible into such Equity Shares) of the Company and (iii) the Investor, after such transfer, holds less than 5% of the Equity Share capital of the Company. For this purpose, "Permitted Investor Nominee" shall mean Affiliates of the Investor and the funds advised, managed or related to the Investor. For the purpose of such assignment, the Company shall execute such instruments as may be required by the Investor. Provided that such Person shall not be a competitor or supplier to the Company. On assignment of such rights by the Investor to Permitted Investor Nominee, the Investor shall cease to be entitled to exercise the rights available to it hereunder . Provided at any one point of time, only one of the Investor and the transferee under this Article 23A shall be entitled to exercise the rights and be subject to the obligations hereunder.*

....12

CHAIRMAN'S INITIALS

HELD AT ON TIME

The Investor shall not be entitled to assign its rights and obligations, hereunder, save and except as provided in this Article 23A."

is replaced in its entirety by the following:

"*23A. (a) Subject to Article 67, the Investor shall be entitled to assign its rights and/or transfer its obligations hereunder.*"

(25) The existing Article 23A(c) of the Articles of Association which reads as follows:

"*(c) Without prejudice to the above, any of the rights of the Investor hereunder may be exercised by any member of the Investor Group on behalf of the Investor. Any rights granted to the Investor hereunder may be directly exercisable and enforceable by ARIA II as if such rights have been granted directly to ARIA II instead of having been granted to the Investor.*"

is replaced in its entirety by the following:

"*(c) Without prejudice to the above, any of the rights of the Investor hereunder may be exercised by any member of the Investor Group on behalf of the Investor.*"

(26) The following existing Article 23A(d) of the Articles of Association be deleted in its entirety:

"*(d) Without prejudice to the above, the Investor may transfer any of its rights and/or obligations to any Person with the prior consent of the Company.*"

(27) The existing Article 67(1) of the Articles of Association which reads as follows:

"67 *(1) Till the time, after conversion of the Subscription Shares into equity shares, the Investor continues to hold 5 % or more of the outstanding equity shares of the Company or till September, 2008, whichever is earlier, the Promoters shall not Transfer any Equity Shares of the Company as a consequence of which they cease to legally and beneficially hold, at all times, in the aggregate, at least 50.1% of the then Equity Share capital of the Company. Without prejudice to the aforesaid, in the event that the Promoters cease to hold at least 50.1% of the Equity Share capital of the Company, then the Promoters shall not be entitled to Transfer any further Equity Shares as long as they do not hold at least 50.1% of the Equity Share capital of the Company. The Promoters shall not pledge or otherwise encumber any of the Equity Shares held by them to any Person, save and except an encumbrance in favour of the bankers and lenders of the Company to secure any Indebtedness of the Company. Provided however that the Promoters may transfer the Equity Shares held by them to an Affiliate or Relative (as defined in the Act) of the Promoters or inter-se the Promoters, subject to:*

(a) The transferee shall execute a Deed of Adherence; and

(b) At least 25% of the share capital of the Company, in aggregate, shall remain with the Promoters."

is replaced in its entirety with the following:

.....13

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

"67 (1) *The Company will, subject to the provision of the applicable Law, exercise all its rights and powers to ensure that the Equity Shares of the Company are dealt with in the manner permitted under these Articles. Any Transfer or attempted Transfer of any Equity Shares and/or Securities of the Company in violation of the Articles shall be void, and, to the extent it is within the reasonable control of the Company, no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes."*

(28) The existing Article 67(2) of the Articles of Association which reads as follows:

"67 (2) *The Investor shall be entitled to deal with and dispose off the Subscription Shares (and the Equity Shares resulting of the conversion thereof) in any manner, subject however to sub-clause 3 below and any other agreement as may be applicable. The Investor shall be entitled to transfer the shares of the Company to any Affiliate of the Investor and shall be entitled to transfer its rights and obligations hereunder to such Affiliate subject to and in the manner contemplated in Article 23A herein."*

is replaced in its entirety with the following:

"67 (2) *Subject to any statutory lock-in restrictions applicable to the Investor's holding of the Subscription Shares, the Investor shall have the right at any time to sell all or part of its shareholding either through a private sale or through the stock exchanges except that the Investor shall not be entitled to transfer the Subscription Shares (or any part thereof) to a Competitor through a privately negotiated sale.*

"Competitor" means any of the following entities:

(i) Savita Oil Technologies Limited;

(ii) Nynas AB, Sweden;

(iii) Sterlite Technologies Limited; and

(iv) Polycab Wires Private Limited."

(29) The existing Article 67(3) of the Articles of Association which reads as follows:

"67 (3) *The Investor shall not negotiate (for the purpose of transfer) with and/or transfer any of the Equity Shares held by it to any persons who are competitors or suppliers to the Company, save and except with the prior consent in writing of the Promoters and the Company. This provision shall not apply to any Permitted Sales (as defined below) by the Investor on any stock exchange.*

*"**Permitted Sales**" means a sale on a stock exchange other than a sale to a competitor or supplier which has been pre-negotiated."*

is replaced in its entirety with the following:

.....14

CHAIRMAN'S INITIALS

HELD AT ON TIME

"67 (3) *In any sale of Investor Shares by the Investor through a privately negotiated sale, the Investor shall be entitled to transfer all rights attached to the Investor Shares other than the Investor Specific Rights, it being understood that (i) all such rights shall be exercisable through the Investor; (ii) if the transferee of the Investor makes an onward transfer of the Equity Shares acquired from the Investor, then the subsequent transferee shall not acquire any rights; and (iii) upon termination of the Agreement, all rights held by the Investor thereunder or by any transferee shall cease to be available. It is hereby clarified that any sale of Investor Shares by the Investor through the stock exchanges (except through a block deal that is privately negotiated) shall always be without the assignment of rights attached to the Investor Shares by virtue of the Agreement. In any sale of Equity Shares by the Investor, the Company shall if requested by the Investor, to the extent permissible in Law, render all necessary assistance for the purpose of facilitating such an exit. Notwithstanding the above, the Investor, shall at all times, be entitled to transfer any Investor Shares and/or assign the rights attached to the Investor Shares when coupled with such transfer, to any Affiliate of the Investor."*

Investor Specific Rights shall mean right available to the investor (i) under the Agreement for indemnification for breach of warranties (ii) under Article 133 A to appoint Director on the board (iii) under Article 174 in relation to Reserve Matters and (iv) under Article 234 in relation to Information Rights.

(30) The following new Articles 67(4), 67(5), 67(6), 67(7), 67(8) and 67(9) be inserted after the existing Article 67(3) in the Articles of Association:

"67 (4) *In connection with its right to sell its shareholding, the Investor shall have the right to demand that the Company register the Investor Shares with all regulatory authorities necessary to ensure free transferability of such Investor Shares.*

(5) ***Transfer by Promoters***

(a) *Investor Consent*

During the validity of the Agreement, none of the Promoters shall, directly or indirectly, Transfer or attempt to Transfer all or any of their any Equity Shares, warrants or other Securities convertible into Equity Shares held by them in the Company in any manner whatsoever to any Person without seeking prior written consent of the Investor. Any Transfer of the Equity Shares, warrants or other Securities convertible into Equity Shares by any Promoter after seeking consent prior written consent of the Investor shall strictly be in accordance with this Article 67, provided however that the Promoters shall be entitled to Transfer any of their Equity Shares (including warrants or other Securities convertible into Equity Shares) inter-se amongst the Promoters and/or their respective Affiliates subject to such transferees executing a Promoter Deed of Adherence in terms of the Agreement.

(b) *Investor Tag Along Rights*

Subject to Article 67(5) (a):

.....15

CHAIRMAN'S INITIALS

HELD AT ON TIME

(i) *In the event anyone or more of the Promoters propose to Transfer any of their Equity Shares (or any other securities or other equity linked instruments) held by them in the Company (subject to obtaining prior approval of the Investor in accordance with the provisions of Article 67(5)(a)) to any Person, then the Investor shall have the option to require the transferring Promoter to include in the proposed sale, on a pro-rata basis such number of the Investor Shares as are equivalent to the shareholding percentage held by it, at the relevant time, at the same price and on the same terms as have been offered to the Promoters.*

(ii) *This right of the Investor contained herein is called the "**Tag Along Right**". The Tag Along Right set forth in this Clause is not exercisable "one time only" but shall apply in each case of a proposed Transfer by the Promoters subject to the terms of this Undertaking and the Agreement.*

(iii) *If any of the Promoters propose to Transfer any of the Equity Shares held by them in the Company, then, the Promoter/s shall first give a written notice (hereinafter referred to as "**Tag Along Notice**") to the Investor. The Transfer Notice shall state:*

(A) *the number of Equity Shares of the Company proposed to be Transferred (hereinafter referred to as the "**Tag Along Shares**") and the number and class of Equity Shares in the Company the Promoter/s own(s) at that time on an undiluted basis,*

(B) *the name and address of the proposed transferee,*

(C) *the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee,*

(D) *the proposed date of consummation of the proposed Transfer,*

(E) *a representation that the proposed transferee has been informed of the Tag Along Right provided for in this Undertaking and has agreed to purchase all the Equity Shares required to be purchased in accordance with the terms of this Article, and*

(F) *a representation that no consideration, tangible or intangible, is being provided, directly or indirectly, to the Promoter/s that will not be reflected in the price paid to each Investor on exercise of the Tag Along Right hereunder. In the event that the*

....16

CHAIRMAN'S INITIALS

*proposed consideration for the Transfer includes consideration other than cash, the Tag Along Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The total value of the consideration for the proposed Transfer is referred to herein as the "**Tag Along Price**". The Tag Along Notice shall be accompanied by a true and complete copy of all documents constituting the agreement between the Promoter/s and the proposed transferee regarding the proposed Transfer;*

(iv) *The Investor shall be entitled to respond to the Tag Along Notice by serving a written notice (the "**Response Notice**") on the Promoters prior to the expiry of 30 (thirty) Days from the date of receipt of the Tag Along Notice ("**Tag Along Period**") requiring the Promoter/s to ensure that, the proposed transferee of the Tag Along Shares also purchases such number of the Investor Shares which are proportionate to the shareholding percentage held by it at the relevant time, at the same price and on the same terms as are mentioned in the Tag Along Notice, except that the Investor shall not be required to provide any representations or warranties, other than in respect of their title to such Equity Shares, to the proposed transferee;*

(v) *It shall be the responsibility and liability of the Promoters to ensure that, along with the Tag Along Shares, the proposed transferee also acquires the Investor Shares specified in their respective Response Notices for the same consideration and upon the same terms and conditions as applicable to the Tag Along Shares. Where the Investor has properly elected to exercise its Tag Along Right and the proposed transferee fails to purchase from the Investor, the Investor Shares which the Investor is entitled to sell in terms of this Article, the Promoters shall not make the proposed Transfer, and if purported to be made, such Transfer shall be null and void.*

(vi) *In the event that the Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Tag Along Period, then, upon the expiry of the Tag Along Period, the Promoters shall be entitled to sell and transfer the Tag Along Shares to the proposed transferee mentioned in the Tag Along Notice on the same terms and conditions and for the same consideration as is specified in the Tag Along Notice. If completion of the sale and transfer to the proposed transferee does not take place within a period of 90 (ninety) Days following the expiry of the Tag Along Period, the Promoters' right to transfer the Tag Along Shares to such third party shall lapse and the provisions of this Article 67(5) (b) shall once again apply to the Tag Along Shares.*

.....17

CHAIRMAN'S INITIALS

HELD AT ON TIME

(vii) *Notwithstanding anything else contained in this Article, in the event any of the Promoters propose to Transfer, whether directly or indirectly, any of their Equity Shares (or any other securities or other equity linked instruments) held by them in the Company (subject to obtaining prior approval of the Investor in accordance with the provisions of 67(5) (a)) and such proposed Transfer by such transferring Promoter would result in Transfer of more than 3% (three percent) of the Promoters' aggregate shareholding percentage (reckoned as on the Completion Date as per the Agreement) post the proposed Transfer (either through any single or series of transactions), then the Investor shall have the option (but not the obligation) to require the Promoters to include any or all of the Equity Shares held by the Investor as part of the total number of Equity Shares proposed to be sold to the proposed transferee, at the same price and on the same terms as have been offered to the Promoters. In any Transfer pursuant to this Article, in the event that the proposed transferee is only interested in acquiring a limited number of Equity Shares, the Promoters shall ensure that they reduce the number of Equity Shares sought to be Transferred by the Promoters to the extent necessary in order to fully accommodate a Transfer of the Equity Shares by the Investor.*

(6) *Any Transfer of the Equity Shares by the Investor shall be strictly in accordance with this Article 67.*

(7) *The Transfer restrictions on the Promoters contained herein shall not be capable of being avoided by the holding of Equity Shares indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Shares free of such restrictions. Any Transfer, issuance or other disposal of any Equity Shares or Securities (or other interest) resulting in any change in the Control, directly or indirectly, of the Promoters, or of any Affiliate of any Promoters which holds, directly or indirectly, any Equity Shares, shall be treated as being a Transfer of the Equity Shares held by the Promoters, and the provisions of this Article that apply in respect of the Transfer of Equity Shares shall thereupon apply in respect of the Equity Shares so held.*

(8) *Any Transfer or attempted Transfer of any Equity Shares and/or Securities of the Company in violation of this Article shall be void and the Promoters shall ensure that no such Transfer is recorded on the Company's books and the purported transferee in any such Transfer is not treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes.*

(9) *Where any of the Investor or the Promoters (the "**Relevant Party**") require prior legal, Governmental, regulatory or Shareholder consent for a disposal of Equity Shares pursuant to this Article, then notwithstanding any other provision of these Articles or the Agreement, the Relevant Party shall only be obliged to dispose of*

...18

CHAIRMAN'S INITIALS

Equity Shares once such consent or approval is obtained, and the Parties shall use their best endeavours to obtain any such required approvals. Any period within which a Transfer of such Equity Shares by the Relevant Party has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals."

(31) The existing Article 133A(a) of the Articles of Association which reads as follows:

"*133A (a)* *The Board shall at all times be constituted in accordance with all corporate governance norms, including the provisions of the listing agreements between the Company and the exchanges on which the Equity Shares of the Company are listed. The Investor shall be entitled to appoint and maintain in office one Director (and to remove from office any Director so appointed and to appoint another in the place of the Director so removed) ("Investor Director"). To the extent permissible by Law, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal under this Article 133A shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If the Law does not permit the person nominated by the Investor to be appointed as a Director merely by such nomination, the Company shall ensure that the Board forthwith at the next Board meeting appoints such person as a Director and further that, unless the Investor changes or withdraws such nomination, such person is also elected as a Director at the next annual general meeting of the shareholders of the Company."*

is replaced in its entirety by the following:

"*133A (a)* *The Board shall at all times be constituted in accordance with all corporate governance norms, including the provisions of the listing agreements between the Company and the exchanges on which the Equity Shares of the Company are listed. The Investor shall be entitled to appoint and maintain in office one Director ("Investor Director"). All appointments or removal of the Investor Director shall be in writing and delivered to the registered office of the Company. To the extent permissible by Law, the appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal under this Article 133A shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If the Law does not permit the person nominated by the Investor to be appointed as a Director merely by such nomination, the Company shall ensure that the Board forthwith at the next Board meeting appoints such person as a Director and further that, unless the Investor changes or withdraws such nomination, such person is also elected as a Director at the next annual general meeting of the shareholders of the Company. The Investor Director shall serve from the time of his appointment until the earlier of his removal, resignation, death, disqualification or retirement."*

(32) The existing Article 133A(b) of the Articles of Association which reads as follows:

CHAIRMAN'S INITIALS

HELD AT ON TIME

"133A (b) *The Investor Directors shall be non-executive Directors and shall not be responsible for the day-to-day management of the Company. The Company shall nominate Directors or persons other than the Investor Director as "persons in charge" as contemplated under applicable Law and shall ensure that, unless otherwise provided in the applicable Law, the Investor Directors are not included within the scope of "officer who is in default" under applicable Law."*

is replaced in its entirety with the following:

"*133A (b)* *The Investor Director shall be a non-executive Director and shall have no responsibility for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Law. The Company shall nominate Directors or persons other than the Investor Director as "persons in charge" as contemplated under applicable Laws and shall ensure that the Investor Director is not included within the scope of "officer who is in default" under applicable Laws and the Company shall at all times appoint a compliance officer or a designated officer(s) of the Company who shall be the officer in default for the purposes of applicable Law. In the event that any notice or proceedings have been filed against the Investor Director by reason of him/ them being included within the scope of "officer(s) who is in default", the Company shall take all necessary steps to ensure that name of the Investor Director is / are excluded / deleted and the charges / proceedings against the Investor Director is withdrawn and shall also take all steps to defend the Investor Director against such proceedings and shall pay all costs, damages, fines, levies etc. that may be levied against the Investor Director. The Investor Director shall not be liable to retire by rotation;"*

(33) The existing Article 133A(d) of the Articles of Association which reads as follows:

"*133A (d)* *The Investor shall be entitled to from time to time nominate a person to be appointed as the alternate director to the Investor Director; and the Company, subject to the applicable laws, shall exercise all its rights and powers and take all requisite actions to ensure that such person is appointed forthwith as the Investor Director's alternate director."*

In the above existing Article 133A(d), after the words "*as the alternate director to the Investor Director; and the Company*", the words "*and Promoters*" be inserted.

(34) The existing Article 133A(e) of the Articles of Association which reads as follows, stands deleted in its entirety:

"*133A (e)* *The Investor Director shall be entitled to be a member of, or at the option of the Investor, an invitee on the audit committees of the Board.*

*As long as the Investor remains entitled to appoint an Investor Director on the Board of the Company in accordance with the provisions of this Article 133A, the Investor shall also be entitled to appoint any person as an observer (the "**Observer**") in relation to the Company. Such Observers shall be entitled to attend any and all meetings of the Board and of all the committees of the Board. The Observer shall not have any right to vote or participate in any manner in any discussions or deliberations of the Board or the committees."*

.....20

CHAIRMAN'S INITIALS

HELD AT ON TIME

(35) After the existing Article 133A of the Articles of Association, the following new Article 133B be inserted:

"INDEPENDENT DIRECTOR

*133B. The Board shall, at all times, comprise of such number of independent non-executive Directors ("**Independent Directors**") in compliance with the provisions of the Act and relevant listing agreements executed by the Company with the exchanges, who shall have appropriate experience and qualifications to hold a position of this nature on the board of a company such as the Company."*

(36) The existing Article 167 of the Articles of Association which reads as follows:

"*167 The Directors may meet together as a Board for transaction of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meeting of the Board, which had been called in compliance with the terms herein mentioned could not be held for want of quorum."*

is replaced in its entirety with the following:

"*167 The meetings of the Board shall be held at the registered office or corporate office (at Mumbai) of the Company (unless agreed otherwise) at least once in three months and at least four such meetings shall be held every year. Any Director shall be entitled to convene a meeting of the Board in accordance with the articles of association of the Company."*

(37) The existing Article 169 of the Articles of Association which reads as follows:

"*169 Notice of every meeting of the Board of the Company shall be given in writing to every director for the time being in India and at his usual address in India. Notice may be given by telephone / fax / e-mail to any Director who is not in the State of Gujarat."*

is replaced in its entirety with the following:

"*169 The notice of every Board meeting shall be given to each Director at the address notified from time to time by such Director, at least 7 (seven) Business Days prior to such meeting, provided that, the notice period of 7 (seven) Business Days may be shortened by written consents of all the Directors (including the Investor Director)".*

(38) The existing Article 170 of the Articles of Association which reads as follows:

"*170 At least Seven (7) Business Day's notice alongwith agenda for each Board meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board shall be circulated to each Director and the Observer unless (i) a majority of the Directors (which majority shall include the Investor Director) agree to a shorter notice; or (ii) convening a Board meeting is urgent and in the interest of the Company. The items not specified in the agenda may not be discussed at any Board meeting save and except with the consent of the Investor Director. Provided that, notwithstanding the above, at least 14 Business Days notice alongwith agenda for each Board meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board shall be*

...21

CHAIRMAN'S INITIALS

provided in respect of any meeting of the Board at which any Reserved Matters are sought to be considered, unless a majority of the Directors (which majority shall include the Investor Director) agree to a shorter notice."

is replaced in its entirety with the following:

"*170 Save where agreed upon otherwise in writing by the Directors including the Investor Director, each notice notifying of a Board meeting shall be accompanied with an agenda of the meeting specifying in reasonable details the matters to be discussed at the relevant meeting accompanied by the relevant papers for discussion shall be given to each Director and no decision shall be taken and/or any resolution passed on any matter that has not been included in the agenda, provided however that any routine and operational matters may be taken up at a meeting of the Board with permission of the chairman of the relevant Board meeting. Any notice sent to an address outside India shall be sent by courier and by electronic message."*

(39) The existing Article 171(b) of the Articles of Association which reads as follows:

"*171 (b) The Chairman shall have a casting vote at the Board Meeting and General Meeting*"

is replaced in its entirety with the following:

"*171 (b) The Chairman of the Board meeting or the Shareholders' meeting of the Company shall, other than with respect to any Reserved Matters, have a second or casting vote in the event of an equality of votes at such Board meetings or Shareholder meetings of the Company."*

(40) The existing Article 172 of the Articles of Association which reads as follows:

"*172 Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one third being rounded off as one, or two Directors, whichever is higher unless otherwise agreed with the Investor's Consent. PROVIDED that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength or the number of remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time."*

is replaced in entirety with the following:

"*172 The quorum at a Board meeting shall be 2 (two) Directors or one-third of its total strength, whichever is higher, provided that for any Board meeting for which the agenda contains a Reserved Matter, the said Reserved Matter shall not be put to vote at the relevant meeting of the Board without the presence of the Investor Director and such agenda matter shall be taken up at the next Board meeting or at an adjourned Board meeting. If within 30 (thirty) minutes of the time appointed for holding any Board meeting, the required quorum is not present, then the Directors present at such meeting shall resolve to adjourn the meeting to a*

....22

CHAIRMAN'S INITIALS

specified place, at the same day and time in the week following the week of the adjourned meeting. If at such adjourned meeting also the required quorum is not present within half an hour from the time appointed for holding the meeting, then at such adjourned meeting any two or more Directors present shall validly constitute the quorum provided that no agenda items which were not specifically set out on the agenda for the meeting, which was adjourned, may be considered at the adjourned meeting. It is clarified that if a Reserved Matter was part of the original meeting, at an adjourned meeting, such Reserved Matter shall be capable of being resolved by a majority of Directors present and voting, provided that if the Investor Director is present, such resolutions on a Reserved Matter shall require the affirmative vote of the Investor Director."

(41) The existing Article 173 of the Articles of Association which reads as follows:

"*173 Subject to Article 174, questions arising at meeting of the Board of Directors or a committee thereof shall be decided by a majority of votes PROVIDED that in the event of equality of votes the chairman shall have a casting vote. The following businesses shall normally be transacted at the Board Meeting or at a meeting of a committee of the Board of Directors:*

(i) the making or incurring of any commitment for capital expenditure in relation to any single transaction in excess of an amount of Rs. 15 Crores;

(ii) the disposal of any fixed asset of the Company of a market value in excess of an amount Rs. 20 Crores;

(iii) Subject to applicable laws, the declaration of dividends;

(iv) the giving of guarantees by the Company (other than trade warranties in relation to the Company's products given in the ordinary course of business);

(v) the disposal or closure of the main undertaking of the Company or any material part thereof;

(vi) the execution of know-how, license or sub-license agreements other than with Good Year.

(vii) the entering into of non-arms length transactions with Apar, their subsidiaries, affiliates or associates;

(viii) a material change in the nature of the business of the Company;

(ix) the terms of service of Directors or senior executives of the Company;

(x) the re-organisation of the management structure within the Company;

(xi) the selection or removal of the Company's Auditors;

(xii) loans to Directors;

.....23

CHAIRMAN'S INITIALS

HELD AT ON TIME

(xiii) *acquisition or sale of shares, debentures, bonds or any other financial interests in any other Company or business;*

(xiv) *amendment of the Memorandum and Articles of Association of the Company.*

(xv) *a change in the corporate title of the Company;*

(xvi) *a change in the accounting period of the Company;*

(xvii) *delegation of authority by the Board of Directors to an individual or a Committee of the Board;*

(xviii) *the approval of any notice or the contents thereof to convene any meeting of the shareholders except a notice to convene an Extraordinary General Meeting on requisition;*

(xix) *the appointment or removal of the Chairman and/or Managing Director or CEO of the Company;"*

is replaced in entirety with the following:

"*173 Subject to Article 174, questions arising at meeting of the Board of Directors or a committee thereof shall be decided by a majority of votes. PROVIDED that in the event of equality of votes the chairman shall have a casting vote other than in respect of Reserved Matters.*"

(42) The following Article 173A be inserted after the existing Article 173 of the Articles of Association:

"***173A. Committees***

The Investor shall be entitled to require the appointment of the Investor Director on the following committees constituted by the Board:

(i) compensation committee;

(ii) the audit committee; and

(iii) the committee constituted for the appointment of the chief executive officer of and chief financial officer of the Company."

(43) The existing Article 174 of the Articles of Association which reads as follows:

"*174 Subject to the provisions of the Act, any action relating to any of the matters listed below (the "**Reserved Matters**") shall be taken (whether by the Board, any committee, the shareholders of the Company) only if the unanimous approval of all the directors present and voting at a meeting of the Board on such Reserved Matter is obtained for such action.*

1. Increase in the net debt to equity ratio in excess of 1.25:1 ("net debt" is defined as all interest bearing loans excluding working capital borrowing less cash and cash equivalent and "equity" is defined as share capital, reserves and surplus).

2. Making any investments or acquiring any shares in any company which exceed the value of Rs.100 million and is not within the Ordinary Course of Business.

...24

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

3. *Disposal of any material part of its business or assets (excluding current assets, but including intangibles assets) other than properties at Mahul and Bahuta, the sale of which is contemplated.*

4. *Change in subscribed share capital, Memorandum or Articles of Association of the Company;*

5. *Issue of any new shares or options (including warrants, options, preference shares or other rights to acquire shares).*

6. *Voluntary delisting of shares.*

7. *Change in class rights of the shareholders of the Company.*

8. *Any material change in the nature of the business of the Company.*

9. *Entering into transaction(s) which are not made on a bonafide arm's length basis.*

10. *Entering into any joint venture, partnership or consortium arrangement (other than in the Ordinary Course of Business).*

11. *Entering into new businesses in material way (other than in the Ordinary Course of Business).*

12. *Entering into any transactions with Connected Persons/Concerns other than transactions in the nature of:*

    (i) Obtaining or providing lease, leave and license or tenancies to apartments;

    (ii) Taking of loans in the ordinary course of business from Connected Persons/Concerns and on arms length terms;

    (iii) Transactions with subsidiaries of the Company.

13. *Change in the equity percentages below controlling stake of joint ventures, associated companies and subsidiaries.*

14. *Passing any resolution or taking any steps to have the Company wound up, liquidated or to dissolve the Company.*

15. *Causing a merger or an amalgamation of the Company with another company or another company with the Company.*

16. *Issue of any security, guarantee or indemnity (save to the Company's bankers or the lenders to secure Company's Indebtedness) other than in the Ordinary Course of Business.*

17. *Using the Subscription Amount in more than 15% variation of proposed uses of funds agreed to with the Investor under an agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares."*

is replaced in entirety with the following:

.....25

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

"174 (a) *No action or resolutions of the Company (whether at a Board meeting or a meeting of the Shareholders) shall be taken or passed with respect to any of the matters listed below ("**Reserved Matters**") without the prior written consent of the Investor. Subject to Article 172, it is further agreed that no Reserved Matters shall be put to vote at a meeting of the Shareholders unless it has been approved by a duly constituted meeting of the Board and the Investor has granted its written consent to the passing of a resolution with respect to such Reserved Matter at a meeting of the Board.*

1. *Any issuance of or alteration in the share capital, whether by way of issue of Equity Shares, Securities, rights, options, bonus, warrants to purchase capital stock (or other convertible securities), buy-back, reduction of capital or otherwise other than any issuance of Equity Shares or other Securities pursuant to the proposed merger of Uniflex and Marine Cables; with the Company*

2. *Any material modification of the scheme filed with the Board of Industrial & Financial Reconstruction in connection with the proposed merger of Uniflex and Marine Cables; with the Company ;*

3. *Incurrence of debt (including issuance of preference shares not convertible into Equity) by the Company if the long term debt equity ratio is exceeding 0.75:1 in the aggregate and the establishment of any mortgage, pledge or lien over any assets of the Company, where for the purposes of this Article 174(a)(3), the term "debt" shall mean all secured and unsecured loans payable after twelve months and shall not include all types of working capital loans and the term "equity" shall mean all forms of equity infusions and all types of reserves;*

4. *Incurrence of any working capital facility if the total working capital to net sales ratio is exceeding 1:1 (net working capital as defined in current assets-current liabilities);*

5. *Any merger (other than the proposed merger of Uniflex and Marine Cables; with the Company), demerger, arrangement, consolidation, initial public offer, follow-on public offer, acquisition or the sale, lease or other disposal of all or substantially all of Company's assets.*

6. *Any joint venture involving equity participation or provision of debt or guarantee by the Company or contingent liability arising out of the matters not in the Ordinary Course of Business of the Company;*

7. *Any banking or debt transaction involving any affiliate of one of the Company's shareholders;*

8. *Liquidation, dissolution or winding up of the Company;*

9. *Any change to either the memorandum of association or the articles of association of the Company;*

10. *Any material change in the Business of the Company;*

.....26

CHAIRMAN'S INITIALS

HELD AT ON TIME

11. *Approval of the Annual Business Plan and the annual budget;*

12. *The establishment or incorporation of any new Subsidiary or Affiliate;*

13. *Any transaction or series of transactions of similar kind in a year, exceeding USD 5,000,000 (United States Dollars Five Million only) involving expenditure on premises, plant, equipment, Research & Development and/or any other capital expenditure except as agreed in the Annual Business Plan;*

14. *Any transaction above USD 1,000,000 (United States Dollars One Million only) per transaction or above USD 5,000,000 (United States Dollars Five Million only) per annum in the aggregate with any officer, Director, shareholder or other interested party, or any other party related, directly or indirectly, to any of them;*

15. *The constitution of, and/or any delegation to, any committee of the Board of the Company;*

16. *Appointment of the CEO and CFO by a committee of the Board compromising of the Investor Director, an Independent Director and a director nominated by the Promoters;*

17. *Any change of auditors of the Company.*

(b) *A decision to be taken by the Board may be taken by way of a circular written resolution of the Board in lieu of a physical Board meeting, provided that where such resolution relates to a Reserved Matter, the prior written consent of the Investor shall be required."*

(44) The following existing Article 230 of the Articles of Association which reads as follows be deleted in its entirety:

"*230.* ***INDEMNITIES TO INVESTOR:***

(1) The Company shall indemnify, defend and hold harmless, the Investor and/or any member of the Investor Group and the Indemnified Parties (as defined below), promptly upon demand at any time and from time to time, against the Losses incurred or suffered by the Investor arising out of or as a result of:

*(a) any misrepresentation or any breach of any warranty ("**Warranty**") under an agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares other than any matter related to the Disclosed Information.*

For the purpose of these Articles:

*"**Disclosed Information**" shall mean any matter fully, fairly and reasonably disclosed in and/or under any documents disclosed in, an agreement, if any, entered into by the Company with the*

.....27

CHAIRMAN'S INITIALS

HELD AT ON TIME

Investor in relation to the subscription by the Investor of the Subscription Shares and/or the documents listed in an agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares and the information contained in these documents and any information contained in the published financial accounts and other notices published by the Company and communication provided to the stock exchanges/SEBI, provided the same are publicly available or covenant contained herein;

(b) any liabilities (including contingent liabilities known or contemplated on September 05, 2005 but excluding contingent liabilities incurred in the ordinary course of business between March 31, 2005 and September 05, 2005) of the Company not fully disclosed to the Investor in writing on or before September 05, 2005;

(c) any pending claims against the Company which relate to or arise out of, the period prior to date of issue and allotment of the Subscription Shares to the Investor, other than those claims disclosed in Disclosed Information; and/or

(d) any reasonable costs and expenses incurred by the Investor in respect of a claim under this Indemnity.

*(2) The Company shall indemnify the Investor and its Affiliate(s) to which the Subscription Shares are transferred by the Investor, in accordance with the provisions of sub-clause (1) above and applicable law (the "**Indemnified Parties**") and shall keep the Indemnified Parties fully indemnified against, all Losses relating to or arising out of or in connection with any actual claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration or enquiry (together, "**Claim**") by or against any Indemnified Party, where the Claim arises from any misrepresentation or any breach of any Warranty or covenant contained herein. The Indemnified Parties shall not be entitled to be indemnified if the information in relation to the Claim disclosed in the Disclosed Information.*

(3) The Investor shall be entitled to take such action as it may deem necessary to avoid, dispute, deny, resist, appeal, or contest any claim against the Investor in relation to the matters relating to the agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares (including without limitation, making claims or counterclaims against third parties). However the Investor shall not initiate any action which would prejudice the rights of the Company without prior approval with the Company.

(4) The indemnification rights of the Investor are independent of, and in addition to, such other rights and remedies as the Investor may have at Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

(5) The liability of the Company to indemnify the Investor in relation to the breach of a Warranty under the provisions of these Articles shall arise only if the actual aggregate Loss suffered by the Investor in respect of such breach of Warranties exceeds 10 % of the Subscription Amount

....28

CHAIRMAN'S INITIALS

and the aggregate liability of the Company to indemnify the Investor in respect of the breach of Warranties under the provisions of this Agreement shall be subject to a maximum of the aggregate of (i) the Subscription Price and (ii) an internal rate of return of 10% from the date of issue and allotment of the Subscription Shares to the Investor until the date of such indemnification."

(45) The existing Article 231 of the Articles of Association which reads as follows:

"*231.* ***DIRECTORS AND OTHERS RIGHT TO INDEMNITY***

(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Whole time Director, Manager, Secretary and other officer or employee of the company shall be indemnified by the company against, and it shall be the duty of the directors, out of the funds of the Company, to pay all costs, losses and expenses (including traveling expense) which such Director, Manager, Secretary and Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, Officer or servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as a lien on the property of the company and have priority between the members over all other claims.

(b) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee 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 Section 633 of the Act in which relief is given to him by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company."

is replaced in entirety with the following:

"INDEMNITIES TO DIRECTORS

231. Subject to the provisions of the Act, the Company shall indemnify the Directors against any direct losses, costs, and charges including reasonable out-of-pocket expenses suffered by any Director arising directly out of:

(i) any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company and the Promoters or, its officials, employees, managers, representatives or agents as a result of which, in whole or in part, such Investor Director is made a party to, or otherwise incurs any loss including loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or

(ii) any loss arising from any action or failure to act by any Director at the request of or with the consent of the Company or the Promoters or their officials, employees or agents; or

(iii) contravention of any Law by the Company including, without limiting the generality of the foregoing, the Foreign Exchange (Management) Act, 1999, or any Laws relating to provident fund, gratuity, labour, environment and pollution; and any action or proceedings taken against such Director in connection with any such contravention or alleged contravention."

.....29

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

(46) The existing Article 233 of the Articles of Association which reads as follows:

"***INVESTOR DIRECTORS INDEMNITIES***

233. Unless prohibited by the applicable laws, the Company, shall indemnify the Investor Director against:-

(a) any act, omission or conduct of or by the Company or its employees or agents as a result of which, in whole or in part, any Investor Director is made a party to and incurs any actual Loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or

(b) any action or failure to act undertaken by an Investor Director at the request of or with the consent of the Company."

is replaced in entirety with the following:

*"**CONSENT***

233. The Investor and/or any member of the Investor Group shall be entitled, at any time and from time to time, to make investments in or to enter into collaboration or other agreements or arrangements with Persons or companies in India engaged in the same or a similar business as that of the Company provided that the Investor and/or any member of the Investor Group at any time shall not appoint Investor Director, his/her alternate director as a director, alternate director, observer or other managerial personnel or representative of the Investor and/or any member of the Investor Group, on the board of directors or managing body of a competing company in India. Further, the Investor and/or any member of the Investor Group shall ensure that appropriate measures are adopted to ensure that the Confidential Information of the Company and its Subsidiaries is not shared with any competing investee company of the Investor."

(47) The existing Article 234 of the Articles of Association which reads as follows:

"*234. Unless prohibited by applicable Law and in accordance with the policies and guidelines framed by the Company in this regard, the Investor (either itself or through a person nominated by it in writing who is acceptable to the Company) shall on reasonable notice be entitled to:*

(i) examine the books and records of the Company;

(ii) visit the Company and inspect its property and operations;

(iii) discuss the affairs of the Company with its senior officers;

(iv) consult with and advise the directors and officers of the Company on the management of its business;

(v) request for such additional information and documents as is reasonable and complies with applicable regulations.

Any information received by the Investor pursuant to this Article 234 may be shared by the Investor with any Affiliates or any partners or investors in any Affiliate."

.....30

CHAIRMAN'S INITIALS

is replaced in entirety with the following:

"234. (a) *The Company shall provide the following information/documents and such additional information/documents as may be required by the Investor during the tenor of its shareholding in the Company:*

(i) *Audited annual financial statements within 90 (ninety) Days from the end of the Financial Year;*

(ii) *Unaudited annual financial statements within 45 (forty-five) Days from the end of the Financial Year;*

(iii) *Unaudited quarterly financial statements, within 45 (forty five) Days from the end of the relevant quarter;*

(iv) *A proposed Annual Business Plan for the next Financial Year by March 15 of the preceding Financial Year;*

(v) *Details of any litigation (including any winding up proceedings or notices under any Law) proceedings or material disputes or adverse changes that impedes or which is likely to adversely affect the Business or assets or otherwise;*

(vi) *Details of any event of force majeure or any other events which would have an impact exceeding 10% on the profit and/or Business of the Company and/or its Subsidiaries as approved in the Annual Business Plan.*

(b) *The Company shall publish any unpublished price sensitive information before providing it to the Investor such that there is no violation of any Law, more particularly, the SEBI Insider Trading Regulations. The Company is entitled to suspend the information rights under this Article 234, for the duration of the time the Board withholds publication of price sensitive information in the best interests of the Company.*

(c) *The Company shall ensure that this Article 234 shall, mutatis mutandis apply to each of the Subsidiaries.*

(d) *Any Confidential Information received by the Investor pursuant to this Article may be shared by the Investor with any Affiliates or any partners or investors in any Affiliate provided that such Affiliates, partners and investors are made aware of, and agree not to disclose any Confidential Information to any person except in the following manner:*

(i) *to the extent to which it is required to be disclosed pursuant to applicable Law, provided that if any disclosure is required to be made to appropriate regulatory authorities or by valid legal process, the disclosing party must notify the other parties and a copy of every public announcement must be given to the other parties before any public disclosure is made;*

(ii) *to the extent to which it is specifically permitted by the other parties in writing;*

.....31

CHAIRMAN'S INITIALS

(iii) *to the extent that the Confidential Information is publicly available and not by way of a breach of an obligation to keep such information confidential;*

(iv) *to its Affiliates, employees and professional advisors, but only to the extent necessary and subject to such Affiliates, employees and professional advisors accepting an equivalent confidentiality obligation to that set out in this Article; and*

(v) *the Investor may disclose Confidential Information to any of its investors and/or unit holders in compliance with the reporting obligations to the investors and/or unit holders of the Investor.*

(e) *The Company shall not provide any unpublished price sensitive information to the Investor."*

(48) The existing Article 235 of the Articles of Association which reads as follows:

"*235. The Company shall:*

(i) Notify the Investor of any event of default declared and notified to the Company, as a consequence of which any banking facilities being availed of by the Company have been withdrawn and in such event, shall use its best efforts to restore such facilities, including by providing any guarantees required for this purpose;

(ii) Maintain all existing insurance policies on the assets of the Company;

(iii) Not enter into any transactions otherwise than in the Ordinary Course of Business of the Company and on arms-length terms;

(iv) Notify the Investor of any material losses arising from or in connection with any contracts to which the Company is a party and of any other events which may materially and prejudicially affect the Company."

is replaced in entirety with the following:

"*235.*

(1) The Company shall ensure that the Promoters shall, at all times, retain management control of the Company. It is further agreed and understood that the shareholding of the Promoters shall, under no circumstances (including the proposed merger the Company with Uniflex and Marine Cables) fall below 51% of the Paid up Share Capital (as adjusted for any Reorganisation or other corporate action);

(2) The Company shall and the Promoters shall ensure that the Company shall remain in compliance with all agreements with the lenders to the Company. The Company shall notify the Investor of any event of default declared and notified to the Company, as a consequence of which any banking facilities being availed of by the Company have been withdrawn and in such event, shall use its best efforts to restore such facilities, including by providing any guarantees required for this purpose. Further, the Company shall notify the Investor of any material Losses arising from or in connection with any contracts to which the Company is a party and of any other events which may materially and prejudicially affect the Company;

.....32

CHAIRMAN'S INITIALS

(1) The Company shall ensure that all its assets are adequately insured."

(49) The existing Article 238 of the Articles of Association which reads as follows:

"***ANTI-DILUTION***

238.

(1) Unless prohibited by Applicable Law, in the event that the Company issues any Equity Shares, or any rights, options, warrants, appreciation rights or instruments entitling the holder to receive any Equity Shares of the Company or any options to purchase or rights to subscribe for securities by their terms convertible into or exchangeable for Equity Shares ("**Dilution Instrument**") to any private equity investor at any time, after the date of allotment of Subscription Shares by the Company, then the Investor shall be entitled to subscribe to such number of Dilution Instruments in proportion to its equity shareholding in the Company. Provided that the Investor shall be entitled to subscribe to up to such number of Dilution Instruments as would not, together with the Equity Shares then held by the Investor, exceed 14.99% of the Equity Share Capital of the Company.

(2) The Investor shall be entitled to acquire the Dilution Instruments on the terms on which the Company proposes to issue the Dilution Instruments to concerned private equity investor. The Company shall not issue any Dilution Instrument in contravention of the provisions of this Article 238."

is replaced in entirety with the following:

"***ANTI-DILUTION & PRE-EMPTIVE RIGHTS***

238.

*(1) The Company shall not, issue any equity shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options) which would have an actual or potential dilutive effect on the Investor's holding in the Company ("**Dilution Instrument**"), without the prior written consent of the Investor. The restriction in this Article shall not apply to any issuance of Equity Shares or other Securities pursuant to the proposed merger the Company with Uniflex and Marine Cables.*

(2) Subject to grant of prior written consent of the Investor as required under Article 238(1), in the event the Investor does not exercise its Right of First Subscription under Article 239 below, the Investor shall, either by itself or through an Affiliate, have a right to participate in any Further Issue by the Company to any Person, by subscribing to such number of Dilution Instruments as are necessary for the Investor to maintain its shareholding percentage in the Company at the relevant time provided that on the same terms and conditions (including price) as are proposed to be granted to any other new or existing shareholder. If the Investor is unable to, or does not, for any reason whatsoever, subscribe to its entitlement of such further issue of Dilution Instrument, then the Company shall be free to offer such Dilution Instruments to any other Shareholder and/or third Person provided that in the event the issuance and allotment of new Dilution Instrument to the offerees is not consummated within a period

....33

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

of 60 (sixty) Days from the date of refusal by the Investor to exercise its rights under this Article 238(2), the Company may not issue any Dilution Instruments without complying anew with the provisions of this Article 238(2)."

(50) The existing Article 239 of the Articles of Association which reads as follows:

"239.

(1) The Company shall do all such further things and execute and deliver all such additional documents as are necessary to give full effect to terms of the agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares.

(2) The Company shall (so far as it is legally able and permitted to do so) do or procure to be done all such further acts and things, execute or procure the execution of all such other documents and exercise all voting rights and powers, whether direct or indirect, available to it in relation to any Person so as to ensure the complete and prompt fulfilment, observance and performance of the provisions of the Agreement and generally that full effect is given to the provisions of the agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares.

(3) Without prejudice to the generality of sub-clause (1) and (2) above, if any provisions of the Articles of Association of the Company at any time conflict with any provisions of the agreement, if any, entered into by the Company with the Investor in relation to the subscription by the Investor of the Subscription Shares, the Articles of Association of the Company shall be promptly amended to the extent necessary to give effect to the provisions of aforesaid agreement and in order to ensure that the provisions of the aforesaid agreement shall prevail."

is replaced in entirety with the following:

"RIGHT OF FIRST SUBSCRIPTION

*239. If the Company and/or its Subsidiaries decide to issue additional Dilution Instrument (after obtaining the prior written consent of the Investor as required under Article 238(1) above) ("**Further Issue**"), then subject to compliance with Law, the Investor (either through itself or through its Affiliates) shall have the first right, but not an obligation, to participate in such Future Issue and subscribe to such number of Dilution Instrument and on the same terms and conditions (including price) as are proposed to be granted to any other new or existing shareholder ("**Right of First Subscription**")."*

(51) The following new Article 239A be inserted after the existing Article 239 of the Articles of Association:

"***EQUAL RIGHTS***

239A. Notwithstanding anything contained in the Agreement or these presents, the Company shall not offer any rights to such Person, which will in any way conflict with the rights of the Investor. In the event any Person who invests in the Company is offered rights, including those relating to voting,

.....34

CHAIRMAN'S INITIALS

dividends, transfer of the Equity Shares, and further issues of Dilution Instrument, that are more favourable to such Person than those offered to the Investor, the Investor shall automatically be entitled to such favourable rights."

(52) The following new Article 239B be inserted after the new Article 239A of the Articles of Association:

"***ESOP***

239B. The Company shall establish and implement an employee stock option plan ("ESOP"), such ESOP having been approved by the Board in accordance with the terms hereof. Provided that:

(a) the aggregate Equity Shares to be issued pursuant to the ESOP shall not exceed 16,16,802 Equity Shares;

(b) no options will be issued under the ESOP to any Promoters without the prior written consent of Investor; and

The Board shall decide on the employees, officers and directors eligible for the ESOP and the approval of the Investor shall be required for the issuance of any options under the ESOP."

(53) The following new Article 239C be inserted after the new Article 239B of the Articles of Association:

"***ANNUAL BUSINESS PLAN***

*239C. The business plan of the Company and the Subsidiaries shall be approved unanimously by the Board annually and updated / revised at the time of approving any expansion (hereinafter referred to as the "**Annual Business Plan**"). The Annual Business Plan shall include the business strategy and other details, including but not limited to project cost, means of finance, projected financial statements (including profit & loss account, balance sheet and cash flow statements) for the on-going Financial Year as well as to the extent possible, the subsequent 2 (two) Financial Years, and would form the basis of management of the Business of the Company and the Subsidiaries until such time that the same is duly updated / revised with the unanimous consent of the Board in terms of the Agreement."*

(54) The following new Article 242 be inserted after the existing Article 241 of the Articles of Association

*242. In the event of any conflict between the provisions of Articles 23A, 67, 133A, 133B, 167, 169 to 174 (both inclusive), 231, 233 to 235 (both inclusive), 238, 239, 239A, 239B, (the "**Specified Articles**") and the other Articles hereof, the Specified Articles shall prevail.*

"**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to file all necessary forms and to do all such acts/deeds and take all such steps as are necessary to give effect to the above alteration of the Articles of Association of the Company."

Mr. Prasad Pachegaokar, a Shareholder (Client ID 11816447 & DP ID No. IN300513) seconded the Resolution.

.....35

CHAIRMAN'S INITIALS

The Chairman invited questions and comments from members present. The members had no questions or comments on the Resolution.

The Chairman then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

Before the business at Agenda Item No. 6 & 7 could be taken up, Shri Kushal N. Desai, Chairman of the Meeting informed the meeting that he was concerned or interested in the Resolutions for Agenda Item Nos. 6 & 7 and that, for consideration of the said Items, he opts to vacate the Chair and would request some eligible Director present at this Extra-Ordinary General Meeting to conduct the proceedings for Agenda Item Nos. 6 & 7. Thereafter Shri Kushal N. Desai vacated the Chair and the members elected Shri F. B. Virani, a Director and Member of Audit Committee of the Company to take over the Chair and conduct the business of the said Agenda Items.

Thereupon, Shri F. B. Virani occupied the Chair.

Agenda Item No. 6 :

Approval of Re-appointment of Dr. N. D. Desai, as Technical Advisor / Management Consultant of the Company and payment of fees / remuneration to him.

Mr. Anupam Shukla a Shareholder (Client ID 42467136 & DP ID No. IN300476) proposed the following Resolution as a **Special Resolution** :

"RESOLVED THAT:-

(1) pursuant to the provisions of Sections 309(1), 314(1)(a) if applicable and all other applicable provisions, if any, of the Companies Act, 1956, Dr. N. D. Desai, a Technocrat and Non-Executive Chairman of the Company who possesses the requisite qualifications for office of profession, be and is hereby re-appointed as Technical Advisor / Management Consultant of the Company w.e.f. 1st February, 2011 for a period of five years for availing his professional technical services in manufacturing and also avail his expertise in the management field and that he be paid consultancy fees and provided facilities for his professional services as detailed below in accordance with law.

i) **Consultancy Fees : (a)** Fixed Fees of Rs. 30,00,000/- per annum payable in monthly equal installments for consultancy with such rise as may be decided by the Board of Directors from time to time.

(b) Such further fees as the Board may sanction for specific professional assignment, which he may accept as per the Company's requirement.

ii) **Facilities** : In addition to the above fees, he will be provided the following facilities which shall be revised by the Board of Directors from time to time for facilitating him in the performance of professional services to the Company :

(a) He will be provided suitable Unfurnished Residential accommodation.

.....36

CHAIRMAN'S INITIALS

(b) The Company shall incur all expenses relating to his travel etc., for his rendering professional services to the Company.

(c) The facility of Company maintained Motor Car with driver will be provided to him for use in connection with rendering professional services to the Company. For possible use of the said vehicle for private or personal purposes, the Company will recover from him the amount which is equal to the amount of tax on perquisite value of employer's car used by an employee for personal use under Income Tax Rules from time to time.

(d) The Company will provide a Mobile phone and Land line telephone connections at his residence."

Mr. H.B.Trivedi, a Shareholder (Client ID 14682779 & DP ID No. IN301349) seconded the Resolution.

The Chairman, Shri F.B.Virani invited questions and comments from members present. The members had no questions or comments on the Resolution.

Shri F.B.Virani then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

Agenda Item No. 7 :

Payment of Commission to Dr. N.D.Desai as Non-Executive Chairman / Director of the Company.

Mr. Hemang M. Mehta, a Shareholder (L.F.No. H0000924) proposed the following Resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 198 and 309 of the Companies Act, 1956 and Article 140(b) of the Articles of Association of the Company, the consent of the Company be and is hereby accorded for payment of Commission to Dr. N. D. Desai, Non-Executive Chairman of the Company, w.e.f. 1st February, 2011 for a period of five years, for each financial year commencing from 2010-11 at a rate not exceeding 1% of Net Profits of the Company, as computed under Section 198 of the Companies Act, 1956 and he will separately be eligible to receive the remuneration and facilities for the professional services rendered / to be rendered by him to the Company as Technical Advisor / Management Consultant and also the sitting fees for attending the Meetings of the Board of Directors of the Company or any Committee thereof."

Mr. Prasad Pachegaokar, a Shareholder (Client ID 11816447 & DP ID No. IN300513) seconded the Resolution.

The Chairman, Shri F.B.Virani invited questions and comments from members present. The members had no questions or comments on the Resolution.

Shri F.B.Virani then put the resolution to vote on show of hands and declared the resolution as passed unanimously on show of hands.

.....37

CHAIRMAN'S INITIALS

HELD AT _____ ON _____ TIME _____

After Agenda item No. 7 was dealt with, Shri F.B.Virani, Chairman of the Meeting vacated the Chair and requested Shri Kushal N. Desai, Chairman of the Board to resume the Chair.

Shri Kushal N. Desai, with the permission of the Members present, resumed the Chair for further proceedings of the Meeting.

VOTE OF THANKS :

The Chairman, Shri Kushal N. Desai once again thanked the Members for attending the Meeting and showing keen interest in the working of the Company. He further stated that all the items on the Agenda of this meeting have been dealt with and there is no other business to be transacted thereat. He therefore, declared the Meeting as concluded.

Shri H.B.Trivedi, a shareholder proposed a vote of thanks to the Chair.

Dated this 23rd day of May, 2011

CHAIRMAN

-------XXX--------

CHAIRMAN'S INITIALS