

THE COMPANIES ACT 1956

AND THE COMPANIES ACT 2013 AS APPLICABLE

**ARTICLES OF ASSOCIATION  
OF  
LUCKNOW METRO RAIL CORPORATION LIMITED**

**1. DEFINITIONS**

a. The words and expressions shall have the following meanings unless repugnant to or inconsistent with the subject:

- I. "The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.
- II. "Auditors" means the entity appointed as statutory auditors of the Company in accordance with the provisions of the Act.
- III. "Articles" or "These Articles" means "Articles of Association" as originally framed or as altered from time to time by Special Resolution.
- IV. "The Board of Directors" or "the Board" means the Board of Directors from the time being of the Company.
- V. "The Company" or "this Company" means **LUCKNOW METRO RAIL CORPORATION LIMITED**.
- VI. "The Chairman" means Chairman of the Board of Directors of the Company for the time being.
- VII. "Capital" means the Share Capital for the time being raised or authorized to be raised, for the purpose of the Company.
- VIII. "Debenture" includes debenture stock.
- IX. "Depository" shall mean a Depository as defined in Section 2(1)(e) of the Depositories Act, 1996.
- X. "Beneficial Owner" means a person or persons whose name is recorded as such with a Depository;
- XI. "Dividend" includes bonus
- XII. "Director(s)" means Director for the time being of the Company, including any alternate Director.
- XIII. "Extra Ordinary General Meeting" means an Extra Ordinary General meeting of the members duly called and constituted and adjourned holding thereof.
- XIV. "Government" means the Government of Uttar Pradesh
- XV. "Governor" means the Governor of Uttar Pradesh

- XVI. "In Writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- XVII. "Financial Year" means such period in respect of which any profit and loss account of the Company in an Annual General Meeting is made up as the Board shall determine, whether that period is a year or not.
- XVIII. "Gender" - Words importing the masculine gender also include feminine gender.
- XIX. "General Meeting" means a general meeting of the members held in accordance with the provisions of the section 166 of the Act.
- XX. "Managing Director" means the Managing Director for the time being of the Company
- XXI. "Member" means the duly Registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company
- XXII. "Month" means calendar month
- XXIII. "Office" means the Registered Office for the time being of the Company.
- XXIV. "Ordinary Resolution" and "Special Resolution" shall have meanings assigned thereto under section 189 of the Act.
- XXV. "Paid-up" in relation to the Share Capital of the Company includes credited as paid-up.
- XXVI. "Person" - Words imparting persons include Corporations.
- XXVII. "Proxy" includes Attorney duly constituted under a Power of Attorney.
- XXVIII. "The Registrar" means the Registrar of Companies of the State in which the office of the Company is, for the time being, situated.
- XXIX. "Register" means the Register of members to be kept pursuant to the provisions of the Act.
- XXX. "Seal" means the Common Seal for the time being of the Company.
- XXXI. "Share" means share in the share capital, of the Company and shall include stock except where a distinction between share and stock is expressed or implied.
- XXXII. "Secretary" means Company Secretary within the meaning of clause(c) of sub section (1) of section 2 of the Companies Secretaries Act 1956 and includes any individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties and includes Assistant Secretary or Deputy Secretary or Joint Secretary or Additional Secretary possessing these qualifications.
- XXXIII. "Singular Number" -Words importing the singular number includes, where the context admits or requires the plural number or vice versa.
- XXXIV. "State" means State of Uttar Pradesh.

- XXXV. "Whole-time Director" means a Director who has been appointed as whole-time Director for the time being of the Company.
- XXXVI. "Year" means calendar year.

(b) The marginal notes used in these Articles shall not affect the construction or interpretation thereof. Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

(c) The Regulations contained in Table A in the First Schedule to the Act so far as they are applicable to Public Companies and so far not altered or added by the provisions hereinafter contained shall apply to this Company.

## **2. Government Company**

The Company shall be a Government Company within the meaning of the Act or any statutory modifications or enactment thereof.

## **SHARE CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

### **3. Share Capital**

The Authorized Share capital of the Company is Rs.2000, 00, 00,000/- (Rupees two thousand Crores) only divided into 20, 00, 00,000 (Rupees Twenty Crores) Equity Shares of Rs.100/-(Rupees one hundred) only each.

### **4. Increase of Capital by the Company**

The Company in a General Meeting may from time to time; increase the capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into shares of such revenue accounts as the resolution authorizing such increase shall prescribe. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as such resolution shall prescribe and, in particular, such Shares may be issued with a preferential or qualified right to Dividends, and in, the distribution of assets of the Company and with a right of voting at General Meetings of the Company in conformity with section 87 of the Act. Whenever the capital of the Company has been increased the Board shall comply with the provisions of section 97 of the Act.

### **5. Reduction of Capital**

The Company may (subject to the provisions of sections 78, 80, 100 to 105 (inclusive) of the Act) from time to time, by a Special Resolution, reduce its Capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorized by law and, in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

## **6. Sub-Division and Consolidation of Shares**

Subject, to the provisions of Section 94 of the Act, the Company in a General Meeting may, from time to time, subdivide or consolidate its shares or any of them and the resolution whereby any Share is subdivided, may determine that, as between the holders of the Shares resulting from such subdivision one or more of such Shares shall have some preference or special advantage as regards Dividend, capital or otherwise over or as compared with the others or other subjects as aforesaid, the Company in General Meeting may also cancel Shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

## **7. Modification of Rights**

Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of sections 106 and 107 of the Act, be modified, commuted, effected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three fourths in nominal value of the issued Shares of the class or is confirmed by a Special Resolution passed at a separate General Meeting of the holders of Shares of that class.

## **8. Issue of Shares**

### **(1) Power to issue shares at a premium**

The Company shall have the power to issue shares at premium, but in doing so, it shall comply with the provisions of section 78 of the Act or any statutory modifications thereof.

### **(2) Power to issue shares at a discount**

With the previous authority of the Company in General Meeting and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued.

**(3) Power to issue Preference Shares**

The Company shall have power to issue preference shares subject to the provision of the Act and Special Resolution authorizing such issue which shall, prescribe the manner, terms and conditions of conversion/redemption.

**(4) Power Issue of Shares for consideration other than cash**

Subject to these Articles and the provisions of the Act, the Board may issue and allot shares in the capital of the Company as payment or in consideration or as part payment or in part consideration of the purchase or acquisition of any property by the Company or for service rendered to the Company in the conduct of its business and such consideration shall become debt due to and recoverable by the Company from the allottee in lieu of the shares to be allotted to him.

**(5) Power to issue sweat equity share**

Subject to the provisions of Section 79A and other applicable provisions of the Act and any statutory modifications thereof and further subject to compliance of any rules notified, the Company shall have the power to issue sweat equity shares of its employees, Directors or other persons, as may be decided by the Company from time to time.

**(6) Power to issue instruments.**

The Company may subject to the provisions of the Act, issue any instrument(s) including warrants, commercial paper and /or any other financial instrument to any person/bodies corporate on such terms and conditions as may be deemed fit.

**(7) Buy-Back of Shares:**

Subject to the provisions of Section 77A and other applicable provisions of the Act and subject to compliance of any rules notified, the Company shall have power to buy-back its own securities on such terms and conditions as the Company may decide from time to time.

**(8) Company's shares not to be purchased**

Except to the extent allowed by Section 77A and other applicable provisions of the Act and any statutory modifications thereof, no funds of the Company shall be employed in the purchase of its own shares or its holding Company's shares.

**(9) Nomination of Shares:**

Subject to the provisions of Section 109A and other applicable provisions of the Act and any statutory modifications thereof, the shareholders of the Company will have necessary authority for nomination of shares in favour of any person which the Board shall bound to accept.

**(10) Register and index of Beneficial Owners:**

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

**(11) Allotment of Shares**

Save as aforesaid, the shares, whether forming part of the original capital or of any increased capital of Company, shall be allotted to such persons, on such terms and conditions and either at a premium or at par or at a discount and at such times as the Directors may think fit but subject to provisions of the Act.

**(12) Commission for placing Shares**

Subject to provisions of the Act, the Company may pay a Commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally), for any shares, debentures or debenture stock of the Company or for procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, debentures or debenture stock of the Company. Such commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

**(13) Installment on shares to be duly paid**

If, by the conditions of allotment of any share, the whole or part of the amount of issue price thereof, shall be payable by installments, every such installment, when due, shall be paid to the Company by the person who, for the time being and from time to time, shall be the Registered holder of the share or his legal representative. The joint holders of a share shall be severally as well as jointly liable for payment of all installments and calls due in respect

of such shares.

**(14) Share under control of the Board:**

Subject to the provisions of these Articles and of the Act, the share shall be under the control of the Board which may allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as it may think fit and subject to the sanction of the Company, in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors may think fit. The Board shall cause to be made the returns as to allotment provided for in section 76 of the Act.

**(15) Power to the Company in General Meeting to issue shares**

In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14 , the Company in General Meeting may subject to the provisions of section 81 of the Act, determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of sections 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any share.

**(16) Acceptance of Shares**

Any application signed by the applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these presents, every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these presents, be a Member.

**(17) Dematerialization of Securities**

**a. Dematerialization**

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the provisions of the Depositories Act, 1996.

**b. Options for investors**

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

If a person opts to hold his security with a Depository, the Company shall intimate to such Depository the details of allotment of the security and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

**c. Securities in depositories to be in fungible form**

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Section 153 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

**d. Rights of depositories and Beneficial Owners**

- (i) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of Ownership of security on behalf of the Beneficial Owner.
- (ii) Save as otherwise provided in sub-clause (i) above, the Depository as the Registered Owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by



Depository.

**e. Service of documents**

Notwithstanding anything contained in these Articles to the contrary, where securities are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

**f. Transfer of securities**

Nothing contained in these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

**g. Allotment of securities dealt with in a Depository**

Notwithstanding anything in these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

**h. Distinctive numbers of securities held in a Depository**

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

**(18) Deposit and Call etc. to be a debt payable immediately**

The money (if any) which the Board shall, on the allotment of any share being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any share allotted by them, shall immediately on the insertion of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

**(19) Liability of members**

Every member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner as the Board shall, from time to time, require or fix for the payment thereof.

**(20) Trust not recognized**

Except as required by law, no person shall be recognized by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or interest in any fractional part of a share or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right in the share of the registered share holder.

**(21) Register and Index of Members**

- (i) The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country subject to and in accordance with sections 157 and 158 of the Act.
- (ii) Shares to be numbered progressively and no shares to be subdivided. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein mentioned, no share shall be subdivided.

**(22) Certificates how to be issued**

The Certificate of title to shares shall be issued under the Common Seal of the Company and shall bear the signature of any person or persons authorized by the Board in that behalf. The Company shall within three months after the allotment of shares and within two months after the application of the transfer of any share, debenture or debenture stock, complete and have ready for delivery the certificates of shares allotted, unless the conditions of issue of shares otherwise provide. The Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.

Provided that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made there under as may be for the time being in force.

**(23) Members right to certificate**

Every member shall be entitled, free of charge, to one certificate for all the shares Registered in his name. Every certificate of shares shall specify the number and the distinctive number/numbers of the shares in respect of which it was issued and the amount paid up thereon. For each further certificate the Directors shall be entitled but shall not be bound to prescribe a charge not exceeding the amount as may be prescribed by law from time to time.

**(24) Fractional certificate**

The Company may issue such fractional Certificates, as the Directors may approve, in respect of any of the shares of the Company on such terms as the Directors think fit as to the period within which the fractional certificates are to be issued.

**(25) Issue of new certificate in place of one defaced, lost or destroyed**

If any certificate be worn out or defaced or torn to be otherwise mutilated or there is no further space on the back thereof for endorsement of transfer, then, upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity and the payment of out-of-pocket expenses incurred by the Company, as the Directors deem adequate, being given and upon such advertisement being published as the Board may require, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate upon payment of such sum not exceeding the amount as may be prescribed by law from time to time, as the Directors may from time to time prescribe, shall be paid to the Company for every certificate issued under this Article:

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, or worn out or where the pages on the reverse for recording transfers have been fully utilized.

**(26) Issue of certificates to joint holders**

The certificate of shares Registered in names of two or more persons shall be delivered to the person first named in the Register.

**(27) The first name of joint holders/deemed sole holder**

If any share stands in the names of two or more persons the person first named in the Register shall, as regards receipt of dividends or bonus or service of notices or any other matter connected with the Company except voting at meetings and transfer of shares, be deemed to be the sole holder thereof, as per provisions of the Act.

## **CALLS**

### **(28) Directors may make calls**

The Board may, from time to time, subject to the terms on which any Shares or Debentures may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board (and not by a resolution by circulation) make such calls as it thinks fit upon the Members or Debenture holders in respect of all money unpaid on the Shares or Debentures held by them respectively, and each Member or Debenture holder shall pay the amount of every call so made on him to the person or persons and at times and places appointed by the Board. A call may be made payable by installments.

The Directors, from time to time, by resolution passed at a meeting of Directors (and not by a resolution passed by circulation) make such calls as they think fit. A call shall be deemed to have been made when the resolution of Directors, authorizing such calls, was passed.

### **(29) Notice of Calls**

At least 14 days notice of any call shall be given by the Company specifying the time and place of payment and to whom such calls shall be paid. A call may be revoked or postponed at the discretion of Board.

### **(30) Directors may extend time**

The Board may, from time to time at its discretion, extend the time fixed for payment of any call. It may extend such time as to all or any of the Members or Debenture holders who because of their residence being at a distance or for any other cause cannot pay in time and whom the Board may fairly deem entitled to such extension. No Member or Debenture holder shall be entitled to such extension save as a matter of grace and favour.

### **(31) Amount payable at fixed times or by installments payable as calls**

If by the terms of issue of any share or otherwise any amount is or becomes payable on allotment or at any fixed date or by installments at fixed times whether on account of the nominal amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors and payable on the date on which, by the terms of issue or otherwise, such sum becomes payable and of which due notice has been given. In case of nonpayment of such sum, all the relevant provisions herein contained as to payment of interest and expenses, forfeiture or otherwise shall apply as if such amount had become payable by virtue of a call duly made and notified.

**(32) Calls to carry interest**

If any Member or Debenture holder fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member or Debenture holder.

**(33) Evidence in action for call**

On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the member sued is entered in the Register as the holder or one of the holders of the shares in respect of which such debt accrued that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member sued, in pursuance of these presents and shall not be necessary to prove the appointment of the Directors who made such call neither a quorum nor any other matters whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.

**(34) Partial payment not to preclude forfeiture**

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

**(35) Payment of calls in advance**

- (a) The Board may, if it thinks fit, may agree to and receive from any Member willing to advance the same, all or any part of the amounts of his share beyond the sum actually called up and upon the money so paid in advance or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing :

Provided that money paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

- (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable.

**(36) Members not entitled to privileges of membership until all calls paid**

No member shall be entitled to receive any dividend or to exercise any privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any other person together with interest and expenses, if any.

**FORFEITURE AND LIEN**

**(37) If call or installment not paid, notice may be given**

If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Directors may at anytime thereafter during such time as the call, or installment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued to the Company by reason of such non-payment.

**(38) Form of notice**

The notice shall, contain date and day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places, on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-

payment on or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

**(39) If notice not complied with, shares may be forfeited**

If the requisitions of any such notice, as aforesaid, are not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid.

**(40) Notice of forfeiture**

When any share shall have been so forfeited, notice of the resolution of the Board of Directors shall be given to the member in whose name it stood immediately prior to forfeiture and an entry of the forfeiture with the date thereof shall forth with be made in the Register of members, provided however, that failure to give the notice will not in any way invalidate the forfeiture.

**(41) Forfeited shares to become property of the Company**

Any shares so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot and otherwise dispose of the same in such manner as they think fit.

**(42) Power to annul forfeiture**

The Directors may, at any time, before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as they may think fit.

**(43) Arrears to be paid notwithstanding forfeiture**

Any member whose shares shall have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses, owing upon or in respect of such shares at the time of forfeiture together with interest thereon, from the time of forfeiture until payment, at the rate of 12 per cent per annum and the Directors may enforce the payment of such money or any part thereof if they think fit,

but shall not be under any obligation to do so.

**(44) Effect of forfeiture**

The forfeiture of a share shall involve extinction of all interests in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the same except only such of those rights as by these presents are expressly saved.

**(45) Certificate of forfeiture**

A certificate in writing under the hands of a Director, Managing Director, Manager or the Secretary of the Company, that the call in respect of a share was made and, notice thereof given and that default in payment of the call was made and that the forfeiture of the shares was made by a resolution of the Board of Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

**(46) Title of purchaser and allottee of forfeited shares**

The Company may receive the consideration, if any, given for the share on any sale, allotment or other disposal thereof and may execute transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share, is sold re-allotted or disposed of may be Registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall he be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued, or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

**(47) Company's lien on shares**

The Company shall have no lien on its fully paid up shares. In the case of partly paid up shares, the Company shall have a lien only to the extent of all money called or payable at a fixed time in respect of such shares, otherwise, such partly paid up shares shall be free from any lien of the Company. Any lien on shares shall extend to all dividend and bonus declared from time to time in



respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares. The Board of Directors may at any time, declare any shares to be wholly or in part exempt from the provisions of this Article.

**(48) Enforcement of lien by sale**

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit but no sale shall be made unless a sum in respect of which the lien exists is payable and until notice in writing has been served on such member or in the event of his death or insolvency of his heirs, executors or administrators stating and demanding payment of such part of amount in respect of which lien exists is presently payable and default shall have been made by him or them in the payment, fulfillment or discharge of such debts, liabilities or engagements for 14 days after such notice. To give effect to any such sale, the Board may authorize some person to execute an instrument of transfer in respect of the shares sold and to transfer the shares sold to the purchaser thereof and the purchaser shall be Registered as the holder of the shares comprised in any such transfer. Upon any such sale as aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate in lieu thereof to the purchaser or purchasers concerned.

**(49) Application of proceeds of sale**

The net proceeds of such sale shall be received by the Company and after payment of the cost of such sale shall be applied in payment of such part of the amount in respect of which lien exists as is presently payable and the residue, if any, subject to a like lien for sums not presently payable as existed upon the shares before the sales be paid to the persons entitled to the shares on the date of the sales.

**(50) Validity of sale in exercise of lien and after forfeiture**

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers here in before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the Register in respect of such shares, his title to the shares shall not be affected

by any irregularity or invalidity in the proceedings in reference to the same.

**(51) Board of Directors may issue new certificate**

Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board of Directors may issue a new certificate of such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.

**(52) Application of forfeiture provisions**

The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**(53) Execution of transfer etc.**

No transfer of shares in or debentures of the Company shall be Registered unless in accordance with the provisions of section 108 of the Act and Article 48 hereof a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures or if no such certificate is in existence, along with the letter of allotment of the shares or debentures:

Provided that the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.

**(54) Form of transfer**

The instrument of transfer of any share shall be in writing in the prescribed form and in accordance with section 108 of the Act.

**(55) Notice to the transferee and the transferor on refusal to transfer shares**

If the Company refuses to Register any such transfer or transmission of any share, the Company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission, as the case may be

was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation or such transmission, as the case may be, giving reasons for such refusals.

**(56) No transfer to Minor etc.**

No partly paid shares shall be transferred to a minor or person of unsound mind.

**(57) Transfer to be left at office and evidence of title given when transfer to be retained**

Every instrument of transfer duly executed and stamped shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer, which shall be Registered, shall be retained by the Company, but any instrument of transfer which the Directors may decline to Register shall on demand, be returned to the person depositing the same.

**(58) Fee on transfer**

A fee not exceeding Rupees 1000/- (Rupees One Thousand) Only may be charged for each instrument of transfer and shall if required by Board, be paid before the registration thereof. However, no fee shall be charged for registration of transfer of share etc on the basis of grant of probate, grant of letters of administration, certificate of death or marriage, or other instrument, or for effecting transmission.

**(59) Closure of transfer books**

The Directors may after giving not less than seven days previous notice by advertisement as required by section 154 of the Act, close the Register of Members or the Register of Debenture holders for any period or periods not exceeding in the aggregate forty five days in each year nor exceeding thirty days at any one time.

**(60) Title to share of deceased holders**

The executors or administrators of a deceased member shall be the only persons recognized by the Company as having any title to the share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holder shall be the only

persons entitled to be so recognized, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognize such executor or administrator unless he shall have obtained probate or letters of administration, succession certificate or other legal representation, as the case may be from a duly constituted Court of India to grant such probate or letters of administration provided nevertheless that in cases, which the Board in its discretion consider to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of probate or letter of administration or such other legal representation upon such terms as to indemnify or otherwise as the Board of Directors may deem fit. The holder of succession certificate relating to the share of a deceased member shall be deemed to be an administrator for the purposes of this Article.

**(61) Directors' power to reject application of transfer**

The Board of Directors may, subject to the right of appeal conferred by Section 111 and Section 111A of the Companies Act, 1956, decline to Register:

- (a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or
- (b) any transfer of the share on which the Company has a lien.

Provided that the registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.

**(62) Registration of persons entitled to shares otherwise than by transfer (transmission clause)**

Subject to the provisions of the Act and these presents any person becoming entitled to a share in consequence of death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents may with the consent of the Directors (which they shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient either be Registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board, Registered as such holder provided nevertheless, that if such person shall elect to have his nominee Registered he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the share.

**(63) Persons entitled may receive dividend without being Registered as members**

A person entitled to a share by transmission shall, subject to the right of the Directors to retain in consequence of death, bankruptcy or insolvency any such dividends or money as hereinafter provided, be entitled to receive, and may give a discharge for, any dividends or other money payable in respect of the share.

**(64) Board may require evidence of transmission**

Every transmission of share shall be verified in such manner as the Directors may require and the Company may refuse to Register any such transmission until and unless an indemnity be given to the Company with regard to such registration which the Directors in their discretion shall consider sufficient, provided, nevertheless, that there shall not be any obligation on the Company or the Directors to accept any indemnity.

**(65) Transfer by legal representative**

A transfer of share in the Company of a deceased member thereof, made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time to the execution of the instrument of transfer.

**(66) Certificate of transfer**

The certification by the Company of any instrument of transfer of shares in or debentures of the Company shall be taken as a representation by the Company to any person, acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prima facie title to the share or debentures in the transferor named, in the instrument of transfer but not as a representation that the transferor has any title to the shares or debentures.

**(67) Transfer of debentures**

The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to the transfer or transmission by operation of law of the right of Debentures/Debenture stock of the Company.

**JOINT HOLDERS**

**(68) Joint holders**

Where two or more persons are Registered as the holders of any share, the person first named in the Register as one of the joint holders of the share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these presents.

**(i) Joint and several liabilities for all payments in respect of shares:**

The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

**(ii) Title of survivors:**

On the death of any such joint holders, the survivor or survivors shall be the only person or persons, recognized by the Company as having any title to the share but the Directors may require such evidence of death, as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other persons.

**(iii) Joint holders of shares to give receipt for payments in respect thereof:**

Any one of several persons who are Registered as joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

**(iv) Delivery of certificate and giving of notices to first named holders:**

Only the person whose name stands first in the Register of Members as one of the joint holders of any shares shall be entitled to the delivery of the certificates relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed to have been served on all the joint holders.

**(v) Votes of Joint holders:**

Any one of two or more joint holders may vote at any meeting either personally or by attorney duly authorized under power of attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof and the other joint holders shall be entitled to be present at the meeting:

Provided always that a joint holder present at any meeting personally shall, be entitled to vote in preference to a joint holder present by attorney or proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands, shall, for the purpose of this sub clause be deemed joint holders.

**(69) Issue of further pari passu shares not to affect the right of shares already issued**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed to be varied by the creation of issue of further shares ranking pari passu therewith.

**(70) How new shares to rank with shares in original capital**

Except so far as otherwise provided, by the condition of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions of these presents.

**BORROWING POWERS**

**(71) Borrowing powers**

1. The Board of Directors shall have necessary authority and power to borrow money from any banks, institutions, or other body corporate or from individuals for the businesses of the company and to meet capital expenditure and shall have necessary authority to create securities in favour of the lenders, including but not limited to creation of mortgage on the immovable properties of the Company either by deposit of title deeds or by any other means, as may be prescribed by such institution(s)/ bank(s) from time to time. The Board of Directors are also authorized to offer as securities any movable or immovable properties owned or processed by the Company including creation of equitable or other types of mortgages on the immovable properties owned or possessed by the Company or on any lease hold rights for any loan or other facility that may be availed by any other body corporate, association or individuals on such terms and conditions as may be decided by the Board from time to time.

2. The payment or repayment of monies borrowed may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by a resolution passed at a meeting of the Board by the issue of debenture or debenture stock of the Company charged upon all or any part of the Company including the uncalled capital, if any.
3. The Board shall maintain a Register in accordance with the provisions of section 143 of the Act of all Mortgagers debentures and charges specifically affecting the property of the Company.
4. If the Directors or any other person shall become personally liable for the payment of the sum primarily due from the Company, the Directors may subject to the Provisions of the Act, execute or cause to be executed by mortgage, charges or security over or effecting whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

**(72) Payment or repayment of money borrowed**

The repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit by a resolution passed at a Meeting of the Board and not by circulation and in particular by the issue of Debentures or debenture stock of the Company or bonds or other commercial paper or by mortgage or charge upon all or any part of the property of the Company (both present and future), and Debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

**(73) Debentures to be subject to control of Directors**

Any debenture, debenture stock, bonds or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

**(74) Terms of issue of Debentures**

Any Debentures, debenture stock or other securities may be issued at a



discount, premium, or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise.

**(75) Mortgage of uncalled capital**

If any uncalled capital of the Company is included in or charged by any mortgage or other security, Board of Directors shall, subject to the provisions of the Act and these presents, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act, may, by instrument under the Company's seal, authorize the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the members in respect of such uncalled capital and the provision hereinbefore contained in regard to calls shall mutatis mutandis be applied to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Boards power or otherwise, and shall be assignable if expressed to be so.

**(76) Priority over charge on uncalled capital**

Where, any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise to obtain priority over such prior charge.

**(77) Indemnity**

If the Directors or any of them or any other person become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid against any loss in respect of such liability.

**(78) Register of mortgagee etc., to be kept**

The Board shall cause a proper Register to be kept in accordance with the

provisions of section 143 of the Act, of all mortgages, Debentures and charges specifically affecting the property of the Company, and shall cause requirements of sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they may be applicable.

**(79) Register and Index of Debenture holders**

The Company, if at any time issues Debentures, shall keep a Register and Index of Debenture holders in accordance with section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture holders resident in that State or Country.

**MEETING OF MEMBERS**

**(80) Annual General Meeting**

The Company shall, in each year, hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings subject to the provisions of section 210(3) (a) of the Act, the first Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year.

Provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends or any part of the business which concerns him as auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors Report and Audited Statement of Accounts, Auditors Report (if not already incorporated in the Audited Statement of Accounts) the proxy Register, Register of Director shareholding of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared Annual List of members, Summary of Share Capital, Balance Sheet and Profit and Loss

Account and forward the same to the Registrar in accordance with sections 159, 161 and 220 of the Act.

**(81) Extraordinary General Meeting**

The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one tenth of such of the paid up capital as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.

**(82) Requisition of Members to state object of meeting**

Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by, the requisitionists and be deposited, at the office:

Provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

**(83) On receipt of requisition, Directors to call meeting and in default requisitionists may do so**

Upon the receipt of any such requisition, the Board, shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid up share capital of the Company as is referred to in section 169(4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of delivery of the requisition as aforesaid.

**(84) Meeting called by requisitions**

Any meeting called under the foregoing Article by the requisitionists shall be called in the same manner as nearly as possible as that, in which meetings are to be called by the Board.

**(85) Twenty one days' notice of meeting to be given**

Twenty one days notice, a minimum for every General Meeting, Annual

or Extra Ordinary and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the Business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under the provisions of the Act entitled to receive notice from the Company:

Provided that in the case of an Annual General Meeting with the consent of all the members entitled to vote thereat and in the case of other meetings with the consent of member holdings not less than 95 per cent of such part of the paid up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) declaration of dividend, (iii) appointment of Directors in place of those retiring, (iv) appointment of and fixing of remuneration of Auditors is to be transacted, and in the case of any other meetings in any event there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every Director, and the Manager, if any, where any, such item of special business relates to, or affects any other Company, the extent of shareholding interest in other Company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 percent of the paid up share capital of that other company, where any item of business consists of according of approval to any documents by the meeting, the time and place where the document can be inspected shall be specified in any such meeting.

**(86) Omission to give notice not to invalidate a resolution passed**

Any accidental omission to give any such notice, as aforesaid, to any of the members, or non receipt thereof by any member shall not invalidate any resolution passed at any such meeting.

**(87) Resolution requiring special notice**

Where by any provision contained in the Act or in these presents, special notice is required of any resolution; notice in respect of the same shall be given to the Company or by the Company as provided in section 190 of the Act.

**(88) Meeting not to transact business not mentioned in notice**

No General Meeting, Annual or Extra Ordinary, shall be competent to enter

upon, discuss or transact any business which has not been mentioned in the notice or notice upon which it was convened.

**(89) Quorum at General Meeting**

Five members present in person shall be a quorum for a General Meeting.

**(90) Body corporate deemed to be present personally**

A body corporate being a member shall be deemed to be personally present if it is represented in accordance with the provisions of section 187 of the Act.

**(91) If quorum not available, Meeting to be dissolved or adjourned**

If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not available, the meeting, if convened by or upon the requisition of members shall stand dissolved, in any other case the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day and at such other time and place in the city or town in which the office of the Company is for the time being situated, as the Board may determine, and if at such adjourned meeting a quorum is not available at the expiration of half an hour from the time appointed for holding the meeting, the members present shall constitute a quorum, and may transact business for which the meeting was called.

**(92) Chairman of General Meeting**

The Chairman, if any, of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary, if there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the chair then the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the members present shall elect one of their members to be the Chairman.

**(93) Business confined to election of Chairman whilst chair vacant**

No business shall be discussed at any General Meeting except the

election of a Chairman, whilst the Chair is vacant.

**(94) Chairman with consent may adjourn meeting**

The Chairman, with the consent of members may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

**(95) Questions at General Meeting how decided**

At any General Meeting resolution put to vote of the Meeting shall be decided on a show of hands unless a poll is (before or on declaration of the result of voting on any Resolution on show of hands) ordered to be taken by the Chairman of the Meeting on his own motion or on a demand made in that behalf by member or members present in person or by proxy and holding shares in the Company which confer the power to vote on the Resolution not being less than one tenth of the total voting power in respect of the Resolution, or on which an aggregate, sum of not less than fifty thousand rupees has been paid up. A declaration by the Chairman that a Resolution has or has not been on a show of hands carried, or has been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the Minutes of the proceedings of the General Meeting of the Company shall be conclusive evidence of the fact, without proof of the number or the proportion of the votes recorded in favour of or against the Resolution.

**(96) Chairman's casting vote**

In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote, or votes to which he may be entitled as a member.

**(97) Poll to be taken, if demanded**

If a poll is demanded as aforesaid the same shall, subject to Article 93, be taken at such time (not later than forty eight hours from the time when the demand was made) and place, in the city or town in which the Office of the Company is for the time being situated and either by voting or by ballot, as the Chairman, shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may

be withdrawn at any time by the person or persons who made the demand.

**(98) Scrutinizers at poll**

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of scrutinizers appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

**(99) In what case poll taken without adjournment**

Any poll demanded on the election of a Chairman or on any question of adjournment shall be taken at the meeting forthwith.

**(100) Demand for poll not to prevent transaction of other business**

The demand for a poll except on the question of the Chairman and of an adjournment shall not prevent the continuation of a meeting for transaction of any business other than the question on which the poll has been demanded.

**VOTE OF MEMBERS**

**(101) Members in arrears not to vote**

No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares Registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right of lien.

**(102) Number of votes to which members entitled**

Every member, not disqualified by the preceding Article shall be entitled to be present and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid up equity share capital of the Company. Provided however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of section 87 of the Act, he shall

have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

**(103) Casting of votes by a member entitled to more than one vote**

On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he exercises.

**(104) How Members non-composment and minor may vote**

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction, in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on poll vote by proxy, if any member be a minor the vote in respect of his shares shall be by his guardian or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

**(105) Vote of joint members**

If there be joint Registered holders of any share, any one of such person may vote at any meeting and, if more than one of such joint holders be present at any meeting, then one of the said person so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at a meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles, be deemed joint holder thereof. The same provisions shall apply in regard to proxies of such joint holders. The joint holder present in person shall have preference over senior joint holders who are present by proxy.

**(106) Voting in person or by proxy**

Subject to the provision of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with section 187 of the Act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.



**(107) Vote in respect of shares of deceased and insolvent Member**

Any person entitled under Article 63 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the Registered holder of such shares provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any), as the Directors may require, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

**(108) Appointment of proxy**

Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is body corporate under the common seal of such body corporate, or be signed by an officer or any attorney duly authorized by it, and any Committee or guardian may also appoint such proxy. The proxy so appointed shall not have the right to speak at the meeting.

**(109) Proxy either for specified meeting or for a period**

An instrument of proxy may appoint a proxy either for the purpose of particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

**(110) Proxy to vote only on a poll**

A member present by proxy shall be entitled to vote only on a poll.

**(111) Deposit of instrument of appointment**

The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.

**(112) Form of Proxy**

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

**(113) Validity of votes given by proxy notwithstanding death of member**

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding previous death or insanity of the principal, or revocation of any proxy or of any power of attorney under which such proxy was signed, or the transfer of the shares in respect of which the vote is given.

Provided that no intimation, in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

**(114) Time for objections to votes**

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

**(115) Chairman of the meeting to be the judge of validity of any vote**

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

**(116) Minutes of General Meeting and inspection thereof by Member**

- (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making, within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered. (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or, in the event of death or inability of that Chairman within that period by a Director duly authorized by the Board for the purpose.
- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

- (iv) The minutes of such meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointment of officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds or otherwise.
- (vii) Any such minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours to the inspection of any member without charge.

## **DIRECTORS**

### **(117) First Directors**

The first Directors of the Company shall be -

1. Principal Secretary, Housing
2. Secretary Housing
3. Secretary, Finance.
4. Commissioner, Lucknow Division

### **(118) Number of Directors**

Until otherwise determined by a General Meeting of the Company and subject to the provisions of section 252 of the Act, the number of Directors (excluding Debenture and nominee Directors, if any) shall not be less than 3 not more than 14.

### **(119) Appointment and Retirement of Directors**

Not exceeding 1/3rd of the total number of Directors, including the Managing Director for the time being of the Company but excluding Debenture and nominee Directors, if any, will be liable to retire by rotation.

**(120) Power to appoint nominee Directors**

- (i) Subject to the provision of section 256 of the Act, whenever the Directors enter into a contract with any Government, Central, State or Local, or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of section 255 of the Act, the power to agree that, such Government, person or persons shall have the right, to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such condition as may be mentioned in the Agreement and that such Director or Directors may not be liable to retire, nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the Government, person or persons entitled to appoint or nominate them and such Government, person or persons may appoint another or others in his or their place and also till in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.
- (ii) Any trust deed securing and covering the issue of debentures of the Company may provide for the appointment of a Director for and on behalf of debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Director and on a vacancy being caused whether by resignation, death, removal or otherwise, from appointment of a Director in the vacant place.

**(121) Appointment of Alternate Directors**

The Board may appoint any alternate Director to act for a Director (hereinafter called “the Original Director”) during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not

hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

**(122) Directors power to add to the Board**

The Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 118. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

**(123) Directors power to fill casual vacancies**

Subject to the provisions of sections 264 and 284(6), the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

**(124) Qualifications of Directors**

No Director shall be required to hold any share or qualification shares of the Company.

**(125) Remuneration of Directors**

- (i) Subject to the provisions of the Act, a Managing Director or Director, who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (ii) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be such sum as may be prescribed under the Act and fixed by the Board from time to time.

**(126) Traveling expenses incurred by Director not a bona fide resident or by Director going out on Company's business**

The Board may allow and pay to any Director, who is not a bona fide resident of the place where meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

**(127) Director may act notwithstanding any vacancy**

The continuing Directors may act, notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the minimum fixed by Article 118 , the continuing Director or Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

**(128) When office of Directors to become vacant**

Subject to the provisions of sections 283(2) and 314 of the Act, the Office of a Director shall become vacant if

- (i) he is found to be of unsound mind by a Court of competent jurisdiction, or
- (ii) he applies to be adjudicated an insolvent, or
- (iii) he is adjudged an insolvent, or
- (iv) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has, by notification in the official Gazette, removed the disqualification incurred by such failure, or
- (v) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months whichever is longer, without leave of absence from the Board, or
- (vi) he becomes disqualified by an order of the Court under section 203 of

the Act, or

- (vii) he is removed in pursuance of section 284 of the Act; or
- (viii) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private Company of which he is a Director, accepts, a loan, or any guarantee or security for a loan, from the Company in contravention of section 295 of the Act, or
- (ix) he acts in contravention of section 299 of the Act, or
- (x) he is convicted by a court of an offence involving moral turpitude and is sentenced in respect thereof imprisonment for not less than six months, or
- (xi) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.

**(129) Director may contract with the Company**

- (i) Except with the consent of the Board a Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm, or a private Company of which the Director is a member or Director, shall not enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services or for underwriting subscription of any shares in, or debentures of the Company. No such contract shall be entered into except with the previous approval of the Central Government.
- (ii) No previous approval shall, however, be necessary for
  - (a) Any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm partner or private Company as aforesaid for cash at prevailing market prices, or
  - (b) Any contract or contracts between the Company on one side, and such Director, relative, firm, partner, or private Company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private Company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs.5,000 in the aggregate in any year comprised in the period of the contract or contracts:

Provided that in circumstances of urgent necessity, a Director, relative, firm, partner or private Company, as aforesaid may, without obtaining consent of the Board, enter into any such contract with the Company for the sale/purchase or supply of any goods, material or services even if the value of such goods or the cost of such services exceeds Rs.5,000/ in the aggregate in any year comprised in the period of the contract, but in such a case the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

**(130) Disclosure of interest**

Director of the Company who is, in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in section 299(2) of the Act:

Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other Company where any of the Directors of the Company holds or two or more of them together hold not more than two percent of the paid up share capital in any such other Company.

**(131) General notice of Interest**

A General Notice given to the Board by a Director, to the effect that he is Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice, nor any renewal thereof shall be of effect unless, it is given either at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.



**(132) Interested Directors not to participate or vote in Boards proceedings**

No Director shall as a Director, take any part in the discussion of, or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote, and if he does vote, his vote shall be void, provided, however, that nothing herein contained shall apply to, -

- (i) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
- (ii) any contract or arrangement entered into or to be entered into with a public Company or a private Company which is a subsidiary of a public Company in which the interest of the Director consists solely
  - (a) in his being a Director of such Company, and the holder of not more than shares of such number or value therein as is required to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company; or
  - (b) in his being a member holding not more than 2% of its paid up share capital.

**(133) Register of Contracts in which Directors are interested**

The Company shall keep a Register in accordance with section 301(1) of the Act, and shall within the time specified in section 301(2) enter therein such of the particulars as may be relevant having regard to the application thereto of section 297 or section 299 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 131. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of section

163 of the Act shall apply accordingly.

**(134) Directors may be Directors of Companies promoted by the Company**

A Director may be or become a Director of any Company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise.

**(135) Retirement and rotation of Directors**

At every Annual General Meeting of the Company, one third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three the number nearest to one third shall retire from office.

**(136) Ascertainment of Directors retiring by rotation and filling of vacancies**

Subject to section 256(2) of the Act the Directors to retire by rotation under Article 135 at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot.

**(137) Eligibility for re-election**

A retiring Director shall be eligible for re-election.

**(138) Company to appoint successors**

The Company, at the General Meeting in which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

**(139) Provision in default of appointment**

- (i) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.
- (ii) If at the adjourned meeting also the place of the retiring Director is

not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been reappointed at the adjourned meeting unless, -

- (a) at the meeting or at the previous meeting resolution for the reappointment of such Director has been put to the meeting and lost,
- (b) the retiring Director, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed,
- (c) he is not qualified or is disqualified for appointment,
- (d) a resolution, whether special or ordinary, is required for, the appointment or reappointment by virtue of any provision of the Act, or
- (e) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

**(140) Company may increase or reduce the number of Directors**

Subject to section 259 of the Act and article 118, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors and may alter their qualifications and the Company may (subject to the provision of section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same, if he had not been removed.

**(141) Notice of candidature for office of Director**

- (i) No person, not being a retiring Director shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has not less than 14 days before the Meeting left at the office of the Company notice in writing under his hand signifying his candidature for the office of the Director or the intention of such member to propose him as a candidate for the office, as the case may be, along with a deposit of Rs.500/- or such other sum as may be prescribed by law from time to time, which amount shall be refunded to such person or,

as the case may be to such member, if the person succeeds in getting elected as a Director.

- (ii) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company notice under section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
- (iii) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

**(142) Register of Directors etc and notification of change to Registrar**

- (i) The Company shall maintain at its office a Register containing particulars of its Directors, Managers, Secretaries, and other persons mentioned in section 303 of the Act, and shall otherwise comply with the provisions of the said section in all respect.
- (ii) Register of shares/debentures held by Directors The Company shall in respect of each of its Directors also maintain at its office Register as required by section 307 of the Act, and shall otherwise duly comply with provisions of the said section in all respects.

**(143) Disclosure by Director of appointment to any other body corporate**

- (i) Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of section 303 of the Act), Managing Director or Manager and Secretary of the Company shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose in the Company particulars relating to his office in the other body or bodies corporate which are required to be specified under sub-section (1) of section 303 of the Act.

- (ii) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with provisions of that section.

## **MANAGING DIRECTOR AND OTHER WHOLE TIME DIRECTOR**

### **(144) Managing Director and Whole-Time Directors**

- (a) Subject to the provisions of Sections 269,316, 317 of the Act and to these Articles, the Board may from time to time, appoint one or more Directors to be Managing Director and/or whole time Directors of the Company, for a fixed term, not exceeding 5 years at a time and may, from time to time remove or dismiss him from office and appoint another or others in his place or their places.
- (b) So long as the Government of India holds at least 50% of the Issued Share Capital of the Company, it shall have the right, by notice in writing addressed to the Company to nominate 5 persons for appointment as Directors on the Board of the Company. The Government of India shall be entitled at any time to remove its respective designee Directors and to nominate for appointment of other persons to fill their positions. Upon a vacancy arising in such positions for any reason whatsoever including resignation, death or removal of any person so appointed, the Government of India can nominate for appointment of another person to fill such position.
- (c) So long as the Government of Uttar Pradesh along with its nominees holds at least 50% of the Issued Share Capital of the Company, it shall have the right, by notice in writing addressed to the Company to nominate 5 persons for appointment as Directors on the Board of the Company. The Government of Uttar Pradesh shall be entitled at any time to remove its respective designee Directors and to nominate for appointment of other persons to fill their positions. Upon a vacancy arising in such positions for any reason whatsoever including resignation, death or removal of any person so appointed, the Government of Uttar Pradesh can nominate for appointment another person to fill such position.

- (d) In the case of reduction of shareholding of the Government of India below 50% of the issued share capital or Government of India not appointing the Directors , the Government of Uttar Pradesh shall have the right to nominate up to additional 5 persons as Directors on the Board of the Company. The Government of Uttar Pradesh shall be entitled at any time to remove its respective designee Directors and to nominate for appointment of other persons to fill their positions. Upon a vacancy arising in such positions for any reason whatsoever including resignation, death or removal of any person so appointed, the Government of Uttar Pradesh can nominate for appointment of another person to fill such position.
- (e) So long as the Government of Uttar Pradesh along with its nominees holds at least 50% of the Issued Share Capital of the Company, it shall have the right to designate one of its nominees as the Managing Director of the Company. The Government of Uttar Pradesh shall be entitled to require the Board to remove any such person from office and on a vacancy being caused in such office for any cause whether by resignation ,death ,removal or otherwise of the person so appointed, to designate another in the vacant place. The person so designated by the Government of Uttar Pradesh shall be appointed by the Board as the Managing Director of the Company.
- (f) Subject to the provisions of Sec. 255 of the Act and subject to above provision, a Managing Director or a whole time Director shall not, while he continues to hold that office be subject to retirement by rotation but he shall be reckoned as a Director for the purpose of determining retirement of Directors by rotation, and in fixing the number of Directors to retire and be subject to such provisions as to removal as the other Directors, and he shall ipso-facto and immediately, cease to be a Managing Director or a Whole time Director if he ceases to hold the office of Director for any cause.
- (g) The Board may designate Whole-time Directors as Executive Director, Technical Director, Finance Director or other suitable designations with such powers and on such terms and conditions as the Board may deem fit.

#### **(145) Powers of the Managing Director**

- (1) Subject to the provisions of the Act, the Board of Directors may from

time to time entrust to or confer upon the Managing Director such powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and with such restrictions as they may think fit and such powers may be conferred collaterally with or to the exclusion of and in substitution of all or any of the powers of the Board. The Board of Directors may from time to time withdraw, revoke, alter or vary all or any such powers. The Government of Uttar Pradesh will have absolute authority to give any directions either on the working of the Company or on matters relating to the Company and such directions shall be binding on the Board and on the Company. The Managing Director is entitled to exercise the following powers:

- (a) For the implementation of the policies/decisions taken by the Board, the Managing Director may exercise general superintendence and supervision over the working of all constituent units of the Company. The Managing Director shall be the Chief Executive of the Company.
  - (b) Subject to general control, superintendence and guidance of the Board, the Managing Director shall have the powers to manage the whole of the affairs of the Company on day to day basis. The implementation of rules, regulations and directions issued by Board, shall be through the Managing Director of the Company. All the Whole-time Directors and Officers shall be subordinate to the Managing Director and shall be under the control, direction and superintendence of the Managing Director and shall be required to carry out the instructions relating to rules and regulations and directions issued by him.
  - (c) The Managing Director may be authorized by the Board to delegate such of his powers as he may think fit to other officers of the Company subordinate to him and such delegation of powers made by the Managing Director shall be reported at the meeting of the Board immediately following the date of each delegation.
- (2) The Managing Director shall not exercise the powers to :
- (i) Make calls on shareholders in respect of money unpaid on shares of the Company.
  - (ii) Issue debentures and except to the extent mentioned in the

resolution passed at the Board meeting under section 292 of the Act, shall also not exercise power to

- (a) Borrow money, otherwise of debentures
- (b) Invest the funds of the Company, and
- (c) Give Loans

**(146) Certain persons not to be appointed as Managing Directors or whole time Directors**

- (i) The Company shall not appoint, or employ, or continue the appointment of a person as its Managing Director or whole time Director who
  - (a) is an un-discharged insolvent or has at any time been adjudged an insolvent,
  - (b) suspends, or has at any time suspended, payment to his creditors, or makes or has, at many time, made a composition with them, or
  - (c) is or has any time been convicted by a Court of an offence involving moral turpitude
- (ii) A Managing Director shall ipso-facto and immediately ceases to be a Managing Director if he ceases to hold office of Director of the Company.

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

**(147) Meeting of Directors**

The Directors may meet together as a Board for the dispatch 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 every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.

**(148) Notice of Meetings**

Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India.

Provided that the Chairman of the Board shall have the power to convene a meeting on shorter notice.

**(149) Quorum**



Subject to provisions of 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 place may be vacant at the time and any fraction contained in the one-third being rounded off as one), or three Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two third of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than three, shall be the quorum during such time.

**(150) Adjournment of meeting for want of quorum**

If meeting of the Board could not be held for want of a quorum, then, the meeting shall stand adjourned to such other date and time (if any) as by notice may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.

**(151) When meeting to be convened**

The Secretary shall, as and when directed by the Directors to do so, convene a meeting of the Board by giving a notice in writing to every Director, in accordance with provisions of section 286 of the Act.

**(152) CHAIRMAN**

- (a) So long the Government of India holds not less than 50% of the issued share capital of the Company, the Chairman of the Board of Directors shall be the Secretary to the Government, Ministry of Urban Development ,Government of India as one of the nominees of the Government of India appointed pursuant to Article 144 of these Articles ,
- (b) In the case of reduction of shareholding of the Government of India below 50% of the issued share capital or Government of India not appointing Chairman, the Chief Secretary of the Government of Uttar Pradesh shall be the Chairman as a nominee of Govt. of Uttar Pradesh pursuant to Article 144 of these Articles.
- (c) Subject to the above , the Board of Directors shall have the right to appoint one of the Directors of the Company to be Chairman of the Board. On a vacancy occurring in such office from any cause whether by death, removal , retirement or otherwise, the Board shall have the right to appoint another Director in the vacancy and the Director so appointed shall be the Chairman.

### **(153) Question and Board Meetings how decided**

The questions arising at meeting of the Board of Directors or a Committee thereof shall be decided by a majority of votes and in the case an equality of votes, the Chairman shall have a second or casting vote.

### **(154) Decisions on Important Matters**

Notwithstanding anything contained in these Articles or elsewhere, no action shall be taken by the Board of Directors in respect of the following matters unless the majority included the affirmative votes of at least one (1) Director appointed pursuant to nomination by Government of India and one (1) Director appointed pursuant to nomination by Government of Uttar Pradesh under these Articles or their respective alternates:

- (1) Increasing the share capital of the Company, or issuing new shares or convertible debentures.
- (2) Filling of vacancies on the Board of Directors
- (3) Increasing the number of Directors
- (4) Providing loans to third parties or guaranteeing the obligations of their parties.
- (5) Undertaking new business or ventures unrelated to the objectives of the Company.
- (6) Forming subsidiary of Company or subscribing to the shares or debentures of other companies.
- (7) Merging, consolidating or amalgamating the Company with any other Company.
- (8) Recommending the amount of dividends to be paid.
- (9) Appointment of any foreign national to any post in the Company.
- (10) Issue of Debentures.
- (11) Winding up of the Company.
- (12) Sale, lease, or disposal of any property, original cost of which is Rs.10 crores or more
- (13) Company's five year and annual Plans for Development and Capital Budgets.
- (14) Revenue Budget of the Company in case there is an element of deficit which is proposed to be met by obtaining funds from Government of India or Government of Uttar Pradesh or both; and
- (15) Agreement involving foreign collaboration proposed to be entered into by the Company.

Provided, however, that if in respect of any of the above items the Government of Uttar Pradesh shall have given its consent in writing, the affirmative vote of its representative on the Board at a meeting of the

Directors shall not be mandatory.

**(155) Powers of Board**

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

**(156) Directors may appoint Committee**

Subject to the restriction contained in section 292 of the Act, the Board may delegate any of their powers to Committee of the Board consisting of such Member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

**(157) Meeting of Committee**

The meeting and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and or not superseded by any regulations made by the Board under the last preceding Article.

**(158) Resolution by circulation**

Subject to the provisions of the Act requiring Board meeting in certain specified cases, no resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution, has been circulated in draft, together with necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India, (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or Members of the Committee, at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India or by a majority of such of them as are entitled to vote on the resolution provided

that such approval shall include the approval of the Managing Director appointed under Article 144.

**(159) Acts of Board or Committee not invalid notwithstanding defect in appointment**

All acts done by a meeting of the Board or by a Committee or the Board or by any person acting as a Director shall notwithstanding that it shall afterwards, be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated.

Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

**(160) Minutes of proceedings of meetings of the Board**

- (i) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof be maintained by making within thirty days of the conclusion of every such meeting entries thereof in books kept for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (vi) The minutes shall also contain
  - (a) the name of the Directors present at the meeting, and
  - (b) in the case of each resolution passed at a meeting, the name of the Director, if any, dissenting from or not concurring in the resolution.
- (vii) Nothing contained in sub clauses (i) to (vi) shall be deemed to

require the inclusion of any such minutes of any matter which, in the opinion, of the Chairman of the meeting:

(a) is or could reasonably be regarded as defamatory of any person,

(b) is irrelevant or immaterial to the proceedings, or

(c) is detrimental to the interest of the Company. The Chairman shall exercise an absolute discretion in regard to inclusion or non-inclusion of any matter in the minutes on the grounds specified in sub clause.

(viii) Minutes of meetings, kept in accordance with the aforesaid provisions, shall be evidence of the proceedings recorded therein.

### **(161) Restrictions on the Powers of Directors**

The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act, by the Memorandum or by the Articles or the provisions required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid, if that regulation had not been made provided that the Board shall not, except with the consent of the Company in General Meeting, -

- (i) sell, lease or otherwise, dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.
- (ii) remit, or give time for the repayment of any debt due by a Director.
- (iii) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (i) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after considerable time.
- (iv) borrow money where the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose:

Provided further that the powers specified in section 292 of the Act shall be exercised only at meeting of the Board, unless the same be

delegated to the extent therein stated; or

- (v) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts, the aggregate of which will in any financial year exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with provisions of sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

### **(162) General Powers of the Board**

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

- (i) To pay costs, charges and expenses preliminary and incidental to promotion, formation, establishment and registration of the Company.
- (ii) To pay and charge to the capital account of the Company any commission or interest lawfully payable there-out under the provisions of sections 76 and 208 of the Act.
- (iii) Subject to the provisions of sections 292, 297 and 299 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (iv) At their discretion and subject to provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds debentures, mortgages, or other security of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid up there on as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (v) To secure fulfillment of any contract or arrangement entered into by

the Company by mortgage or charge of all or any of the properties of the Company and its uncalled capital for the time being or in such manner as they may think fit.

- (vi) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (vii) To appoint any person to accept and hold in trust for the Company any property belonging to the Company in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees.
- (viii) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and do refer any differences, to arbitration, and observe and perform any awards made thereon.
- (ix) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (x) To make and give receipts, releases, and other discharges for money payable to the Company and for the claims and demands of the Company.
- (xi) Subject to provisions of sections 292, 295, 370 and 372 of the Act, to invest and deal with any money of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time vary or realize such investments. Save as provided in section 49 of the Act, all investments shall be made and held in the Company's own name.
- (xii) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability (whether as principal or surety) for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenant and agreements as shall be agreed upon.

- (xiii) To determine, from time to time who shall be entitled to sign, on the Company's behalf, bills, receipts, acceptance, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (xiv) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company, and give to any officer or other person/employee of the Company, a commission on the profits of any particular business or transaction and to charge such, bonus or commission as part of working expenses of the Company.
- (xv) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of house, dwelling or chawls, or by grants of money pension, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to, provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money, to any charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral, or other claim to support or aid by the Company, either by reason of locality of operation or of public and general utility or otherwise.
- (xvi) Before recommending any dividend, but subject to the provision of section 205 (2A) of the Act and there-under to set aside out of the profits of the Company such sums as they may think proper for Depreciation or Depreciation Fund or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest, of the Company, and subject to provisions of sections 292, 295, 370 and 372 of the Act, to invest the several sums so set aside or so much thereof as require to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time deal with and



vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital money of the Company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture stock, and without being bound to keep the same separate from other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, not exceeding nine per cent per annum.

- (xvii) To appoint one or more Directors as whole time Directors and designate them as Executive Directors, Technical Director, Finance Director etc. with such powers and on such terms and conditions as the Board may deem fit.
- (xviii) To appoint, and at their discretion remove or suspend such experts, technicians, advisors, officers, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and of such amount as they may think fit, and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit.
- (xix) From time to time to make, vary and repeal by-laws for the regulation of business of Company, its Officer and employees.
- (xx) Provisions contained in the following paras shall be without prejudice to the general powers conferred by this Article.
  - (a) To comply with the requirements of any local law which, in their

opinion, it shall be in the interest of the Company be necessary or expedient to comply with.

- (b) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Boards, and to fix their remuneration.
- (c) Subject to the provisions of section 292 of the Act, from time to time, and at anytime to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to issue debentures and to authorize Members, for the time being, of any such Local Board, or any of them to fill up any vacancy therein and to act, notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may, at any time, remove any person so appointed, and may annul any such delegation.
- (d) At any time and from time to time, by power of Attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and to issue debentures and excluding, also except in their limits authorized by the Board the power to make loans and borrow money) for such period and subject to such conditions as the Board may from time to time think fit and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Boards, established as aforesaid or in favour of any Company, or the shareholder Directors, nominees, or managers of any Company or firm or otherwise or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

## **MANAGEMENT**

### **(163) Prohibition of simultaneous appointment of different categories of**

### **managerial personnel**

The Company shall not appoint or employ at any time more than one of the following categories of managerial personnel, namely

- (i) Managing Director, and
- (ii) Manager

#### **(164) Secretary**

- i) The Directors may, from time to time, appoint a person at such remuneration and upon such terms and conditions as they may think fit (hereinafter called “the Secretary”) to perform functions which by the Act and the Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to the Secretary by the Directors and at their discretion the Directors may remove the person so appointed. The Directors may also from time to time appoint one or more Assistant Secretaries or Deputy Secretaries or Joint Secretaries or Additional Secretaries and Branch Office Secretary to perform any or all of the functions of the Secretary and at their discretion the Directors may remove one or more joint Secretaries or Additional Secretaries or Branch Office Secretary so appointed.
- ii) The Directors may, at any time, appoint a temporary substitute for the Secretary, who shall, for the purposes of these presents, be deemed to be the Secretary.

### **THE SEAL**

#### **(165) The Seal, its custody and use**

- (i) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (ii) The Company shall also be at liberty to have an official Seal in accordance with section 50 of the Act, for use in any territory, district or place outside India.

### **(166) Deeds how executed**

Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the share certificate the seal shall be affixed in accordance with Article 165.

### **(167) Maintenance of Registers**

The Company shall keep and maintain Registers as required by the Act including the following

- (i) Register of Investments made by the Company but not held in its own name, as required by section 49(7) of the Act and shall keep it open for inspection of any member or debenture holder of the Company without charge.
- (ii) Register of Charges as required by section 143 of the Act and shall keep it open for inspection of any creditor or member of the Company without fee and any person on payment of a fee of Rs.10 or such other sum as may be prescribed by law from time to time for each inspection.
- (iii) Register of Members under section 150 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of a fee of Rs.10 or such other sum as may be prescribed by law from time to time for each inspection, except when the Register is closed.
- (iv) Register of Debenture holders under section 152 of the Act and shall keep it open for inspection by any member or debenture holder without fee and for any other person on payment of a fee of Rs.10 or such other sum as may be prescribed by law from time to time for each inspection, except when the Register is closed.
- (v) Register of Contracts in which Directors are interested, as required by section 301 and shall keep it open for inspection by any member without fee.
- (vi) Register of Directors and Secretary, as required by section 303 and shall keep to open for inspection by any member or the Company without charge and of any other person on payment of a fee not exceeding the amount as may be prescribed by law from time to time for each

inspection.

- (vii) Registers as to the Holdings by Directors of share and debentures in the Company as required by section 307 of the Act shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning 14 days before the date of the Company's Annual General Meeting and ending 3 days after the date of its conclusion.
- (viii) Register of investments in shares or debentures of bodies corporate according to section 372 of the Act.
- (ix) Books of Account in accordance with provisions of section 209 of the Act.
- (x) Copy of instrument creating any charge requiring registration according to section 136 of the Act.
- (xi) Copies of Annual Returns prepared under section 159 of the Act together with copies of certificates and documents required to be annexed thereto under section 161.
- (xii) Register of Renewed and Duplicate Certificates according to Rule 7(2) of the Companies (Issue of Share Certificates) Rules, 1960. Copies of entries in the above Registers shall be furnished to the persons entitled to the same on payment of a fee not exceeding the amount as may be prescribed by law from time to time. The Company shall allow facility of inspection of the above Registers by persons entitled to the same on any working day between 3.00 p.m. and 5.00 p.m.

## **ANNUAL RETURNS**

### **(168) Annual Returns**

The Company shall prepare requisite Annual Returns in accordance with sections 159 and 161 of the Act and shall file the same with the Registrar with copies of Balance Sheet and Profit and Loss Account in accordance with section 220 of the Act.

## **DIVIDENDS**

### **(169) Division of Profits**

The profits of the Company, subject to provisions of sections 205 to 207 of the Act and subject to any special rights relating thereto created or authorized to be created by these Articles and subject to provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid up or credited as paid upon the shares by them respectively.

**(170) The Company in General Meeting may declare a dividend**

The Company in a General Meeting may declare dividends to be paid to the members according to their respective rights but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

**(171) Dividends only to be paid out of profits**

Subject to provisions of section 205 and 205A of the Act, no dividend shall be declared or paid otherwise than out of profits of a financial year arrived at after providing for depreciation in accordance with provisions of section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both; Provided that -

- (i) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (ii) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits, of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provision of sub-section (2) of section 205 of the Act or against both.

Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserve of the Company of such percentage of its profits for that

year as may be prescribed in accordance with Rules made under section 205 (2A) of the Act or such higher percentage of its profits as may be allowed in accordance with those Rules.

**(172) Interim Dividend**

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

**(173) Capital paid up in advance not to earn dividend**

Where capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

**(174) Dividends in proportion to amount paid up**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend, as from a particular date, such share shall rank for dividend accordingly.

**(175) Dividend etc. to joint holders**

Any one of several persons who are Registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other money payable in respect of such shares.

**(176) No member to receive dividend whilst indebted to the Company and Company's rights or reimbursement there-out**

No member, whilst indebted to the Company in respect of share money, shall be entitled to receive payment of any interest or dividend in respect of his share or shares or otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable, to any member all sum of money so due from him to the Company.

**(177) Transfer of shares must be Registered**

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**(178) Dividends how remitted**

Unless otherwise directed, any dividend may be paid by cheque or warrant by a pay slip or receipt having the force of a cheque or warrant sent by post to the Registered address of the member or person entitled to; in case of joint holders, to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature or any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

**(179) Unclaimed Dividends**

No unpaid and unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by Law. Any dividend which remained unpaid and unclaimed after having been declared shall be dealt with as per provisions of sections 205-A and 205-B of the Act.

**(180) Dividend and call together**

Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend, payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the calls.

**RESERVE AND DEPRECIATION FUNDS**

**(181) Reserve Fund**

The Directors may from time to time before recommending any dividend set apart any such portion of the profits of the Company as they think fit as a Reserve Fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, for equalization of dividends or for repairing, improving and maintaining any of the property of the Company and for such other purpose of the Company as the Board in their absolute discretion think conducive to the interest of the Company and may invest the several sums so set aside upon such investment (other than shares of the Company) as they may think fit and from time to time to deal with and vary



such investments and dispose of all or any part thereof for the benefit of the Company and may divide the Reserve Fund into such special funds as they think fit with full power to transfer the whole or any portion of a Reserve Fund to another Reserve Fund or a division of a Reserve Fund and also with full power to employ the Reserve Funds or any part thereof in the business of the Company separate from other assets and without being bound to pay interest on the same with power, however to the Board in their discretion to pay or allow to the credit of such funds interest at such a rate as the Board may think proper.

### **(182) Depreciation Fund**

The Directors may from time to time before recommending any dividend, set apart any such portion of the profits of the Company, as they think fit, as a depreciation fund applicable at the discretion of the Directors, for providing fund applicable at the discretion of the Directors, for providing against any depreciation in the investments of the Company, destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear or any other means whatsoever and for repairing, altering and keeping in good condition the property of the Company or for extending and enlarging the building, machinery and property of the Company applicable subject to dividend and such money and all the other money of the Company may be invested by the Directors in or upon such investments or securities as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the Directors may from time to time think proper.

### **(183) Investment of Money**

All money carried to any reserve and depreciation fund respectively shall nevertheless remain and be profits of the Company applicable subject to due provisions being made for actual loss or depreciation, for payment of dividend and such money and all the other money of the Company may be invested by the Directors in or upon such investments or securities as they may select may be used as working capital or may be kept at any bank on deposit or otherwise as the Directors may from time to time think proper.

## **CAPITALISATION**

### **(184) Capitalization**

- (i) The Company in a General Meeting may resolve that any amount standing to the credit of reserve funds or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Securities / Share Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the Resolution may provide, any un-issued shares of the Company, which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum;

Provided that a Securities / Share Premium Account and Capital Redemption Reserve Account may, for the purpose of these Articles be only applied in the paying of any un-issued shares to be issued to members of the Company as fully paid bonus shares.

- (ii) A General Meeting may resolve that any surplus money arising from the realization of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax be distributed among, the members on the footing that they received the same as capital.
- (iii) For the purposes of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it, thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments shall be made to any member upon the footing of the value so fixed or that fractions of value less than Rs.10 may be disregarded in order, to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trust for the persons entitled to the dividend or capitalized funds as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Act and the Board appoints any person to sign such contract on behalf of the person entitled to the dividend or capitalized fund and such appointment

shall be effective.

## **ACCOUNTS**

### **(185) Directors to keep true accounts**

The Company shall keep at the office or at such other place in India, as the Board thinks fit, proper books of account in accordance with section 209 of the Act with respect to:

- (a) all sums of money received and expended by the Company and matters in respect of which receipts and expenditure take place,
- (b) all sales and purchases of goods by the Company and
- (c) assets and liabilities of the Company.

The Company shall also keep and maintain all such books and records as may be and are prescribed under section 209 (1) (d) of the Act. Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place provided that the said other place shall also be in India.

The Company shall preserve in good order the Books of Account relating to a period of not less than eight years preceding and current year together with vouchers relevant to any entry in such books of account.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Books of Accounts are kept as aforesaid.

The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

### **(186) As to inspection of accounts or books by Members**

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the

accounts and books of the Company or any of them shall be open to inspection, by members, not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board.

**(187) Statement of Accounts to be furnished to General Meeting**

The Directors shall, from time to time, in accordance with provisions of sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting, such Balance Sheets, Profit and Loss Accounts and Reports as are required by these sections.

**(188) Copies shall be sent to each Member**

A copy of every balance sheet (including profit and loss account, the auditors report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet) which is to be laid before the Company in the General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before the date of the Meeting and a statement containing salient features of such documents in the prescribed form or copies of documents as aforesaid, as the Company may deem fit, will be sent to every member of the Company and to every Trustee for the holders of any debenture issued by the Company, not less than twenty one days before the date of the Meeting at which such documents are to be laid.

**(189) Accounts to be audited**

Auditors shall be appointed and their rights and duties regulated in accordance with sections 224, 224A to 233 of the Act.

**(190) Audit**

**(1) Appointment of auditors**

The Auditor/Auditors of the Company shall be appointed or reappointed by the Comptroller and Auditor General of India and his/their remuneration rights and duties shall be regulated by Sections 224 to 233 and Section 619 of the Act.

(2) Accounts to be audited annually once at least in every financial year the

accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors

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

The Auditors of the Company shall be entitled to receive notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts.

**(4) Power of the Comptroller and Auditor General**

(a) The Comptroller and Auditor General of India shall have power:

- (i) to direct the manner in which the Company's accounts shall be audited by the Auditor/Auditors and to give such Auditor/Auditors instructions in regard to any matter relating to the performance of his/their functions as such;
- (ii) to conduct a supplementary or test audit of the Company's accounts by such person/persons as he may authorize in this behalf and for the purpose of such audit to have access at all reasonable times, to all accounts books, vouchers, documents and other papers of the Company. and to require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General may by, general or special order, direct;\

(b) The Auditor/Auditors aforesaid shall submit a copy of his/their Audit Report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit;

(c) Any such comment upon or supplement to the Audit Reports shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the Audit Report.

**(191) Remuneration of Auditors**

The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of the Auditors appointed to fill any casual vacancy may be fixed by the Directors.

**(192) Powers and duties of the Auditors**

The powers and duties of the Auditors of the Company shall be as laid down in section 227 of the Act.

**(193) Audit of Branch Offices**

The Company shall comply with provisions of section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.

**(194) Reading and Instruction of Auditors' Report**

The Auditors Report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

**(195) When account to be deemed conclusive**

Every account when audited and approved by a General Meeting shall be conclusive.

**DOCUMENTS AND NOTICES**

**(196) Services of documents or notices on members by the Company**

- (i) A document of notice may be served or given by the Company on any member either personally or by sending it by post to him at his Registered address or (if he has no Registered address in India) to the address, if any, in India supplied by him to the Company for servicing documents or notices on him.
- (ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or the notice.

Provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a

certificate of posting or by Registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any case, at the time at which the letter would be delivered in the ordinary course of post.

**(197) By advertisement**

A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no Registered address in India and has not supplied to the Company an address within India for serving of document on or sending of notices to him.

**(198) On joint-holder**

A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of members in respect of such share.

**(199) On personal representatives etc.**

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

**(200) To whom documents or notices must be served or given**

Documents or notice of every General Meeting shall be served or given in the same manner hereinbefore authorized on or to (a) every member, (b) every person entitled to share in consequence of death or insolvency of a member and, (c) the Auditors for the time being of the Company.

**(201) Members bound by documents or notices served on or given to previous holders**

Every person, who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every document or notice in respect of such share which previously to his name and address being entered on the Register of members, shall have been duly served or given to the person from whom he derived his title to such shares.

**(202) Document or notice by Company and signature thereto**

Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

**(203) Service of document or notice by Member**

All documents or notices to be served or given by member on the Company or any officer thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by Registered post or by leaving it at the office

**WINDING UP**

**(204) Liquidator may divide assets in specie**

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

**INDEMNITY AND RESPONSIBILITY**

**(205) Directors and others right of indemnity**

Every officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all, 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 in connection with any application under section 633 of the Act, in which relief is granted to



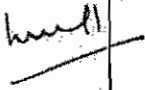
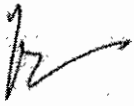
him by the Court.

## **SECRECY CLAUSE**



### **(206) Secrecy Clause**

- (i) Every Director, Manager, Auditor, Secretary, Trustee, member of a Committee, Officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties sign a declaration pledging himself to observe strict secrecy in respect of all transactions and affairs of the Company with customers and the state of the accounts with individuals and in matters relating thereto and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his, duties except when required to do so by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
  
- (ii) No member shall be entitled to visit or inspect any works of the Company without the permission of the Director or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of business of the Company and which in the opinion of the Directors it would be inexpedient in the interest of the Company to disclose.


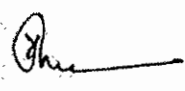
We, the several persons, whose names, Address and occupations are hereinafter subscribed below, are desirous of being formed into a Company in pursuance of this Articles of Association.

S.No.	Name, Father's Name, address description and occupation of subscribers	Signature of subscribers	Name, Address, Designation, occupation and signature of witness
1.	<p>Sada Kant  S/o Mr Kapil Deo Shukla  5, Gautampalli colony  Lucknow - 226001  Principal Secretary Housing  and Urban Planning  Department. UP.  (Government Service)</p>		
2.	<p>Chandra Shushan Palival  S/o Mr. Ram Narain Palival,  2/500, Vijay Khand, Gomati  Nagar, Lucknow.  Principal Secretary, Urban  Development Department,  U.P.  (Government Service)</p>		<p>Manish Kumar  (MANISH KUMAR GOVIL)  9, 2<sup>ND</sup> FLOOR, AGARWAL  MARKET, BHOOHNATH, INDIRA  NAGAR, LUCKNOW  CHARTERED ACCOUNTANT</p>


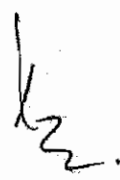
DATE : 18/10/2013  
PLACE: LUCKNOW

S.No.	Name, Father's Name, address description and occupation of subscribers	Signature of subscribers	Name, Address, Designation, occupation and signature of witness
3.	SANJIV SARAN (LATE) B. S. SAXENA 102, SHALIMAR ESTATE NEW HYDERABAD LUCKNOW COMMISSIONER LUCKNOW DIVISION GOVT. SERVICE (IAS)		
4.	Balwinder Singh Bhullar S/o. Sh. Khushal Singh Bhullar 27, Rajbhawan Colony, Lucknow Principal Secretary, Transport Department, U.P. (Government Service)		<u>Manish Kumar</u> (MANISH KUMAR GOVIL) 9, 2ND FLOOR, AGARWAL MARKET, BHOTHNATH, INDIRA NAGAR LUCKNOW CHARTERED ACCOUNTANT

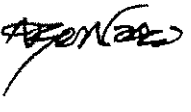

DATE : 18/10/2013  
 PLACE: LUCKNOW

S.No.	Name, Father's Name, address description and occupation of subscribers	Signature of subscribers	Name, Address, Designation, occupation and signature of witness
5.	<p>Rajneesh Dube S/o Mr. Brahmaanand Dube, D-19, Butler Palace Colony, Lucknow Uttar Pradesh - 226001 Principal Secretary, P.W.D., U.P. (Governmental Service)</p>		<p>M. Mishra MANISH KUMAR GOVIL 9<sup>th</sup> FLOOR, AGARWAL MARKET, BHOTHNATH, INDIRA NAGAR, LUCKNOW CHARTERED ACCOUNTANT</p>
6.	<p>Mukesh Mittal S/o Late Mr. Prem Pal Mittal B-2/77, SRY, Lucknow Uttar Pradesh, Secretary, Finance Department, U.P. (Government Service)</p>		<p>M. Mishra MANISH KUMAR GOVIL 9<sup>th</sup> FLOOR, AGARWAL MARKET, BHOTHNATH, INDIRA NAGAR, LUCKNOW CHARTERED ACCOUNTANT</p>

DATE : 18/10/2013  
PLACE : LUCKNOW

S.No.	Name, Father's Name, address description and occupation of subscribers	Signature of subscribers	Name, Address, Designation, occupation and signature of witness
7.	<p>RAJIV AGGARWAL          % Lt Sh. M.L. AGGARWAL          % B-9, BUTLER PALACE          COLONY, JOPLING ROAD,          LUCKNOW - 226001 (U.P.)          SECRETARY, HOUSING &amp;          URBAN PLANNING, U.P.          (GOVERNMENT SERVICE)</p>		
8.	<p>ANURAG YADAV          S/O Shri L.N. YADAV.          1 - M.G. MARG.          HAZARTGANJ          LUCKNOW - 226 001          (U.P.)          DISTRICT MAGISTRATE          LUCKNOW          (Govt. Service)</p>		<p>Manish Kumar          (MANISH KUMAR GOVIL)          1<sup>ST</sup> FLOOR, AGGARWAL MARKET,          BHOTHANATH, INDIRA NAGAR          LUCKNOW          CHARTERED ACCOUNTANT</p>

DATE : 18/10/2013  
 PLACE: LUCKNOW

S.No.	Name, Father's Name, address description and occupation of subscribers	Signature of subscribers	Name, Address, Designation, occupation and signature of witness
9	<p>ASHTBUJA PRASAD            TENDARI            S/o Late Chandra            Shekhar Tapatia            C-35 Butler Police            Lucknow.            V.O. LDA            (Govt. Servant)</p>		
10.	<p>Rakesh Kumar Singh            S/o Smt Bhulan Singh            H.No. B-905, C.S.I.            Tower Vajrikhand            Gomtinagar, Lucknow            Municipal Commissioner            Lucknow            (Govt Service)</p>		<p>Manish Kumar            (MANISH KUMAR GOUL) 9, 2<sup>ND</sup> FLOOR, AGARWAL MARKET,            BHOTHNATHI, INAIRA NAGAR,            LUCKNOW            CHARTERED ACCOUNTANT</p>

DATE : 18/10/2013  
 PLACE: LUCKNOW