

(Company Limited by Shares)

**Memorandum  
and  
Articles of Association  
of**

**UTTAR PRADESH PURVA SAINIK  
KALYAN NIGAM LTD.**

( A U.P. Government undertaking)

CO.NO.20-10780

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT ON CHANGE OF NAME

IN THE OFFICE OF REGISTRAR OF COMPANIES, UTTAR PRADESH, KANPUR  
{Under the Companies Act, 1956 (1 of 1956) }

In the matter of

UTTAR PRADESH BHUTPURVA SAINIK KALYAN NIGAM LIMITED.....

I hereby certify that UTTAR PRADESH BHUTPURVA SAINIK KALYAN NIGAM LIMITED..... which was originally incorporated on 23rd day of May..... 1986..... with the name UTTAR PRADESH BHUTPURVA SAINIK KALYAN NIGAM LIMITED..... having duly passed Special Resolution on 30.03.2000..... in terms of Section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded thereto in the letter No TC/S-21/10780/ dated 05.02.2001.... of the Registrar of Companies, Uttar Pradesh, Kanpur, the name of the said company is this day changed to U.P. PURVA SAINIK KALYAN NIGAM LIMITED..... and this certificate is issued pursuant to Section 23(1) of the said Act.

Given under my hand at Kanpur this 05th day of February  
Two thousand one.



*N.K.*  
(N.K. BHOLA) 5.2.201  
REGISTRAR OF COMPANIES, U.P.  
KANPUR.



राज्य कार्य-कार

Form I. R.

निधन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

रा. का. नं. 20-10780 of 19 89

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज

राज्यी अधिनियम 1956 ( 1956 का 1 ) के अधीन निरचित की गई है और यह राज्यी परिमित है ।

I hereby certify that UTTAR PRADESH BHUTPURVA SAINIK KALYAN NIGAM LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज रा. को दिया गया ।

Given under my hand at Kanpur this 23rd

day of May one thousand nine hundred and Eighty Nine

2nd Jyaishta 1911(S.E.)



(S.P. TAYAL)

कम्पनी रजिस्ट्रार उ० प्र० कानपुर Registrar of companies U. P. KANPUR

Co. No. 20-10780



कारवार प्रारम्भ करने के लिये प्रमाण-पत्र  
Certificate for Commencement of Business  
कम्पनी अधिनियम, 1956 की धारा 149 (3) के अनुसार में  
Pursuant of Section 149 (3) of the Companies Act, 1956

मैं एतद् द्वारा प्रमाणित करता हूँ कि.....

जो कम्पनी अधिनियम 1956 के अधीन तारीख.....को नियमित की गई थी  
और जिसने आज विहित प्रारूप में सम्यक रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त  
अधिनियम की धारा 149 (1) (क) से लेकर (घ) तक/ 149 (2) (क) से लेकर (ग) तक  
की शर्तों का अनुपालन किया गया है, कारवार प्रारम्भ करने की हकदार है।

I hereby certify that the.....UTTAR PRADESH BHUTPURVA.....  
SAINIK KALYAN NIGAM LIMITED.....

which was incorporated under the Companies Act, 1956, on the.....23rd.....  
day of.....May.....19<sup>89</sup>, and which has this day filed a duly  
verified declaration in this prescribed form that the conditions of section 149  
(1) (a) to (d)/149 (2) (a) to (c) of the said Act, have been complied with is  
entitled to commence business.

मेरे हस्ताक्षर से यह तारीख.....को.....

में दिया गया।

Given under my hand at.....Kanpur.....  
this.....24th.....day of.....July.....one thousand nine  
hundred and...Eighty Nine.....

2nd Sravana 1911(S.E.)



(S.P. TAYAL)  
कम्पनी रजिस्ट्रार

उ० प्र० कानपुर  
Registrar of companies  
U. P. KANPUR

जे० एस० सी०-10  
J. S. C.-10

R. K. Printers-6-87

**Under The Companies Act 1956**  
**MEMORANDUM OF ASSOCIATION OF**  
**UTTAR PRADESH PURVA SAINIK KALYAN NIGAM LIMITED**

(A Government Company within the meaning of Section 617 of the  
Companies Act 1956)

- I The name of Company is UTTAR PRADESH PURVA SAINIK KALYAN NIGAM LIMITED.
- II The Registered Office of the Company will be situated in the State of Uttar Pradesh.
- III The objects for which the Company is established are:

**A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION -**

1. To promote science, commerce, charity, training activities and other useful objects for the promotion and welfare of the ex-servicemen and their dependant family members
2. To apply the income and property of the Company solely for the promotion of the objects as set forth herein the Memorandum of Association of the Company and that no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to persons who at any time are or have been members of the Company including the Hon'ble Governor of UTTAR PRADESH or to any of them or to any person claiming through any one or more of them.
3. To provide financial assistance to the ex-servicemen, their dependents family members of Ex-servicemen in schemes approved by the company.
4. To encourage and impart training for entrepreneurship amongst the Ex-Servicemen and their dependents Family members.
5. To arrange loans, subsidy /grants and margin money loans to Ex-Servicemen and their dependents Family members individually or through their co-operative societies established for the purpose to provide self-employment in trade and Industry purposes.
6. To frame and identify viable projects and model schemes and provide technical consultancy services to Ex-Servicemen and their dependents family members.
7. To strength and assist co-operative and other Institutions of the Ex- Servicemen and their dependents family members.
8. To avail assistance from polytechnics, ITIs, Management Institutions, Agro Institutions and other Institutions for providing training to the Ex-Servicemen and their dependents family member in relevant trades.
9. To provide to serving soldiers (prior to their retirement) Ex-Servicemen and their dependents family members for the opportunity of Employment/self employment and impart training in connection there with.

10. To make available loans etc. to Ex-Servicemen and their dependents family members under margin money scheme of banks or other financial institutions.
11. To identify trades and industries which can be taken up by Ex-Servicemen and their dependents family members and to undertake feasibility studies of such schemes for the benefit of ex-servicemen entrepreneurs.
12. To make bulk purchases of raw materials, machineries, tools and implements and to ensure their fair distribution among ex-servicemen entrepreneurs.
13. To undertake marketing activities and in pursuance thereof set up sales emporia within and out-side the State of Uttar Pradesh.

**B. OBJECTS ACILLARY OF INCIDENTAL TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS**

1. To raise funds necessary for the above objects, by issue of share capital, securing loans from the central and the State Governments and other approved source, including financial institutions and banks on reasonable rates of interest, to arrange for their proper utilization and repayment and to obtain grants from the Central or State Government to achieve the aforesaid objects.
2. To borrow or raise money by the issue of or upon bonds, debentures, bills of exchange, promissory notes or other obligations or securities of the Company, or by mortgage, hypothecation, pledge or charge of all or any part of the property of the Company or of its uncalled capital or in such other manner as the Company may think fit.
3. To enter into contracts with persons, institutions or organisations to carry out the main objects.
4. To procure and arrange for the necessary machinery, equipment, technical and managerial assistance, information, instruction, supervision and other facilities for the purpose of carrying out any of the objects of the Company.
5. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company.
6. To acquire lands and buildings necessary for carrying out any of the objects of the Company by recourse to proceeding under the appropriate land laws or any other laws for the time being in force or otherwise.
7. To acquire by purchase direct negotiation, exchange or otherwise, any property necessary for or effected by execution of the schemes of the Company.
8. Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Company any thing necessary of convenient for the purpose of its activities and in particular any land, building easements, machinery, plant and stock in trade.

9. To enter into any arrangement with the government of Uttar Pradesh or the Government of the India or any other government of a state or local authority, or any person for the purpose of carrying out the objects of the company or furthering its interests and to obtain from such government or authority or person, any charters, subsidies, loans, indemnity, grants, contracts, licences, rights, concessions, privileges or immunities which the company may think it desirable to obtain and exercise in connection with its business and comply with any such arrangements, rights privileges and concessions.
10. To make, draw, accept, endorse, discount execute, issue and negotiate cheques, bills of exchange promissory notes and other negotiable or transferable instruments connected with the business of the company, but not to do the business of banking as defined in the banking regulation act 1949 ( Central act 10 of 1949)
11. To invest any money of the company not for the time being required for any of the purposes of the company in such investments (other than share of stocks in the company) as may be considered proper and to hold or otherwise deal with such investments.
12. Subject to section 58 A of the Companies Act, 1956 to receive money on deposit and to lend money and/or give such help whether monetary or otherwise with or without interest to such persons or companies and on such terms and condition as may seem expedient provided that the company shall not carry on banking business.
13. To enter into partnership or into any arrangement for sharing profits, union of interest, cooperation, joint venture, reciprocal, concession or otherwise, with any person or company or companies carrying on or engaged in, or about to carry on, or engaged in any business or transaction which this company is authorised to carry on or engage in or any business of transaction capable of benefit to this Company and to lend money to this guarantee the contracts of or otherwise assist, any such person or, company and to take or otherwise acquire shares and securities of any such Company , and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.
14. To establish, maintain and operate educational institutions, schools and colleges and hostels for the benefit of the children of the employees or ex-employees of the Company, their family members, dependents or such persons in whose welfare the said employees or ex-employees are interested and to make grants and awards and grant scholarships.
15. To establish, maintain and operate hospitals, dispensaries, first aid centers and other medical institutions, public health installations, markets, shops and stores, clubs, cinemas and entertainment places, motor transport services, housing colonies, dhoby/Khanas, dairies, fire service station for the benefit of the Company's employees and their dependents family members.
16. To provide for the welfare of employee or ex-employees of the Company and their family members or dependents or such persons in whose welfare the said employees or ex-employees are interested by building or contributing to the building of houses or by grants of money, pensions, allowances, bonus or other

payment or by creating and from time to time, subscribing to provident associations, institutions fund or trust and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other assistance as the Company shall think fit.

17. To grant annuities, pensions, allowances, gratuities and bonus to any employee or ex employee (including Directors and Ex-Directors) of the company or their family member or dependents or such persons in whose welfare the said employee or ex-employee is interested and to establish or support associations, institutions, club, schools, funds schemes and trusts (religious, scientific, educational, Provident or otherwise) which may be considered and calculated to benefit any such person or otherwise advance the interest of the Company and to establish and contribute any scheme for purchase by trustee of share in the Company to be held for the Company's employees and to support or subscribe to any charitable objects and institutions and to clubs, societies or funds.
18. To provide drainage facilities, lighting, lying of roads, paths and parks in the constructions and for housing schemes formulated, propounded, executed or adopted by the Company in connection with its activities.
19. To lay or relay out of any land comprised in the schemes, to distribute or re-distribute sites or houses, to close or demolish dwellings or portions of dwellings unfit for human habitation, to demolish obstructive buildings or portions of buildings, to take up and carry out construction and re-constructions of buildings, their maintenance and preservation, the construction and alteration of streets and backlanes, the provision of drainage, water supply and lighting of the area included in the schemes, the provision of parks, playgrounds and open spaces for the benefit of any area comprised in the schemes or any adjoining area and the enlargement of existing parks, approaches etc.
20. To provide facilities for communication and transport for the benefit of residents and other persons employed in the company and other persons.
21. To promote subsidiary companies for the purpose of implementing any of the objects of the company herein mentioned.
22. To undertake collection of such information data and statistics as may be necessary for the enforcement of its objects.
23. OTHER OBJECTS.....NIL

IV The liability of the members is limited.

V The Authorised Share Capital of the Company is RS. 5,00,00,000 (Rupees Five Crores only) divided into 5,00,000/- (Five lac) Equity shares of RS. 100/- (Rupees One Hundred) each.



We the several persons, whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the No. of shares in the Capital of the Company set opposite our respective names.

Names, Address, Description and Occupations of Subscribers	Signature of the Subscribers	Number of shares taken by each subscriber	Name Address, description and occupations of witnesses
(1)	(2)	(3)	(4)
1. Colonel Prem Prakash Singh Yadav S/o Late Shree C.S. Yadav 3/2, Butler Palace, Lucknow (Government Service)	sd/-	One (1) Equity share	sd/- (Avinash Kakkar) S/o Mr. P.C. Kakkar 43-A, Cantonment Road, Lucknow (Chartered Accountant) M.N. 82394
2. Shaibal Kr. Mukherjee S/o Late H.R. Mukherjee 20 Gautam Palli, Lucknow (Government Service)	sd/-	One (1) Equity share	
3. Vijay Krishna Saxena S/o Late Shri Vishnu Saran Lal Principal Secretary Finance 5, Gautam Palli, Lucknow (Govt. Service)	sd/-	One (1) Equity share	
4. Bhol Nath Tiwari S/o Late S.K. Tiwari Secretary Planning Govt. of U.P. 20/A1, Way Road, Lucknow (Govt. Service)	sd/-	One (1) Equity share	
5. Shiv Kumar Bharadwaj S/o Sri Ram Asrey A-104, Lal Bagh Complex, Lucknow (Govt. Service)	sd/-	One (1) Equity share	
6. L.M. Sinha S/o Sri Jag Mohan Sinha B-602, Lalbagh Complex, Lucknow (Govt. Service)	sd/-	One (1) Equity share	
7. Lt. Col. Satish Chandra S/o Late Sri Bhagwan Sahai Sainik Bhawan, Kaiserbagh, Lucknow (Govt. Service)	sd/-	One (1) Equity share	
	<b>TOTAL</b>	<b>Seven (7) Equity share</b>	

Dated 23-5-1989 day of ..... years 1989.

LUCKNOW

**Under the Companies Act, 1956**  
**THE ARTICLES OF ASSOCIATION**  
**OF**  
**UTTAR PRADESH PURVA SAINIK KALYAN NIGAM LIMITED**

(A Government Company within The Meaning of Section 617 of the  
Companies Act 1956)

**I - PRELIMINARY**

1. In these articles, unless there be something in the subject matter or context inconsistent therewith:
  - a. "The Act" means the Companies Act 1956.
  - b. "Board" or the "Board of Directors" means the Board of Directors of the Company for the time being of the Company.
  - c. "Bye-Laws" means the bye-law which may be made by the Directors of the Company under these Articles and which may for the time being be in force.
  - d. "Chairman" means the Chairman of the Board of Directors for the time being of the company.
  - e. "Company" means UTTAR PRADESH PURVA SAINIK KALYAN NIGAM LIMITED.
  - f. "Director" means the Director for the time being of the Company.
  - g. The "Government" means the Government of Uttar Pradesh.
  - h. "Month" and "Year" mean calender month and calender year respectively.
  - i. "Office" means the Registered Office for the time being of the Company.
  - j. "Managing Director" means a Director who by virtue of an agreement with the Company or of a resolution passed by the Company in general meeting or by the Board of Directors or by virtue of the Memorandum and Articles of Association is entrusted with substantial powers of management; which would not otherwise be exercisable by him, and includes a Director occupying the position of a Managing Director, by whatever name called.
2. The regulations contained in Table A in the first schedule to the Act shall not apply to the Company except so far as the same are repeated, contained, contained or expressly made applicable by these articles or by the Act.

**II - SHARE CAPITAL**

3. The Authorised Share Capital of the Company is Rupees 5,00,00,000/- (Rupees Five Crore) Only divided into 5,00,000 (Five lac) Equity shares of Rs. 100/- (Rupees one hundred only) each and the company may alter the conditions of its memorandum so as to increase its share capital by such amount as it thinks expedient by issuing new shares in the manner prescribed in the Act.
4. Subject to the provisions, if any, in that behalf in the Memorandum of Association of the Company and, without prejudice to any special rights previously conferred on the holders of existing shares in the company any share in the Company may be issued with such preferred, or other special rights, or such restrictions, whether in regard to dividend, return of share capital or otherwise, as the Company may, from time to time, by special resolution determine and any preference share may by a special resolution be issued on the terms that it is redeemable at the option of the Company or otherwise.

5. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class, or by a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provision of these regulations relating to general meetings shall mutatis mutandis apply, but the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class in quorum.
6. Allotment of Shares Subject to the directions of the Government in that behalf and subject to the provisions hereinafter contained, the shares shall be under the control of the Board of Directors who allot or otherwise dispose of the same to such persons, on such terms and conditions and at such times as the Board think fit and with full power to make calls on any shares whether at par or at a premium or (subject to the provisions of the Act) at a discount and at such time and for such consideration as the Board thinks fit.
7. Share certificates Every person whose name is entered as a member in the Register of Members shall, without payment, be entitled to a certificate under the common seal of Company specifying the share or shares held by him and amount paid up therein: provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such share-holders. A certificate for a share shall be signed by at least two Directors, and one authorised signatory.
8. Issue of new Share certificate in place of one defaced, lost or destroyed If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding two Rupees and on such terms, if any, as to evidence and indemnity and the payment of out of pocket expenses incurred by the Company in investigating evidence as the Board think fit.
9. Company's share not to be purchased Except to the extent allowed by the Act, no part of the funds of the Company, shall be employed in the purchase of, or in loans upon the Security of the Company's shares.
10. Company's lien on shares The Company shall have a lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share (other than fully-paid shares) standing registered in the name of a single person for all money presently payable by him or his estate to the Company, but the Board may declare any share to be wholly or in part exempt from the provisions of this clause. The Company lien in respect of share shall extend to include all dividend payable in respect of that share.
11. Enforcement of lien by sale The Company may sale in such manner as the Board thinks fit any shares on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable, or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled by reason of his death or insolvency.
12. Application of proceeds of sale The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as presently payable and the residue, if any shall be payable (subject to a like lien for sums not presently payable as

existed upon the shares prior to the sale) to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares, and he shall not be bound to the application of the purchase money, nor shall his title to the shares be affected by any irregularities or invalidity in the proceedings in reference to the sale.

### III - CALLS ON SHARES

13. The Board may from time to time make such calls as it thinks fit upon the members in respect of all moneys on the shares held by them respectively and not by the conditions of allotment thereof, made payable at fixed times, and each member shall, subject to receiving at least fourteen days notice specifying the time and place of payment, pay to the Company the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments, provided however that the Board may, from time to time at its discretion, extend the time fixed for the payment of any call.

14. Joint Holder's liability to pay The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.

15. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof by the person from whom the sum is due, the holder for the time being or the allottee of the share in respect of which a call shall have been made shall pay interest upon the sum at the rate of five percent per annum or at such lower rate, if any, as the Board may determine from the day appointed for the payment thereof to the time of the actual payment but the Board shall be at liberty to waive payment of that interest wholly or in part.

16. The provisions of these articles as to the payment of interest shall apply in the case of non-payment of any amount which, by the terms of 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 become payable by virtue of a call duly made and notified.

17. The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the time of payment.

18. Payment in application of calls may carry interest The Board may, if it thinks fit, receive from any member any willing to advance the same all or any part of the money uncalled and unpaid upon any shares held by him and upon all or any of the money so advanced may (until, the same would, but for such advance, become presently payable) pay interest, at such rate (not exceeding without the sanction of the Company in a general meeting, six percent per annum) as may be agreed upon between the member paying the sum in advance and the Board.

### IV - FORFEITURE OF SHARE

19. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof the Board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.

20. The notice shall name a further day (not earlier than the expiration of fourteen days, from the date of service of the notice) on or before which the payment required by the notice is to be made and shall state, that in the event of non payment on or before the time

appointed, the shares in respect of which the call was made will be liable to be forfeited.

21. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made be forfeited by a resolution of the Board to that effect.
22. A forfeited share may be sold or other wise disposed off on such terms and in such manner as the Board think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board thinks fit.
23. Effects of forfeiture A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, but his liability shall cease if and when the company received payment in full of the nominal amount of the shares.
24. Declaration of forfeiture. A duly verified declaration in writing that, the declarant is a Director, the manager or the secretary of the company and that a particular share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to that share, and that declaration and the receipt of the Company for the consideration, if any, given for the share on the sale or disposition thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money(if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.
25. Provisions regarding forfeiture to apply in the case of non-payment of sum payable at a fixed time The provisions of these articles as to forfeiture shall apply in the case of non payment of any sum, which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal 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.

## V - TRANSFER AND TRANSMISSION OF SHARES

26. Execution of transfer The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
27. Form of transfer Share of the Company shall be transferred in the form prescribed by the Act or the rules made thereunder.
28. The right of members to transfer their shares shall be restricted as follows.
- a. A share may be transferred by a member or other person entitled to transfer only to a person or persons approved by or on behalf of the Government and to no other person.
  - b. Subject to as aforesaid the Board may decline to register any proposed transfer of shares.

29. The board may suspend the registration of transfers during the fourteen days immediately preceding the Annual General Meeting in each year, The Board may decline to recognise any instrument of transfer unless :-
- a. A fee not exceeding rupees two is paid to the company in respect thereof; and
  - b. The instrument of transfer is accompanied by the Certificate of the shares to which it relate and such other evidence as the Board may reasonably require to show the right of transfer to make the transfer. If the Board refuses to register a transfer of any shares, it shall within two months, after the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.
30. So far as a concerns any share held by any person as a nominee of the Government or the Government requiring him to transfer any such share to the Government or to any other person or persons nominated by the Government or any such person becoming of unsound mind or being adjudicated as insolvent, or on such person being a company, being wound up voluntarily or by the court or subject to the supervision of the court, the following provisions shall take effect namely.
- (a) The Government may at any time serve the company with a requisition to enforce the transfer of any such share.
  - (b) The Company shall thereupon forthwith give to the holder of such share or where the holder has become of unsound mind to his committee or other guardian, or where the holder has become or been adjudicated an insolvent to the assignee of his estate and effects or where the holder is dead to his heirs or legal representatives or where the holder being a Company, has been wound up as aforesaid, to its liquidator, notice in writing of the requisition and unless within 14 days afterwards, the holder, or as the case may be, the committee or guardian or assignee or heirs or legal representative of such holder, shall execute in favour of the Government or any other person or persons nominated by the Government a proper transfer in respect of such share and handover the same alongwith the relative certificate in respect of such share to the Government or any other person or persons nominated by them in that behalf who may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder of estate and the same shall be deemed to have been duly and properly executed for and on behalf of such holder or of his estate and thereupon the holder or his estate shall cease to have any interest whatsoever in such share and the certificate of such share if not handed over as aforesaid, shall there upon stand cancelled and be and become void and of no effect, and the company shall be entitled there after to issue new certificate in lieu there of in favour of the Government or of such person or persons as they may nominate.
31. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as a member in respect of the share or, instead of being registered himself to make such transfer of the share as the deceased or insolvent person could have made, but the Board shall in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.
32. A person becoming entitled to share by reason of death or insolvency of the holder of a share shall be entitled to the same dividends and other advantages to which he would be entitled if he were their registered holder of the share except, that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise

any right conferred by membership in relation to meeting of the Company.

## VI - ALTERATION OF CAPITAL

33. Power to Increase Capital. The company may with the previous sanction of the Government of Uttar Pradesh in General Meeting increase the share capital by such sum and to be divided into shares of such amount as the resolution shall prescribe.
34. Subject to any direction to the contrary that may be given by resolution sanctioning the increase of share capital all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit to the amount of existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting time, being not less than ten days from the date of the offer within which the offer, if not accepted, will be deemed to be declined, and after the expiration of the time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered the Board may dispose of the same in such manner as it thinks most beneficial to the Company. The Board may like wise so dispose of any new shares which by reason of the ratio which the new shares bear to share held by persons entitled to an offer of new shares cannot in the opinion of the Board, be conveniently offered under this Articles.
35. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, and transmission forfeiture and otherwise as the shares in the original share capital.
36. The Company may by ordinary resolution;
- Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares.
  - By sub division of its existing shares or any of them, divide the whole or any parts of its share capital into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Act.
  - Cancel any shares which at the date of passing of the resolution have not been taken or agreed to be taken by any person.
37. The company may by special resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law.
38. Power to borrow. The Board may from time to time at its discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company by means of a resolution passed at a meeting of the Board.
39. Condition on which money may be borrowed The Board may raise or secure the payment or repayment of such a sum or sums in such manner and upon such terms and condition in all respect as they think fit and in particular by the issue of bonds, perpetual or redeemable or Debentures or debenture stock of any mortgage charge of their security of the company, charges upon all or any part of the property of the company both present and future including its uncalled capital for the time being.
40. Securities may be assignable free from equities. The debentures, debenture stock and other securities, may be made assignable free from any equities between the company and the persons who the same may be issued.

41. Issue at discount etc. or with special privileges. Subject to the approval of the Government and the provisions of Sec. 117 of the Act any debenture, debenture stock, bonds or other securities, may be issued at discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotments of shares, attending and voting at general meetings of the company appointment of Directors and otherwise.

## VII - GENERAL MEETING

42. The first annual general meeting of the Company shall be held within 18 months of its incorporation. The next annual general meeting shall be held within six months after the expiry of the financial year in which the first annual general meeting was held, and thereafter an annual general meeting shall be held within six months after the expiry of each financial year. Except in meeting (not being the first annual general meeting) is extended by the Registrar Central Government under Section 166 of the Act no greater interval than fifteen months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours on a day other than a Public holiday either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated and the notice calling the meeting shall specify it as the annual general meeting.
43. Such General meeting shall be called "Annual General Meeting" and all other meetings of the company shall be called "Extraordinary general meeting".
44. When extraordinary meeting is to be called The Board may, whenever it think fit, and shall when required by the Government call an extraordinary general meeting and an extra ordinary general meeting shall also be called on such requisition, or in default, may be called by such requisitionists, as provided in the Act.
45. Notice of meeting. Subject to the provisions of the Act relating to special resolution, twenty one days notices at least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and in case of special business the general nature of such business, shall be given in the manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the Act or the Articles of the Company, entitled to receive such notice from the Company but the accidental omission to give notice or the non-receipt of notice by any member shall not invalidate the proceedings at any general meetings. With the consent in writing of all the entire members, a meeting may be convened by a shorter notice than as aforesaid and in any manner they think fit.
46. Quorum. No business shall be transacted at any general meeting unless a quorum of member is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members present in person shall be a quorum.
47. If quorum not present, when meeting to be dissolved and when to be adjourned If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting if called upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointment for the meeting the members present shall be quorum.



48.  
Chairman of  
general  
meeting.

The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the company.

49.

If there is no such Chairman or if at any meeting, he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman the Managing Director shall preside at the meeting. In the absence of the Chairman or the Managing Director the members present shall choose some one of their member to be the Chairman of the meeting.

50.  
power to  
adjourn  
general  
meeting.

The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place 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. When meeting is adjourned for one month or more notice of the adjourned meeting shall be given as in the case of an original meeting, save as aforesaid, it shall not be necessary to give any notice of an adjournment of the business to be transacted at adjourned meeting.

51.  
Evidence  
of the  
passing of  
resolution  
when poll  
is not  
demanded.

At any general meeting a resolution put to vote at the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of the Act and unless a poll is so demanded a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost and entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact, with out proof of the number or proportion of the votes recorded in favour of or against that resolution

52.  
Poll.

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

53.  
How the  
questions  
are to be  
decided in  
the meeting

In the case of an equality of votes whether on a show of hands or on poll the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote

54.  
In what  
case poll  
taken.

A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

### VIII - VOTE OF MEMBERS

55.

Subject to any restrictions or rights for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote. On a poll every member shall have one vote in respect of each share held by him, provided however, that so far as the member nominated by the government is concerned a vote may be given on his behalf on a show of hands or on a poll by any person whether a member or not authorised by the government to be present and vote at all or any of the meeting of the Company. The government may at any time revoke or cancel the authority of any person to vote as aforesaid and make fresh authorisation an order of the Government authenticated as provided by the Constitution of India in respect of any such authorisation or revocation thereof as aforesaid shall be sufficient and conclusive evidence thereof.

56. Any person authorised by the Government to vote on their behalf (or their nominated members as aforesaid may, if so authorised by any other order of the Government as aforesaid, appoint another person whether a member or not) as a proxy or substituted authority whether in respect of a special or ordinary resolution to vote on behalf of the nominee of the Government as aforesaid and such proxy or substituted authority shall be entitled to vote on a show of hands or on a poll.
57. Joint Holders. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to exclusion of the vote of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members,
58. Votes in respect of members of unsound mind A member of unsound mind, or in respect of whom an order has been made by any court of competent jurisdiction may vote, on a show of hands or on a poll by his committee or other legal guardian and any such Committee or guardian may on a poll vote by proxy.
59. member entitled to vote while call to company No member shall be entitled to vote at a general meeting unless all calls or other sums presently payable by him in respect of the shares in the company have been paid.
60. Proxy permitted On a poll votes may be given either personally or by proxy, provided that no company shall vote by proxy as long as a resolution of its Board of Directors authorising any person to act as its representative at any meeting of the company passed in accordance with the provisions of the Act, is in force.
61. Instrument appointing proxy to be in writing. Subject as aforesaid, the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal, or under the hand of an Officer or attorney so authorised and no person shall a proxy unless he is a member of the company.
62. Instrument appointing proxy to be deposited at office. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a materially certified copy of that power or authority shall be composited at the Registered Office of the Company not less than seventy two 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.
63. Form of proxy. An instrument appointing proxy may be in the prescribed form which the Board shall approve.

## IX - DIRECTORS

64. Numbers of Directors. Until otherwise determined by the Company in general meeting, the number of Directors of the company shall not be less than three or more than twelve including nominee Directors appointed under Articles 65 and 68.
65. The Governor of Uttar Pradesh shall be entitled to appoint not less than one-third of the total number of Directors of the Company and shall be at liberty to remove from office all or any of the persons so appointed and on removal, resignation, retirement or death of any such person, whether original or substituted or upon his office being vacated for any cause whatsoever, to appoint any person or persons in his or their places. Such directors shall not be liable to retire by rotation.

66. At the incorporation of the company the following persons shall be the first Directors of the company:
- Directors at the time of the incorporation of the company.
- Mr. Shaibal Kumar Mukerjee
  - Mr. Prem Prakash Singh Yadav
  - Dr. Vijay Krishna Saxena
  - Mr. Vishwanth Anand
  - Mr. Bholanath Tiwari
  - Mr. Vinod Shankar Chaubey
67. The directors shall not be required to hold any qualification shares.
- Qualification of Directors.
68. Where any investment and finance corporations such as the Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India U.P. Financial Corporation or any other Corporation or Bank or the Central or State Govt. make loans to the company or give guarantee in connection with the grant of a loan to or the supply of machinery or other equipment for the company, any such body shall be entitled to nominate Directors of the company if that be agreed to as a condition of the grant of a loan or giving of such guarantee. The provisions of these Articles as to retirement of Directors shall not apply to such Directors.
- Appointment of Directors by Finance Corporation etc.
- The Directors so appointed shall have the same powers and privileges as other Directors of the company. The said Directors shall hold Office at the pleasure of and shall be removable or substituted by another person by such Corporation, bank or government. In addition to the Director's fee provided in these Article, such Directors shall be paid such travelling and other expenses etc. for attending the Boards meetings as may be admissible to them under the rules of the Corporation, Bank or Government which they represent.
69. (a) Each Director may be paid out of the funds of the Company such amount as may be permissible from time to time under the Act by way of remuneration for his services per meeting of the Board or any Committee of the Board attended by him.
- Directors' Fee
- (b) The Board may allow and pay to any Director who for the time being is resident out of the place at which any meeting of the Board may be held and who shall come to that place for the purpose of attending such meeting such sum actually incurred as the Board may consider fair and reasonable for his expenses in connection with his attending the meeting.
70. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going to or residing in any place for any of the purposes of the Company or in giving special attention to business of the Company or as a member of a Committee of the Board then the Company may subject to the prior approval of the Government remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.
- Remuneration of Director for extra service.
71. The continuing Directors may act notwithstanding any vacancy in the Board, but if the number falls below the quorum fixed by Article 92 for a meeting of the Board, the Board shall not, except for the purpose of filling vacancies so as to increase the number of Directors, to that fixed for the quorum or of summoning a general meeting of the Company act so long as number is below the minimum aforesaid.
- Board may act notwithstanding vacancy.
72. The office of a Director shall ipso facto become vacant if :-
- when office of Director becomes vacant.
- a. he is found to be of unsound mind by a court of competent jurisdiction: or

- b. he applies to be adjudicated on insolvent ; or
  - c. he is adjudged an insolvent; or
  - d. he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ; or
  - e. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure ; or
  - f. he absents himself from three consecutive meetings of the Board or from all meetings of the Board for continuous period of three months whichever is the longer, without obtaining leave of absence from the Board ; or
  - g. he (whether by himself or by any person for his benefit or on his account) or any firm of which he is Director, accepts a loan, or any guarantee or security for a loan, from the company in contravention of section 295 of the Act ; or
  - h. he acts in contravention of section 299 if the Act ; or ( i ) he becomes disqualified by an order of court under section 284 of the Act ; or
  - i. he is removed in pursuance of section 284 of the Act ; or
  - j. having been appointed 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 ; or
  - k. by notice in writing to the Company he resigns his office and that resignation is accepted at a meeting of the Board ; or
  - l. having been nominated a Director by the Governor of Uttar Pradesh is removed or substituted by the Governor of Uttar Pradesh
- Notwithstanding anything in clauses ( c ),(d) and ( i ) the disqualification referred to in those clauses shall not take effect:-
- (a) for thirty days from the date of the adjudication, sentence or order;
  - (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
  - (c) Where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, or conviction and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

73.

Directors etc. not to hold office of profit under the company or the subsidiary.

- Except with the consent of the Company accorded by a special resolution:-
- a. No Director of the Company shall hold any Office or place of profit, and
  - b. No partner, or relative of such a Director, no firm in which such Director Or relative is a partner, no private Company of which such Director is a Director or member and no Director or Manager of such a private Company shall hold any office or palace of profit carrying a total monthly remuneration of three thousand rupees or more, except that of Managing Director or Manager -
    - i under any Company; or
    - ii under any subsidiary of the Company unless the remuneration received from such subsidiary as such office or place of profit is paid over to the Company in its holding Company, provided that it shall be sufficient if the special resolution according the consent of the Company is passed at the general meeting of the company held for the first time after the holding or such office or place of profit,
- Provided further that where a relative of a Director or a firm in which such relative is a partner, is appointed to an Office or place of profit under the Company or a subsidiary thereof without the Knowledge of the Director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the date of appointment, whichever is later.

74. Directors may be directors of the to companies, promoted by the company. A Director of the company may be or become a Director of any Company promoted by this Company in it which it may be interested as vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company.

75. Conditions under which Directors may contract with the Company. Subjects to the provisions of Section 297 of the Act a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise, of goods, materials, or services or from underwriting the subscription of any shares or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private Company, of which such Director is a member or Director, be void, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or the fiduciary relation thereby established.

76. Disclosure of Director's Interest. Every Director 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 as required by section 299 of the Act.

77. Discussion and voting by interested Directors. 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 he is in any way, whether directly or indirectly concern or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote. This prohibition shall not apply to-

- a. Any contract of indemnity against 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  
or
- b. Any contract or arrangement entered into or to be entered into by the Company with a public Company or with a private company which is subsidiary of a public company, in which the interest of the Director aforesaid consist solely in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two percent of the paid up share capital of such company.

78. Proportion of directors to retire by rotation. Not less than two third of the total number of Directors other than Directors appended under Articles 65 & 68 shall be persons who are liable to retire by rotation.

79. Retirement 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 multiple of three than the number nearest to one third shall retire from office. A retiring Director shall be eligible for re-selection.

80. Determination of retirement of Directors. The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment but as between persons who becomes 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.

81. Appointment of directors to be voted on individually. Save as is permitted by section 263 of the Act, every resolution of the General Meeting for the Appointment of a Director shall relate to one named individual only.

82. Vacancies to be filled at annual General Meeting. At the annual general meeting at which a Director retires by rotation, the company may fill up the vacancy by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled 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. 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 up the vacancy the retiring Director shall be deemed to have been re appointed at the adjourned meeting, unless-

- (i) at the meeting or at the previous meeting resolution for the re-appointment of such Director has been put to the meeting and lost ;  
or
- (ii) the retiring Director has, by a notice in writing addressed to the Company or the Board expressed his unwillingness to be so re appointed ;  
or
- (iii) he is not qualified or is disqualified for appointment ;  
or
- (iv) a resolution whether special or ordinary, is required for his appointment or reappointment by virtue of any provisions of the Act;  
or
- (v) the proviso to sub-section (2) of section 203 of the Act is applicable to the case.

83. Increase or reduction in the number of Directors. Subject to the provisions of sections 252, 255, 258 and 259 of the Act, the Company in general meeting may, from time to time by ordinary resolution increase or reduce the number of Directors within the limits fixed by Article 64.

84. Power to remove directors The Company may, subject to the provisions of section 284 of the Act by ordinary resolution of which special notice according to section 190 of the Act has been given, remove any Director (not being a Director appointed by the Central Government under section 408 of Act or by the Government of Uttar Pradesh), before the expiry of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his place. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been so, removed. If the vacancy created by the removal of a Director under the provisions of this article is not so filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provisions of Article 85.

85. Board may fill casual vacancies If the office of any Director (other than the Directors appointed by the Governor to Uttar Pradesh), appointed by the Company in General Meeting is vacated, before his term of Office will expire in the normal course, the resulting vacancy may be filled by the Board at a meeting of the Board, but any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been so vacated, provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of the Director under Article 84.

86. board may appoint additional Director The Board shall have power at any time and from time to time to appoint a person or persons as on additional director(s) provided that the total number of directors and additional directors together shall not at any time exceed the maximum strength fixed for

the Board by these Articles. Such additional directors shall hold office only upto the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company at the meeting subject to the provisions the Act.

87.

Right of persons other than retiring directors to attend for Directorship

- a. A person who is not a retiring Director, shall subject to the provisions of the Act be eligible for appointment to the office of Director at any general meeting if he or some member intending to propose him, has, not less than fourteen days before the meeting left at the at any general meeting if he or some member intending to propose him, has not less than fourteen days before the meeting left at the Registered Office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be.
- b. The Company shall inform its member of the candidature of a person for the office of director or the intention of member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting; provided that it shall not be necessary for the Company to serve individual notice upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in regional language of that place.
- c. Every person (other than a director retiring by rotation or otherwise a person who has left at the registered Office of the Company a notice under Section 257 signifying his candidature for the Office of director proposed as a candidate for the office of a director, shall sign, and file with the Company his consent in writing to act as a director if appointed,

## X - ALTERNATE DIRECTORS

88.

Appointment of Alternate Directors.

- (1.) The Board may appoint an Alternate Director to act for a Director (other than a Director appointed under Article 66), during his absence for a period of not less than three months from the State of Uttar Pradesh where the meeting of the Board shall ordinary be held and such appointment shall have affect and such appointee, while he holds office as on Alternate Director shall be entitled to all the rights, powers and privileges of the original Director and notice of meetings of the Board and to attend and vote there-at accordingly; but he shall ipso facto vacate office if and when the original Director returns to the State of Uttar Pradesh or the original Director vacates office as a Director.
- (2.) The Governor of Uttar Pradesh may appoint an Alternate Director to act For a Director appointed under Article 65, during his absence for any period and such appointment shall have the effect and such appointee, while he holds office as an Alternate Director, shall be entitled to all the rights, powers and privileges of the original Director and notice of meeting of the Board and to attend and vote thereat accordingly.

## XI. PROCEEDINGS OF BOARD

89.  
Meeting of  
the board

- (a) The Board shall meet together for dispose off business at least once in every three calendar months and at least four such meetings shall be held during a calendar year.
- (b.) Notice of every meeting of the Board shall be given in writing to every Director for the time being at his usual address in India.

90.  
Director may  
summon  
meeting

The Chairman or the Managing Director may at any time and shall, upon the request of Director or Directors at any time convene a meeting of the Board.

91.  
Chairman

If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to the Chairman of the meeting.

92.

Subject to the provisions of section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in the one third being rounded of as one) or two 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 director who are not interested present at the meeting being not less than two shall be the quorum during such time. For the purpose of this Article, an alternate director shall be counted in quorum at a meeting at which the Director in whose place he is appointed is not present. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of at the Board the meeting shall stand adjourned till such date and time, as the chairman of the Board shall appoint.

93.  
Powers of  
board  
Meeting

A meeting of the Board of which a quorum is present shall subject to the directives issued under Article 177, be competent to exercise all or any of the authorities, powers, functions and directions by or under the articles for the time being vested in or exercisable by the Board.

94.  
Questions to  
be decided  
by majority  
vote.

Save as otherwise provided by the Act, questions arising at any meeting shall be decided by a majority votes, and in case of an equality of votes, the Chairman shall have a second or casting vote.

95.  
Committees  
of the board.

Subject to the restrictions contained in section 292 of the Act, the Board may, from time to time delegate any of its powers to a committee or committees of the Board consisting of one or more Directors, and may from time to time revoke such delegation. Every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations and restrictions 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 shall have the like force and effect as if done by the Board.

96.  
Regulation  
of Committee  
meetings

The meeting and proceedings of any such committee of the Board consisting of two or more Directors shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulation made by the Board under Article 101

97.

Acts done by any meeting of the Board by a Committee of the Board or by a person as a director shall be valid notwithstanding that it may afterwards be discovered that the



Acts of a Director valid not withstanding defective appointment etc.

appointment of such Committee or Director(s) or of the person(s) acting as Director(s) was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles; 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.

98.

Resolution by circulation

Save as otherwise expressly provided in the Act and in those cases where a resolution is required by section 292 of the Act to be passed at a meeting of the Board, a resolution shall be as valid and effected as if it had been passed at a meeting of the Board or committee thereof, as the case may be, duly convened and held, if a draft thereof in writing is circulated together with the 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 a Committee, as the case may be), and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

99.

minutes to be made

- a. The Board shall, in accordance with the provisions of section 193 of the Act, cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of the Board to be kept by making within thirty days of the conclusion of every meeting entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of the each meeting in such books shall be updated and signed by the Chairman of the said meeting, or the Chairman of the succeeding meeting and in the case of minutes of proceedings of a general meeting by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman within that period by a Director duly authorised by the Board for the purpose. In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise.
- b. The minutes of such meeting shall contain a fair and correct summary of proceedings there at and all orders made by the Board or Committees of the Board and all appointments of Directors and other officers of the Company made at the meetings aforesaid shall be included in the minutes of the meeting. Provided that no matter need be included in any such minutes which in the opinion of the chairman of the meeting in his absolute discretion
  - (iii) is, or could reasonably be regarded as, defamatory of any persons, or
  - (iv) is detrimental to the interests of the company, or
  - (v) Is irrelevant or immaterial to proceedings.
- e. The minutes of each meeting of the Board or a Committee of the Board shall also contain the name of the Directors present at the meeting and in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from, or not concurring in, the resolution.
- d. Minutes of every meeting of the board or committee thereof, or of the company in a general meeting, if kept in accordance with the provision of Section 193 of the Act, shall be evidence of the proceedings recorded therein. The book containing the minutes of the all proceedings of any general meeting of the company shall, in accordance with section 196 (1) of the Act, be kept at the registered office at the Company and shall be open to the inspection of any member without charge on all business days between the hours of 10.30 a.m. to 12.30 p.m.

## XII - POWER OF THE BOARD

100.  
General powers of the Company vested in the Board.

Subject to the provisions of the Act, the control of the Company's affairs shall be vested in the Board, who shall paid expenses in incurred in promoting and registering the company and shall be entitled to exercise all such powers and to do all such acts and things as the company is authorised to exercise and do, provided that the Board shall not exercise any power and do any act or thing which is directed or required, whether by the companies Act of any other act or by the memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meetings, provided further that in exercising any such powers or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Companies Act or any other act or in the Memorandum of Association of the Company or in these articles, or in any regulations not inconsistent therewith duly made thereunder, including regulation made by the company in general meeting but no regulations 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 also that the board shall not transfer whether by way of sale, gift or mortgage or otherwise dispose of any immovable property of the company without prior approval in writing of the Government of Uttar Pradesh.

101.  
Specific powers of the board

Without prejudice to the general powers conferred by Article 100 and by or under any other Article or the provisions of the Act, the Board shall have the Following specific powers

- i. To carry out the objects of the Company and exercise the powers contained in clause III of the Memorandum of Association of the Company.
- ii. To have the superintendence, control and direction over manager of Managing Director, whole time directors and all other Officers of the Company.
- iii. To Carry on business on the vacation of Office by the Managing Director or Manager of the Company , if any.
- iv. To delegate , Subject to the Provisions of Section 292 of the Act, by resolution passed at a meeting of the Board to any Committee of the Board and/or Managing Director of the Company-
  - a. the powers to barrow money otherwise than on debenture:
  - b. the power to invest the funds of the company
  - c. the power to make loans;
  - d. the power to carry out the objects of the company as contained in clause III of the Memorandum of Association of the Company in respect of any particular unit owned managed or run by the Company provided that every resolution delegating power under clause (a) shall specify the total amount outstanding at any time upto which money can be borrowed by the delegate, every resolution delegating the power referred to in clause (b) shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate; and every resolution delegating the power in clause (c) shall specify the total amount upon loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each purpose in individual cases; provided further that nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified above.
- v. To appoint at any time and from time to time by a power of attorney under seal, any person to be attorney of the Company for such purposes and with such powers

authorities and discretion's (not exceeding those which are delegatable by the Board under the Act or these Article) and for such period and subject to such condition as the Board may from time to time think fit, with powers for such Attorney (a) to sub delegate all or any of the powers, authorities and discretion's vested in the Attorney(s) for the time being.

- vi. To acquire by lease, mortgage purchase or exchange or otherwise any property rights or privileges which the Company is authorised to acquire or such price and generally on such terms and conditions as the Board may think fit.
- vii. Subject to the provisions of section 293 of the Act to sell let exchange or otherwise dispose of absolutely or conditionally any property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as the Board may think fit.
- viii. To open any account or accounts with such Bank or Bank as the Board may select or appoint, to operate on such accounts, to make sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bill of exchange, bills of lading and other negotiable instruments, to make and give receipts, release and other discharge for money payable to the Company and for the claims and demands of the Company; to take contracts and to execute deeds.
- ix. To appoint Officers, clerks and servants for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such Officers, clerks, and servants. Provided, however, that no post the basic pay of which either exceeds Rs. 3,000/- p.m. or the maximum of the scale of which exceeds Rs. 4,000/- p.m. shall be created and filled without the prior approval of the Governor of Uttar Pradesh, but in case it is found useful to avail the services of retired Government servants of good competence and experience, this limit of Rs. 3,000/- may be raised to Rs. 4,000/- inclusive of pension, provided further that appointment of any foreign national shall not be made without the prior approval of the Governor of Uttar Pradesh except the appointment of foreign technical personnel to any post without any ceiling of salary to such personnel and also when such appointment is in broad conformity with the policy of the Government.
- x. To sanction, pay and reimburse the Officers and employees of the Company in respect of any expenses incurred by them on behalf of the Company.
- xi. To invest and deal with any of the moneys of the Company, to vary or lease such investments subject to the provisions of sections 49, 77 and 292 of the Act.
- xii. To refer claims of demands, by or against the Company to arbitration.
- xiii. 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 of satisfaction or any debate due and of claims or demand by or against the Company and to appoint solicitors, Advocates, counsel and other legal practitioners or advisers for such purposes or for any other purposes to settle and pay their remuneration.

- xiv. To act on behalf of the Company in all matters of insolvency in which the Company is interested.
- xv. To pay and give gratuities, pensions and allowances to any person or persons including any director, to his widow, children or dependents that may appear to the Board just or proper whether any such person, widow children or other dependents have or have not a legal claim upon the Company and whether such person is still in the service of the company or has any funds and pay premiums for the purchase or provisions of any such gratuity, pension or allowances.
- xvi. To establish, maintain, support and subscribe to any charitable or public object or any institution, society or club which may be for the benefit of the Company or its employees.
- xvii. To set aside portions of the profits of the Company to form a fund or funds, before recommending any dividends, for the objects mentioned above.
- xviii. To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such fund and accrual. Employment suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of such fund as the Board may from time to time think fit.
- xix. To exercise the powers conferred by section 50 of the Act with respect to having an official seal for use abroad.
- xx. To exercise powers conferred on the Company by section 157 and 158 of the Act, with regard to keeping of breach and foreign registers.
- xxi. To sell any goods or articles manufactured or produced by the Company or to purchase, obtain or acquire machinery stores, goods or materials for the purposes of the Company or to sell the same when no longer required for those purposes.
- xxii. To determine by resolution from time to time the person or persons by name of office who shall be entitled to do all or any of the acts mentioned in these articles, of the company ;and
- xxiii. To accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof subject to section 100 and 104 of the Companies Act, 1956.

102.  
Power to  
Foreign  
Register

The Company may exercise the powers conferred on it section 157 and 158 of the Act with regard to the keeping of foreign Register and the Board may (subject to the Provisions of these sections) make such regulations as it may think fit respecting the keeping of any such register.

103.  
Drawing etc.  
of negotiable  
and other  
instruments

All cheques, promissory notes, draft orders, hundies, bills of exchange and other negotiable instruments and all receipts, release and other discharges for moneys paid or payable to the Company and for all claims and demands of the Company, shall be made, signed, drawn accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

### XIII - CHAIRMAN

104.

Power to  
appoint  
Chairman.

- (a) The Board shall from time to time appoint any of the Directors who is an Ex-Servicemen or Principal Secretary/ Secretary Social Welfare/ Sainik Kalyan of Govt of U.P. who is also the representative of U.P. Government as the Chairman of the Company.
- (b) Subject to the provisions of the Act and the superintendence control and direction of the Board, the Chairman shall exercise such powers and carry out such duties as may be conferred or imposed upon him by a resolution or resolution of the Board passed in that behalf.

105.

To what  
provisions  
he shall be  
subject

The Chairman of the Board shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a director or in fixing the number of Directors to retire but he shall be subject to removal as the other Directors appointed by Governor of Uttar Pradesh and he shall ipso facto and immediately, cease to be the Chairman if he ceases to hold the Office of Director from any cause.

### XIV - VICE CHAIRMAN

106.

- (a) The Board shall from time to time, appoint any such director who is an ex-serviceman or any other person and who is also recommended by UP Government as the Vice-Chairman of the Company for a specified period of his tenure as Vice-Chairman.
- (b) The Vice-Chairman will preside over the Board of Director's Meeting in the absence of Chairman.
- (c) The Vice Chairman shall be subject to removal as the other directors appointed by the Government of Uttar Pradesh and he shall ipso facto and immediately, cease to be the Vice Chairman on the expiry of the tenure fixed under (a) above and also if he ceases to hold the office of Director from any cause.'

### XV - MANAGEMENT

107.

Powers of  
management

Subject to the provisions of the Act and subject also to the control and superintendence of the Board the Business and affairs of the Company shall be carried out and managed by the Managing Director for the time being of the Company.

108.

Powers to  
appoint  
Managing  
Director.

The Board shall, from time to time appoint any of the Director who is representative of Government of Uttar Pradesh or its nominated Ex-Service officer not below the rank of Colonel or its equivalent from Navy/Air Force as Managing Director of the Company.

109.

To what  
provision  
shall be  
subject

Subject to the provision of section 255 of the Act, the Managing Director shall not while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors and he shall, ipso facto, and immediately, cease to be the Managing Director if he ceases to hold the office of Director from any cause.

110. Remuneration of managing director.

The Managing director shall be paid such remuneration (whether by way salary or commission or participation in profits or partly in one way and partly in another) as may from time to time be determined by the board.

111. Powers of managing director

Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in section 292 thereof, the Board may from time to time entrust to and confer upon the Managing Director for the time being such of the power exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, or, and in substitution for all or any of the powers of the board in that behalf and may from time to time revoke, withdraw alter or vary all or any such powers.

112. Certain persons not to be appointed managing director or whole time directors

The Company shall not appoint or employ or continue the appointment or employment of any person on its Managing Director or whole time Director who;

- is an undischarged insolvent or has at any time been adjudged on insolvent
- suspends or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them: or
- is, or has at any time been convicted by a Court of an offence involving moral turpitude.

113. Local managements

The Board may from time to time provide for the management of the affairs of the Company conducted outside its registered office in respect of individual units owned, managed or by it or elsewhere and may in pursuance thereof appoint a person or persons to conduct and look after the business and affairs of the company and may, subject to the general control, direction and superintendence authorise him or them to exercise such of the powers as the Board may deem necessary or expedient.

## XVI - LOCAL MANAGEMENT

114. Official seal for use outside inside.

- The Company may have for use in any, territory, district or place, not situated in India an official seal which shall be facsimile of the common seal of the company, with addition on its face of the name of the territory, district or place where it is to be used, and may by writing under its common seal authorise any person appointed for the purpose in that territory district or places to affix official seal to any deed or other document to which the company is party in that territory district or place,
- The person affixing the official seal shall by writing under his hand, certify on the deed or document to which the seal is affixed the date on which and the place at which it is affixed.

## XVII - THE SEAL

- The Board shall provide for the safe custody of the common seal which shall not be used except by the authority of a resolution of the Board and every instrument to which the seal shall be affixed shall be signed by at least two Directors or by a Director and Secretary or some other person appointed by the Board for the purpose. Provided nevertheless that any instrument bearing the Seal of the company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity

touching the authority of the Board to issue the same: Provided further that certificate of shares shall be signed and issued in accordance with the provisions of the companies (Issue of share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof for the time being in force.

### XVIII - ANNUAL RETURNS

116. Annual returns The company shall comply with the provisions of sections 159 and 161 of the Act as to making and filing of Annual Returns.

### XIX - RESERVES

117. The Board may from time to time set apart any such portion of the profits of the Company, as it thinks fit as Reserves applicable at its discretion and or to meet contingencies or for the liquidation of the debentures. Debts or other liabilities of the Company for equalisation of dividends for rebuilding restoring replacing altering repairing improving or maintaining the plant, building or any property of the Company and for such other purposes of the company as the Board in its absolute discretion thinks conducive to the interests of the Company, and may invest the several sums, so set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time 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 into such special funds as it thinks fit with full power to employ the reserves or any part thereof in the business of or for the purpose of the Company.
118. Investment of reserves All money carried to the Reserves shall nevertheless remain and be profit of the Company subject to due provisions being made for actual loss or depreciation or for the payment of dividends and such moneys and all other moneys of the company not immediately required for the purpose of the Company may be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time, think proper.

### XX - CAPITALISATION OF RESERVES

119. Capitalisation of reserves The Company in general meeting may, upon the recommendation of the Board, resolve that any money investments or other assets forming part of the undivided profits of the Company, standing to the credit of the reserves or any capital redemption reserve account, or in the hands of the Company and available for dividends or representing premium received on the issue of share and standing to the credit of Share Premium Account be entitled to receive the same if distributed by way of dividend and in the same proportions as the equity share capital held by them on the footing they becomes entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares of the company which shall be distributed accordingly and/or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up on unissued share to be issued to members of the Company as fully paid bonus shares.

120.  
Surplus  
moneys.

The Company in general meeting may upon the recommendation of the Directors resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investments representing the same, or any undistributed profits of the Company not subject to the charge for income tax redistributed among the members on the footing that they receive the same as capital.

121.  
Fractional  
certificates

For the purpose of giving effect to any resolution under article 119, 120 and 131 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 cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds as may deem expedient to the Board where required a proper control shall be filled in accordance with section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised funds.

### XXI - INTEREST OUT OF CAPITAL

122.  
Interest out  
of capital

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision of any plant, which cannot be made profitable for a lengthy period the Company may pay interest on so much of that share capital as is for the time being paid up, for the period at the rate and subject to the conditions and restrictions imposed by section 208 of the Act and may charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provision of plant.

### XXII - DIVIDENDS

123.  
Division of  
profits.

Subject to the provisions of Article 4 and the rights of members entitled to shares, if any, with preferential or special rights attached thereto the profits which the Company from time to time decides to distribute in respect of any year or other period shall be applied in the payment of a dividend on the Equity shares of the Company and all dividends shall be apportioned and paid proportionately to the amount 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 provided that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly provided that where capital is paid up in advance of call upon the footing that the same shall carry interest such capital shall not rank for dividends or confer a right to participate in profits.

124.  
Declaration  
of dividends

The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of section 207 of the Act, fix the time for payment.

125.  
Restriction  
on amount of  
dividends.

No larger dividend shall be declared than recommended by the Board, but the company in general meeting may declare a smaller dividend.

126.  
Dividends  
out of profit  
only and not  
to carry  
interest.

Subject to the provisions of section 205 of the Act and also to the law of the land for the time being in force, no dividend shall be payable except out of the profit of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.



127. Profits. The declaration of the Board as to the amount of the profit of the Company shall be conclusive.
128. Interim dividends. Subject to limitation imposed by law, if any, the Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.
129. Debts may be deducted.
- a. The Board may deduct from any dividend payable to any members all sums of moneys, if any presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
  - b. The Board may retain any dividend on which the company has lien and may apply the same in or towards satisfaction of the debt liabilities or engagements in respect of which the lien exists.
130. Dividend and call. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the all be made payable at the same time as the dividend and the dividend may be set off against the call.
131. Dividends payable in cash. No dividend shall be payable except in cash provided that nothing in the forgoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the company.
132. Effect of transfer. A transfer of shares not pass the rights to any dividend declared thereon before the registration of the company.
133. to whom dividend payable. No dividend shall be paid in respect of any share except to the member registered in respect of such share or to him order or to his bankers. But nothing contained in this Articles shall be deemed to require the bankers of a member to make separate application to the Company for the payment of the dividend.
134. Dividend to members registered jointly. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for any dividends, bonuses and other payments in respect of such share.
135. Notice of dividend. Notice of any dividend whether interim or otherwise shall be given to the persons entitled to herein in the manner hereinafter provided.
136. payment of dividend. Unless otherwise directed in accordance with section 53 (2) (a) of the Act any dividend, interest or other money payable in cash in respect of a share may be paid by cheque or warrant sent through post within forty two days from the date of the declaration to the registered address of the member who is first named in the register or to such person and to such address as the member or members, as the case may be, may in writing direct and every cheque or warrant shall be made payable to the order of the person to whom it is sent except;
- (a) When the dividend cannot be paid by reason of operation of any law or
  - (b) Where a member has given direction to the Company regarding the payment of dividend and those directions cannot be complied with, or
  - (c) Where there is a dispute regarding the right to receive the dividend; or
  - (d) Where the dividend has been lawfully adjusted by the Company against any sum due

to it from the member: or  
(e) Where, for any other reason, it is not possible to pay the dividend or to pass the warrant within the period aforesaid.

137.  
Unclaimed  
Dividend.

In respect of unclaimed dividends the provision of sections 205 A and 205 B of the Act shall be complied with.

### XXIII - BOOKS AND DOCUMENT

138.  
Maintenance  
of Books of  
Account.

The Board shall cause to be kept in accordance with section 209 of the Act proper books of accounts with respect to

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place.
- (b) All sales and purchases of goods by the Company.
- (c) The assets and liabilities of the Company, and
- (d) Such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed in the case of the Company and required by the Central Government to be included in the books of account.

139.  
Location of  
Books of  
Account.

The books of account shall be kept at the Registered Office of the Company or at such other place in India as the Board may decide, and when the Board so decides 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. The books of account and other books and papers shall be open to inspection by any Director during business hours, and shall also be open to inspection by the Registrar or by any officer of Government authorised by the Central Government in this behalf.

140.  
Inspection  
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 books of account and books and document of the Company other than those referred to in Articles 100(d) and 169 or any of them shall be open to the inspection of the member not being Directors and non-members (not being a Director) shall have any right of inspecting any books of account or book or document of the company except as conferred by law or authorised by the Board or by the Company in general meeting and no member (not being a Director) shall be entitled to require or receive any information concerning the business, trading or customer of the company or any trade secret or secret process of or used by the company.

141.  
Books of  
accounts to  
be preserved.

Subject to sub-section (4-A) of Section 209 of the Act, the books of account of the Company relating to a period of not less than eight years immediately proceeding the current year together with a vouchers relevant to any entry in such books of account shall be preserved in good order.

### XXIV - BALANCE SHEET AND ACCOUNTS

142.  
Balance sheet  
and profit and  
loss account

At every annual general meeting of the Company the Board shall lay before the Company a Balance Sheet and profit and loss Account made up in accordance with the provisions of section 210 of the Act and such balance sheet and Profit and loss Account shall comply with the requirements of sections 210, 211, 212, 215, and 216 and of schedule VI to the Act so far as they are applicable to the company but save as aforesaid the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the company than it may deem expedient.

143. *balance sheet to include certain particulars as to its subsidiary company.* There shall be attached to the Balance-Sheet a copy of all such documents which are required to be attached by section 212 of the Act in respect of a subsidiary company, if any.

144. *Annual Reports of Directors.* There shall be attached to every balance sheet laid before the company if any in general meeting a report by the Board in accordance with section 217 of the Act.

145. *Copies to be sent to members and others.* A copy of every balance-sheet (including the Profit and Loss Account, the auditors Reports and every other document required by law to be annexed or attached to the Balance sheet) which is so to be laid before the company in annual general meeting shall, as required by section 219 of the Act, not less than twenty one days before the date of the meeting be sent to every member, debenture holder, trustee for the holder, of the debenture issued by the Company and all other persons to whom the same is required to be sent by the said section.

146. *Copies of balance sheet to be filed with register.* The Company shall comply with section 220 of the Act as to filing with the Register copies of the Balance sheet, Profit and Loss Account and documents required to be annexed or attached thereto.

## XXV - AUDIT

147. *Account to be audited annually.* At least once in every year the books or account of the company shall be examined by one or more Auditor or Auditors duly appointed subject to the provision of section 619 of the Act.

148. *Audit of accounts of branch office.* Where the Company has a branch Office the provision of section 228 of the Act shall apply.

149. *Audit provisions.* Whenever a vacancy in the office of the auditor occurs the Company at its general meeting may nominate three persons for being appointed as the Auditors of the company and may forward the names of the persons so nominated to the controller and Auditor General of India and the Central Government for being considered for the appointment as an Auditor of the Company under section 619 of the Act.

150. *Remuneration of Auditors.* The Auditors shall be paid such remuneration as may be determined by the central Government.

151. *Duties of Auditors.* The Auditor so appointed shall audit and prepare accounts and make the report in the manner provided for under the Act.

152. *Right of Auditors.* Every auditor of the company shall have a right of access at all times to the books of account and vouchers of the company and shall be entitled to require from the Directors and other officers of the company such information and explanation as may be necessary for the performance of his duties as an auditor.

153. *When accounts to be deemed finally settled.* Every account of the company when audited and approved by a general meeting shall be conclusive.

154. *Notices of Meetings to be sent to Auditors.* All notices of and other communications relating to any general meeting of the company which any member of the company is entitled to have sent to him shall also be forwarded to the Auditor of the company and the auditor shall be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the

155. The Auditors Report (including the auditors separate special or supplementary report, if any) shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.

### XXVI - NOTICES AND DOCUMENTS

156. a. A notice or document may be served by the Company on any member either personally or by sending it by post to him to his registered address or, if the member not being a resident in India, to the address, if any supplied by such member to the Company for the giving of notices to him.
- b. Where a notice or document is sent by post;
- i. Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document provided that where a member has intimated to the company in advance that documents would be sent to him, under a certificate of posting or by registered post with or without acknowledge due and has deposited with the Company a sum sufficient to defray the expenses for doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member; and
  - ii. Such service shall be deemed to have been effected
    1. in the case of a notice of a meeting at the expiration of the forty eight hours after the letter containing the same is posted ; and
    2. in any other cases at the time at which the letter would be delivered in the ordinary course of post.
- c. Where a notice of other documents is sent by the post outside India, service thereof shall be deemed to have been effected by properly addressing and sending a letter by air mail, postage prepaid, at the time at which the letter would be delivered in the ordinary course of post.

157. Notice to members who have not supplied addresses. A notice or document advertised in a news paper circulating in the neighbourhood of the registered Office of the Company shall be deemed to be served on the day on which the advertisement appears on every member resident in India. Who has no registered address in India and has not supplied to the Company an address for the giving of notices to him. Any such member who has not registered address in India shall, if so required to do by the Company, supply the Company, with an address in India for giving of notices to him.

158. Notice to members registered jointly A notice or document may be served by the Company on the members registered jointly in respect of a share by serving it on the member named first in the register of members of the Company in respect of the shares.

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

160. Giving or notice by Advertisement Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act, shall be sufficiently given if given by advertisement.

161.  
Date on which  
notice deemed  
to be served.

Any notice required to be, or which may be given by advertisement shall be advertised once in one or more newspapers, circulating in the neighbourhood of the Company.

162.  
Date on which  
notice deemed  
to be served.

Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

163.  
Transfer etc.  
bound by prior  
notices.

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

164.  
Notice  
through  
member  
deceased

Subject to the provisions of Article 159, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then deceased and whether or not the Company has notice of his demise, whether registered solely or jointly with other persons for all purposes of those present be deemed a sufficient service of such notice or document on his executors or administrator and all persons, if any, jointly interested with him in any such share.

165.  
How notice  
to be issued

The signature to any notice to be given by the Company may be written or printed.

166.  
Service of  
process in  
winding up.

Subject to the provisions of Sections 497 and 509 of the Act in the event of a winding up of the Company every member of the Company who is not for the time being in the place of where the Registered Office of the Company is located shall be bound within eight weeks after the passing of an effective resolution to wind up the Company voluntarily of the making of an order for the winding up of the Company to serve notice in writing on the Company stating the name of some house holder residing in the neighbourhood of the Registered Office of the Company upon whom all summons, notices, processes or orders and judgement in relation to or under the winding up of the Company may be served and in default of such nomination the Liquidator of the Company shall be at liberty on behalf of such member to appoint some such person and service upon any such appointee whether appointed by the member or the Liquidator shall be deemed to be good personal service on such member for all purpose and where the Liquidator makes any such appointment he shall with all convenient speed give notice thereof to such member by advertisement in some daily newspaper circulating in the neighbourhood of the Registered Office of the Company or by a registered letter sent by post and addressed to such member at his address as registered in the Register of members and such notice shall be deemed to be served on the day on which the advertisement appears or the letter would be delivered in the ordinary course of the post. The provision of this Article shall not prejudice the right of the Liquidator, of the Company to service any notice or document in any other manner prescribed by these Articles.

## XXVII - KEEPING OF REGISTERS AND INSPECTION

167.  
Register etc. to  
be maintained  
by Company

The Company shall keep and maintain at the office in accordance with the requirements of the Act, the following Registers;

- i. A register of charges pursuant to section 143 of the Act.
- ii. A register of Member pursuant to section 150 and whenever the Company has more than fifty members unless such Register of Member is in a form which is in a form which itself, constitute an index of members pursuant to section 151 of the Act.
- iii. A register of Debenture holders pursuant to section 152 and whenever the Company

has more than fifty debenture holders, unless such Register of debenture holders itself constitute an Index, an index of debenture holder pursuant to section 152(2) of the Act.

- iv. A register of Contract pursuant to section 301 of the Act.
- v. A register of Directors, Managing Director an Secretary pursuant to section 303 of the Act.
- vi. A register of Director's Share holding pursuant to section 307 of the Act
- vii. A register of loans, etc., made by the Company to bodies corporate pursuant to section 370 of the Act.
- viii. A register of investments made by the Company in shares and debentures of bodies corporate pursuant to section 372 of the Act.
- ix. A register of investment not held by the Company in its own name pursuant to section 49(7) of the Act.
- x. A register of Renewed and Duplicate Certificate pursuant to Rule 7 (2) of the Companies (Issue of Share Certificates) Rules, 1960 or any statutory modification or re-enactment thereof.

168. Supply of copies of Registration etc.

The Company shall comply with the provisions of section 39, 118, 163, 192, 196, 219, 301, 302, 304, 307, 362, 370, and 372 or any other provisions of the Act as to the supplying of copies of the registers, deeds, documents, instruments, returns, Certificates and books therein mentioned to the persons therein specified when so required by such persons, on payment of charges, if any, prescribed by the said sections.

169. Inspection of Registers etc.

When under any provisions of the Act any person whether a member of the Company or not is entitled to inspect any register, return, certificate, deed , instrument or document required to be kept or maintained by the Company the persons so entitled to inspection shall be permitted to inspect the same during the hours of 10.30 a.m. and 12.30 p.m. or during such hours as the Directors may from time to time prescribe on such business days as the Act requires them to be open for inspection.

170. Closing of Register of Members and Debenture Holders.

The Company may, after giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated close the Register of members or the Register of Debenture holders, as the case may be , for any period or periods not exceeding in the whole forty five days in each year, but not exceeding thirty days at any time.

171. Issue of duplicate cheques, dividend warrants etc.

The Company may issue a duplicate cheque or dividend warrant or interest warrant on where holders or holder of debenture furnishing such indemnity or otherwise as it may think proper.

### XXVIII - SECRECY

172. Secrecy

Every Director, Auditor, Secretary or Trustee for the Company , its members of debenture-holders, members of a Committee, Officer, servant ,agent accountant or other person employed in or about the business of the Company shall , if so required by the Board or by the Managing Director before entering upon his duties, sign a declaration pleding himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of 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 Board or by a Court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles.

173.  
Right to  
members to  
enter premises  
of the  
Company

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or the books of accounts of the Company without the permission of the Board or Managing Director of the Company for the time being or to require the discovery of any information respecting any detail of the Company's trading or any matter which is or may be in the nature of trade secret or secret process or of any matter which in the opinion of the Board or the Managing Director will be inexpedient in the interest of the Company or the members of the Company to communicate or disclose.

## XXIX - WINDING - UP

174.  
Distribution  
of Assets on  
winding up.

Subject to the law of the land for the time being in force if the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the member in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if on winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital, the excess shall be distributed among the members in proportion to the capital paid up at the commencement of winding up or which ought to have been paid up on the shares held by them respectively. But this article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.

175.  
Distribution  
of Assets in  
specie.

If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide among the contributories in specie or kind, the whole or any part of assets of the company and may, with the like sanction, vest any part of assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator, with the like sanction shall think fit but so that no contributory shall be compelled to accept any shares or other securities whereon there is any liability.

## XXX - INDEMNITY

176.  
Indemnity

a. Subject to the provisions of section 201 of the Act, every Director, Managing Director or other officer of the Company or any person employed by the company and any person appointed as Auditor shall be indemnified by the Company out of the funds of the Company against all liability incurred by him as such Director, Managing Director, Secretary, Officer, employee or Auditor and it shall be the duty of the Board out of the funds of the Company to pay all costs, losses and expenses which any such Officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by him as such or in anything done in the discharge of his duties.

b. Subject to the aforesaid, every Director, Managing Director, Secretary or other officer or employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings whether civil or criminal in which a judgement 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 given to him by the court.

177. Save and except so far as the provisions of this Article shall be avoided by section 201 of the Act, the Director, Managing Director, Auditor, Secretary and other Officers or servants for the time being of the Company and the Trustees (if any), for the time being

Directors and officers not liable for acts of each others.

acting in relation to any of the affairs of the Company and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all action, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective Offices or trusts, except such if any, as they shall incur or sustain through or by their own wilful neglect or default respectively and none of them shall be liable and answerable for the acts receipts, neglects or defaults of the other or others of them or for joining in any receipt or other act for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall be deposited or for any loss or expenses incurred by the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board for or on behalf of the Company or for insufficiency or deficiency of any security in or upon which any moneys of or belonging to or the company shall be placed or invested or for any loss occasioned by any error of judgement or oversight on their /his part or for any other loss, misfortune or damage which may happen in the execution of their respective officers or trusts or in relation thereto unless the same shall happen by or through their own wilful neglect or default respectively.

### XXXI - GENERAL

178.

- a. The Governor of Uttar Pradesh in keeping with the statutory requirements of the companies Act, may from time to time issue directive to the company as to the exercise and performance of its functions in matters involving the security of the State or substantial public interest and such other directives as he may consider necessary in regard to the finance and the conduct of business and affairs of the Company and in the like manner may vary and annual any such directive(s). The Company shall give immediate effect to the directive (s) issued.
- b. The Governor of Uttar Pradesh may call for such returns, accounts and other information with respect to the property and activities of the company as may be required by him from time to time.

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Names, Address, Description and Occupations of Subscribers	Signature of the Subscribers	Name Address, description and occupations of witnesses
1. Colonel Prem Prakash Singh Yadav S/o Late Shree C.S. Yadav 3/2, Butler Palace, Lucknow ( Government Service)	sd/-	
2. Shaibal Kr. Mukherjee S/o LAte H.R. Mukherjee 20 Gautam Palli, Lucknow (Government Service)	sd/-	
3. Vijay Krishna Saxena S/o Late Shri Vishnu Saran Lal Principal Secretary Finance 5, Gautam Palli, Lucknow (Govt. Service)	sd/-	
4. Bhol Nath Tiwari S/o Late S.K. Tiwari Secretary Planning Govt. of U.P. 20/A1, Way Road, Lucknow (Govt. Service)	sd/-	sd/- (Avinash Kakkar) S/o Mr. P.C. Kakkar 43-A, Cantonment Road, Lucknow (Chartered Accountant) M.N. 82394
5. Shiv Kumar Bharadwaj S/o Sri Ram Asrey A-104, Lal Bagh Complex, Lucknow (Govt. Service)	sd/-	
6. L.M. Sinha S/o Sri Jag Mohan Sinha B-602, Lalbagh Complex, Lucknow (Govt. Service)	sd/-	
7. Lt. Col. Satish Chandra S/o Late Sri Bhagwan Sahai Sainik Bhawan, Kaiserbagh, Lucknow (Govt. Service)	sd/-	

Dated 23-5-1989 day of ..... years 1989.

LUCKNOW