

Government of Jammu & Kashmir

Works & Power Department

Sub: Establishment of Jammu & Kashmir Projects Construction Corporation .

Ref: Council Decision No. 178 dated: 3.2.1965.

Government order No. E-65-WIP of 1965 dated 9.2.1965.

Sanction is accorded to the:-

- i) Formation of a company under the Jammu & Kashmir Companies Act, 1977, for construction of Projects in the State and for the objects mentioned in the Memorandum of Association of the proposed Corporation.

The Memorandum and Articles of Association of the aforesaid company are also approved as per annexures to this order and it is hereby directed that the said company shall be registered under the name of "The Jammu & Kashmir Projects Construction Corporation Ltd." Under the Jammu & Kashmir Projects Companies Act, 1977.

- ii) Creation of a post of Managing Director in the scale of 2000-100-2500 with necessary complement of staff as detailed in the Annexure "A" to this order . He will work out details of organization needed and submit a detailed report within one month.

By order of the Government of Jammu & Kashmir.

Sd/ M.G Rasol  
Secretary to Government  
Works and Power Department.

Certificate of Incorporation

No. 296 of 1965

I hereby certify that the Jammu & Kashmir Projects Construction Corporation Limited, Srinagar is this day incorporated under the Jammu & Kashmir Companies Act XI of 1977, and that the Company is limited.

Given under my hand at Srinagar, this 22<sup>nd</sup> day of May one thousand, nine hundred and Sixty five.

Stamp  
Seal

Sd/

Registrar of Joint Stock  
Companies.

MEMORANDUM OF ASSOCIATION  
OF  
J&K Projects Construction Corpn. Ltd.

- i. The Name of the Company is “ The Jammu & Kashmir Projects Construction Corporation Limited”
- ii. The Registered Office of the Corporation will be situated in Jammu & Kashmir State.
- iii. The objective for which the Corporation is established are:-
  1. To construct, execute carry out, improve, work develop, administer, manage or control in the state, works and conveniences of all kinds, which expression in this Memorandum includes ropeways, piers, wharves, dams, barrages, weires, reservoirs, embankments, canals, irrigation, power houses, transmission lines, reclamations, improvement, sewage, drainage, sanitary water, gas, electric light, telephonic and power supply works, and hotels house, markets and buildings, private or public and all other works or conveniences, whatsoever, and generally to carry on the business of builders and constructors, engineers, architects, surveyors, estimators and designers, in all their respective branches.
  2. To supply for tenders, purchase or otherwise acquire any contracts and concessions for or in relation to the Construction, execution, carrying out equipment, improvement, management, administration or control of works and conveniences and to undertake, execute, carry out, dispose off or otherwise turn to account the same.

3. To carry into any contract or arrangement for the more efficient conduct of the business of the company or any part thereof and to sublet contracts from time to time upon such terms and conditions as may be thought expedient.
4. To carry on in India or elsewhere the business of metal workers, builders and contractors, engineers, merchants, importers and exports and to buy, sell and deal in property and articles of all kinds.
5. To purchase for investment or re-sale and to traffic in land, houses of other property of any tenure and any interest therein and to create, sell and deal in freehold and leasehold and generally to deal in traffic by way of sale, lease, exchange or otherwise with land and house property and any other property, whether immovable or movable.
6. To acquire, establish, construct, provide maintain and administer, factories, townships, estates, building yards, walls, water reservoirs, channels pumping installations, purification plants, pipe lines, landing grounds, hangers, garages, storage sheds and accommodation of all description connected with the business of the Corporation.
7. To carry on the business of bricks, tiles, earth-ware and pottery manufacturers, merchants, and dealers of any such business and such any other business as usually are/ or may be profitably or conveniently carried on in connection with any of the foregoing.
8. To buy, sell, make, manufacture and deal in bricks, tiles, earthenware, cement stone, and pottery of every description, pipes, china, terracotta and ceramic ware of all kinds and to carry on business of paviours and manufacturers of and dealers in artificial stones whether for building, paving or for other purposes.
9. To carry on business as quarry masters and stone merchants, and to buy sell, get work, shape, hew carve, polish crush and prepare for market or use stone of all kinds, and to carry on business as makers and manufacturers of and dealers in lime, cement, mortar, concrete and building materials of all kinds.

10. To carry on all or any of the business of the manufacturers of and dealers and workers in cement, lime, plasters, whittings, casks, sacks, minerals, clay, earth, gravel sand, coke, fuel, artificial stone and builders requisites of all kinds.
11. To carry on all or any of the business of timber, plumber, iron and wood merchants, timber growers, importers, and exporters, saw mills and dealers in all kinds of goods, plants, furniture and builders requisites and to purchase, take on lease or otherwise acquire, plant, cut and deal in forest or timber lands and estate of every description.
12. To carry on the business of electric supply company and to do all things incidental to such business.
13. To carry on the business of civil engineers, mechanical engineers, electrical engineers, sanitary and water engineers and plumbers, brass founders, metal workers, machinists, smiths and tool makers, and to manufacture, buy, sell, exchange, install work, alter, improve, manipulate, otherwise deal, prepare for market, import or export, let on hire and all kinds of plant and machines, apparatus, tools, utensils, substances, material and things necessary or convenient for carrying on any of the business which the Corporation is authorized to carry on or which is usually dealt in by persons engaged in such business.
14. To carry on the business of carriers by land, sea and air.
15. To carry on the business of a water works company in all its branches, and to sink wells and shafts, and to acquire, build, provide and maintain dams, barrages, reservoirs, infiltration, galleries, water works cisterns, culverts, filter beds, mains, other pipes and other appliances, and to execute and do all other acts and things necessary and convenient for obtaining, storing, selling, delivering, measuring, disturbing and dealing in water.
16. To purchase, take on lease under concession or otherwise lands, buildings, works, mines, mineral deposits, mining rights, plantations, forests

and any rights and privileges or interest therein and to explore, work, exercise develop and to turn into account the same.

17. To purchase, take on lease or in exchange or under amalgamation licence or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, management let, sell, dispose of exchange, roads canals, water courses, ferries, piers, aerodromes, lands, buildings, water houses; works, factories, mills, workshops engines, machinery and apparatus, water rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind.
18. To carry on the business of manufacturers and dealers in explosives, ammunition, fireworks and other explosive products and accessories of all kinds and of whatsoever composition and whether for military, sporting, mining, industrial or any other purpose.
19. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments to undertake and carry on scientific and technical research and experiments and tests of all kinds, to promote studies and researches both scientific and technical, investigations and inventions by providing, subsidizing, endearing or assisting laboratories, workshops, libraries, lectines, meetings and conferences and by providing or constituting to the remuneration of scientific or technical purposes or teachers and by providing or constituting to the award of scholarships, prizes, grants to students or otherwise and generally to experiments tests and inventions of any kind that may be considered likely to assist any business which the Corporation is authorized carry on.
20. To search for and to purchase or otherwise acquire from any Government, State or authority, any licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to be the Corporation capable of being turned to account and in particular any water

rights or concessions either for the purpose of obtaining motive power or otherwise and to work, develop, carry out exercise and turn to account the same.

21. To acquire or take over with or without consideration and carry on the business of managers, secretaries, treasurer and agents of managing agents by themselves or in partnership with others of companies of partnerships or concerns whose objects may be similar in part or in whole to those of the Corporation.
22. To purchase or by any other means acquire and protect, prolong and renew, whether in the state or elsewhere, any patents, patent rights, brevets invention, licences, protections and concessions which may, appear likely to be advantageous or useful to the corporation, and to use and turn to account, and to manufacture under or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and in improving, seeking to improve any patent invention or rights which the corporation may acquire or propose to acquire.
23. To be interested in promote and undertake the formation, establishment and maintenance of such institutions, businesses or companies (industrial engineering, agricultural, trading, manufacturing or other) as may be considered to be conducive to the profit and interest of the corporation and to carry on any other business (industrial, engineering, agricultural, trading manufacturing, or others which may seem to the Corporation capable of being conveniently carried on in connection with any of these objects of otherwise calculated, directly or indirectly, to tender any of the corporation's property or rights for the time being profitable; and also to acquire, promote, aid, foster subsidies, or acquire, interests in any industry or undertaking in any country or countries whatsoever.
24. To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, or any other special fund, whether for depreciation, or for repairing,

improving, extending or maintaining any of the property of the Corporation or for any other purposes conducive to the interests of the Corporation.

25. To provide for the welfare of employees of the Corporation and the wives, widows and families or the dependants or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions allowance, bonus or other payments, or by creating and from time to time subscribing or contributing to provident Fund and other associations, institutions, fund or trusts and by providing or subscribing or contributing towards places of instructions and creation, hospitals, and dispensaries, medical and other attendance and other assistance as the corporation may think fit and to subscribe or otherwise to assist to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects of purposes.
26. To remunerate any person, firm or Company for service rendered or to be rendering in placing or assisting to place or guaranteeing the placing of any of the shares in the corporation capital or any debenture or debenture stock or other securities of the corporation or about the formation or promotion of the corporation or the conduct of its business.
27. To acquire and undertake the whole or any part of the business property and liabilities of any person, or company carrying on any business, which the corporation is authorized to carry on, or possessed of property suitable for the purposes of this corporation.
28. To let out on hire all or any of the property of the company whether immovable or movable including all and every description of apparatus or appliance.
29. To apply for purchase or otherwise acquire, any patent, brevets, invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to invention which may seem capable of being used for any of the purposes of the corporation, or the acquisition of which may seem calculated directly or



indirectly to benefit the corporation and to use, exercise, develop or grant licences in respect of, so otherwise, turn to account the property rights or information so acquired.

30. To enter in partnership or into any arrangement for sharing or pooling of profits, amalgamation union of interests, co-operation, joint adventure, reciprocal concession, or otherwise, or amalgamate with any person or company carrying on or engaged in or about to carry on or engage in, any business or transaction which this Corporation is authorized to carry on or engage in any business undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit the Corporation.
31. To guarantee the payment of money unsecured or secured to guarantees or to become sureties for the performance of any contracts or obligations.
32. To enter into any arrangement with the Government of Jammu & Kashmir or any local or state Government in India or with the Government of any other state, Country or Dominion or with any authority local or otherwise or with any ruler, chiefs, landlords, or other persons that may seem conducive to the corporation's objects or any of the them and to obtain from them any rights, power and privileges, licences, grants and concessions which the corporation may think it desirable to obtain and to carry out, exercises and comply with any such arrangements, rights, privileges and concessions.
33. To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property, rights and liabilities of this corporation, or for any other purpose which may seem directly or indirectly calculated to benefit this corporation or from any subsidies company or companies.
34. To carry on any business which may seem to the corporation capable of being conveniently carried on in connection with any of the corporation's

object or calculated directly or indirectly to enhance the value of or render profitable any of the corporation's property or rights.

35. To invest and deal with the money's of the Corporation in any securities, shares investments, properties movable and immovable and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.
36. To make draw, accept endorse, execute and issue cheques promissory notes, bills of lading, debentures and other negotiable or transferable instruments.
37. To borrow or raise or to receive money on deposit and interest or otherwise in such manner as the corporation may think it, and in particular by the issue of debentures or debenture stock, perpetual or otherwise including debentures or debenture stock, convertible into shares of this corporation or perpetual annuities; and in security of any such money so borrowed, raised or received to mortgage pledge or charge the whole or any part of the property, assets or revenues of the corporation, present or future, including its uncalled capital, by assignment or otherwise or to transfer or convey, the same absolutely or in trust and to purchase, redeem or pay of any such securities.
38. To distribute any of the property of the company among the members in specie or kind but so, that no distribution amounting to a reduction in capital be made except with the sanction ( if any) for the time being required by law.
39. To pay for any properties, rights or privileges acquired by the corporation either in a shares of the corporation or partly in share and partly in cash.
40. To sell, improve, manage, develop ,exchange, lease, mortgage, enfranchise, dispose of, turn to account, or otherwise deal with, all or any part of the property and rights of the Corporation
41. To do all or any of the above things and all such other things as are incidental or may be though conducive to the attainment of the above objects

or any of them, and as principles, agents , contractors, trustees, or otherwise, and either alone or in conjunction with others. It is hereby declared that the word “Company” in this Memorandum when applied otherwise than to this corporation shall be deemed to include any authority partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in the state or elsewhere.

The objects set for the in any sub-clause of this clause shall not be in any way limited or restricted by reference to or inference from the terms of any other sub clause of the name of the Corporation. None of such sub clauses or objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of his clause but the corporation shall have full power t exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property, or acts proposed to be transacted, acquired, dealt with or performed, do not fall within the objects of the first sub clause of this clause.

IV. The liability of the members is limited

V. The share capital of the company is Rupees (i) 200 lacs divided into (ii) 20,000 share of Rs, 1.000 each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of the Corporation for the time being, with power to increase and reduce the capital of the corporation and to divide the shares in the capital for the time being into several classes and to issue shares of any other value or denomination and to attach thereto such preferential, deferred, guaranteed, qualified or special rights, privileges or conditions as may be determined by in accordance with

the Articles of Association of the Corporation and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Corporation.

We, the several persons whose names are subscribed, are desirous of being formed into a company in accordance with the Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names:

Name of subscriber	Address, description and occupation, if any	No of shares	Signature of subscribers	Signature and witness and their address, description and occupation

1. Governor

Sd/ Chief Secretary to Government

On behalf of Governor -2000

2. M.G Rasool

Sd/ Secretary to Government  
Works and Power Deptt. 400

3. G.M Kotey

sd/ Dy. Secretary to Govt  
Works and Power Deptt. 100

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i+ii Authority

- a) Resolution passed in extra ordinary General Meeting of the company held on 10-7-1981
- b) Order No. 12-GR of 1982 dated: 30-03-1982 issued by the Secy to Govt General Deptts' No GD(Adm) 26/82-PWD dated: 30-03-1982.

ARTICLES OF ASSOCIATION

OF

THE JAMMU AND KASHMIR

PROJECTS CONSTRUCTION CORPN . LTD.

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1. DEFINITION

In these articles unless there be something in the subject or context inconsistent therewith:

“ The Act” or “the said Act” means the Jammu & Kashmir Companies Act, 1977.

“Board” means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board.

“Capital” means the capital for the time being raised or authorized to be raised for the purpose of the Company.

“ the Company” means the above named Corporation.

“ The Chairman “ means the Chairman of the Board of Directors

“ The Directors” means the Directors for the time being of the company.

“Dividend” includes bonus.

“Executor” of “Administrator” means a person who has obtained probate or letters of administration, as the case may be, from the some component court.

“Month” means a calendar month.

“The office” means the Registered office for the time being, of the company.

“Persons” includes corporation and firms as well as individuals.

“The Registrar” means the register of member to be kept pursuant to the Act.

“Regulations of the Company” means the regulations for the time being in force for the management of the Company.

“Seal” means the common seal for the time being of the Company.

“Shares” means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.

“Vice-Chairman” means the Vice-Chairman of the Board of Directors.

“In writing” and “written” include printing, lithography and other modes representing or reproducing words in a visible form.

Words importing the masculine, gender also includes the feminine gender expressions in the Act to bear the same meaning in Articles. Subject as aforesaid any words or expressions defined in the Act shall, except where the subject of context forbids, bear the same meaning in these articles.

## 2. COMPANY TO BE A PRIVATE COMPANY.

The Company is a private company and accordingly:

- a) The number of members for the time being of the company is not to exceed fifty, but where two or more persons hold one or more shares in the company jointly, they shall for the purposes of this Article, be treated as a single member.
- b) Any invitation to the Public to subscribe for any shares or debentures of the Company is hereby prohibited.
- c) The right of transfer of shares shall be restricted as hereinafter provided.

## 3. TABLE “A” NOT TO APPLY

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 in or expressly made applicable by these Articles or by the Act.

4. CAPITAL.

The share capital of the company is Rs (1) 200 lacs divided into (ii) 20,000 shares of Rs 1,000 each.

5. COMPANY'S SHARE NOT TO BE PURCHASED.

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.

6. ALLOTMENT OF SHARES

Subject to the provisions of the Act and these Articles and to the rights of the Governor, the shares be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions as they think fit.

7. COMMISSION FOR PLACING SHARES

The company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock of the company or procuring or agreeing to procure subscription whether absolute or conditional for and shares, debentures or debenture stock of the Company, but so that if the commission in respect of shares shall be paid or payable out of capital the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed 5 percent on the price at which the shares are issued and two and a half

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i+ii Authority

a) Resolution passed in extra ordinary General Meeting of the company held on 10-7-1981



- b) Order No. 12-GR of 1982 dated: 30-03-1982 issued by the Secy to Govt General Deptts' No GD(Adm) 26/82-PWD dated: 30-03-1982

Percent of the price at which the debentures or debenture stock are issued. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the company.

## 8. SHARE CERTIFICATE

Every person whose name is entered as a member in the register shall without payment, be entitled to a certificate under the common seal of the company, specifying the share or share held by him and the amount paid thereon. 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.

## 9. 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, and such terms, if any as to evidence and indemnity and the payment of our of pocket expenses incurred by the company in investigating evidence as the Directors think fit.

## 10. CALLS ON SHARES.

The board may, from time to time , make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments, and each members shall pay to the company at the time or times so specified the amount called on his share, provided, however, that the Board may, from time to time, at its discretion extent the time fixed for the payment of any call and may extent such time to allow any of the members whom, from residence at a distance or other cause, the Directors

may deem entitled to such extension, but no member shall be entitled to such extension as a matter of grace and favour .

11. WHEN INTEREST ON CALL PAYABLE

If a sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 6 percent per annum as the Board shall fix from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

12. PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST.

The Board may, if they think fit, receive from any number willing to advance the same, all or any part of the money's due upon the share held by him beyond the sums actually called for and upon the money's so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the company may pay interest at such rate not exceeding 6 percent per annum as the member paying such sum advance and the Board agree upon, and the Board may, at any time, repay the amount so advanced upon giving to such member three months notice in writing.

13. JOINT HOLDERS LIABILITY TO PAY

The joint- holders of the share shall be jointly and severally liable to pay all calls in respect thereof.

14. COMPANY'S LIEN ON SHARES

The company, shall, have a first and paramount 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, and the company shall also have a lien on all share (other than fully paid shares) standing

registered in the name of a single person, for all moneys presently payable by him or his estate to the company. But the Board of Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article, The Company's lien, if any, shall extend to any dividends payable thereon.

#### 15. ENFORCEMENT OF LIEN BY SALE

The Company may sell in such a 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 thereto by reason of his death or insolvency.

#### 16. APPLICATION OF PROCEEDS OF SALE

The proceeds of the sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue shall (subject to a like lien for sums not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the shares at the date of sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale,

#### 17. FORFEITURE OF SHARES.

If a member fails to pay any call, or installment of a call, on the day appointed for payment, thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid,

serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may, have accrued,

18. The notice aforesaid shall-

- a) Name a further day( not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b) State that, in the event of non payment on or before the day so named, the shares in respect of which the call was made will be liable to the forfeited.

19. 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 hereafter, before the payment required by the notice has been made, be forfeited by a resolution by the Board to that effect.

20. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the board thinks fit.

21. Any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

22. A person whose share 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.

23. The liability of such person shall cease if and when the Company shall have received payment in full or all such moneys in respect of the shares.

24. A duly verified declaration in writing that the declarant is a director, managing director, the vice-chairman or the chairman of the company, and that a share is the company has been duly forfeited on a date stated on the

declaration shall, be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

25. The company may receive the consideration, if any given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
26. The transferee shall thereupon be registered as the holder of the share.
27. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceeding, in reference to the forfeiture sale or disposal of the share.
28. The provisions of these regulations as to forfeiture, shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.
29. **TRANSFER AND TRANSMISSION OF SHARE.**

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 to a person approved by the Governor.
  - b) Subject as aforesaid , the Directors, may in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.
30. If the Directors refuse to register the transfer of any share they shall, within two months, from the date on which the instrument of transfer or the intimation of such transfer, as the case may be, is delivered to the company, send to the transferee and the transferor, notice of the refusal.

Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of

any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest notice thereof.

31. EXECUTION OF TRANSFER

The instrument of transfer of any share in the company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the registr of members in respect thereof.

32. FORM TRANSFER.

Shares in the company shall be transferred in the following form, or in any usual or common form which the Directors may approve.

I, A, B, of ..... In consideration of the sum of Rs.\_\_\_\_\_ paid to me by CD of ....(hereinafter called " the said transferee") do hereby transfer to the said transferee the shares numbered ..... to ..... inclusive, in the undertaking called the ..... Company, limited t hold unto the said transferee, his executors, administrators and assignees, subject to the several conditions on which I hold the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said shares subject to the conditions aforesaid. As witness our hands the ..... a of .....

Witness to the signature of (Every instrument of transfer shall be attested )

33. TRANSFER TO BE LEFT AT OFFICE AND EVIDENCE OF TITLE TO BE GIVEN

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such evidence as the company may required to prove the title of the transferor or

his right to transfer the shares. All instruments of transfer shall be retained by the company, but any instrument of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same.

34. TRANSMISSION BY OPERATION OF LAW

Nothing contained in article 30 shall prejudice any power of the company to register as share holder any person to whom the right to any shares in the company has been transmitted by operation of law.

35. FEE ON TRANSFER

A fee not exceeding two rupees may be charged for each transfer and shall, if required by the Directors, be paid before the registration thereof.

36. WHEN TRANSFER BOOKS AND REGISTER MAY BE CLOSED

The transfer books and register of members may be closed for any time or times not exceeding in the whole 45 days on each year but not exceeding 30 days at a time, by giving not less than seven days previous notice and in accordance with section 37 of the Act.

37. DIRECTORS RIGHT TO REFUSE REGISTRATION

The Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee, as if he were the transferee name in a ordinary transfer presented for registration.

38. POWER TO INCREASE CAPITAL.

Subject to the approval of the Governor, the Director may with the sanction of the company in general meeting, increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.

39. ON WHAT CONDITIONS NEW SHARES MAY BE ISSUED

Subject to such directions as may be issued by the Governor, in this behalf and subject to the provisions of the Act, in this behalf new shares shall be issued upon such conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the directors shall determine.

40. HOW FAR NEW SHARES TO RANK WITH SHARE IN ORIGINAL CAPITAL.

Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part in the original capital and shall be subject to the provisions therein contained with reference to the payment of the calls and installments, transfer and transmission, lien, voting surrender and otherwise.

41. NEW SHARE TO BE OFFERED TO MEMBERS

The new shares shall be at the disposal of the Board and may be allotted by them in such a manner as may be thought fit, subject to the directions given by the Governor in that behalf.

42. REDUCTION OF CAPITAL ETC.

Subject to such directions as may be issued by the Governor in this behalf and to the provisions of the act to that effect, the Company may, from time to time by special resolution reduce its capital in any way and in particular and without prejudice to the generality of the foregoing power may:-

- a) Extinguish or reduce the liability on any of its shares in respect of share capital not paid up:



- b) Either with or without extinguishing or reducing liability on any of its shares, cancel any paid up share capital which is lost or is un-represented by available assets or:
- c) Either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the company upon the footing that it may be called up again or otherwise. And the Directors may subject to the provisions of the Act, accept surrenders of shares.

43. SUB DIVISION AND CONSOLIDATION OF SHARE

Subject to the approval of the Governor, the company in general meeting may, from time to time:-

- a) Increase its share capital by such amount as it thinks expedient by issuing new shares:
- b) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares:
- c) Convert all or any of its fully paid up shares into stock and reconvert that stock in fully paid up shares of any denomination.
- d) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum so however that in the sub division, the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived:
- e) Cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the share so cancelled.

And shall file with the Registrar such notice of exercise of any such powers as required by Act.

#### 44. POWER TO MODIFY

If at any time, the capital, by reason of the issue of preferences shares or otherwise, is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of the Act, be modified abrogated or dealt with by agreement between the company and by any person purporting to contract on behalf of that class, provided such agreement is:

- a) Ratified in writing by holders of at least three fourths of the nominal value of the issued shares of that class: or
- b) Confirmed by an ordinary resolution passed at a separate general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting except, that the quorum thereof shall be members holding or representing by proxy one fifth of the nominal amount of the issued shares of that class. This article is not by implications curtail the power of modification which the company would have if the Articles were omitted.

#### 45. POWER TO BORROW

Subject to the approval of the Governor and subject to the provisions of the Act the Board may, from time to time, borrow or secure the payment of any sum or sums of money for the purposes of the company.

#### 46. CONDITIONS ON WHICH MONEY MAY BE BORROWED.

The Board may subject to the approval of the Governor raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage, charge or other security on the undertaking of the whole

or any part of the property of the company( both present and future( including its uncalled capital for the time being.

47. SECURITIES MAY BE ASSIGNABLE FROM EQUITIES.

Debentures, debenture stock, bonds or other securities, may be made assignable free from any equities, between the company and the person to whom the same may be issued.

48. ISSUE OF DEBENTURES ETC. AT DISCOUNT OR WITH SPECIAL PRIVILEGED.

Subject to the approval of the Governor any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender drawings, appointment of Directors and otherwise.

49. PERSONS NOT TO HAVE PRIORITY OVER ANY PRIOR CHARGE.

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

50. INDEMNITY MAY BE GIVEN

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

51. GENERAL MEETING

The first annual General Meeting of the company shall be held within 18 months from the date of its incorporation and thereafter the next annual general meeting of the Company shall be held within 9 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 by the company within 9 months after the expiry of each financial year. Such general meetings should be called "Annual General Meeting" and all other meetings of the Company shall be called "extraordinary meeting".

52. WHEN EXTRA ORDINARY MEETING TO BE CALLED.

The Directors may, whenever, they think fit, and they shall, on the requisition of the holders of the not less than 1/10 of the issue capital of the company, upon which all calls or other sums then due have been paid, forthwith proceed to convene in an extra ordinary general meeting of the company, and in the case of such requisition, the following provisions shall have effect.

- 1) The requisition must state the objects of the meeting and must be signed by the requisitionist and deposited at the office and any may consist of several documents in like form each signed by one or more requisitionists.
- 2) If the Directors of the Company do not proceed within twenty one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitionists of a majority of them in value may themselves convene the meeting but any meeting so convened shall not be held after forty five days from the date of the deposit.
- 3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meeting have to be convened by the Director but shall be held at the office.
- 4) A requisition by joint holders of shares must be signed by all such holders.

53. NOTICE OF MEETING

Subject to the provisions relating to special resolution hereinafter contained not less than 4 clear days notice in writing specifying the place, day and hour of meeting with a statement of the business to be transacted, at the meeting shall be served on every member in the manner hereinafter provided, but with a consent in writing of all the members entitled to receive notice of the same any particular general meeting may be convened by such shorter notice and in such a manner as these members may think fit, provided, however, that were any resolution is intended to be passed as a special resolution at any general meeting as required by the Act, not less than twenty one days notice of such meeting specifying the intention to purpose the resolution as a member entitled to attain and vote at such meeting so agreed a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 days notice has been given.

54. THE OMISSION TO GIVE NOTICE

An accidental omission to give any such notice to or the non receipt o any such notice by any member shall not invalidate the proceedings at any meeting.

55. BUSINESS OF ORDINARY MEETING.

The business of any annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends and transact any other business which under these Articles ought to be transacted at an annual general meeting. All other business transacted at an annual general meeting and all business transacted at an extraordinary meeting shall be deemed special.

56. QUORUM

Two members present in person shall be a quorum for a general meeting.

57. VOTING ON BEHALF OF GOVERNOR

Any person authorized by the Governor to vote on his behalf as aforesaid may if so authorized by any order of the Governor aforesaid, appoint another person (whether a member or not) as a proxy or substituted authority whether special or general to vote on behalf of the Governor as aforesaid and such proxy or substituted authority shall be entitled also to vote on a show or on poll.

58. CHAIRMAN OF GENERAL MEETING

The Chairman of the Directors shall be entitled to take the chair at every general meeting or if there be no such chairman, or if any meeting he is not present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, the vice chairman shall act as chairman of the meeting. In case the Vice -Chairman is also not present within the time appointed or is unwilling to act as the Chairman, the members present shall choose another Director as Chairman and if no Director is present, or if all the Directors present decline to take the chair, then the members present shall choose one of their members to be the Chairman of the meeting.

59. WHEN IF QUORUM NOT PRESENT MEETING TO BE DISSOLVED AND WHEN TO BE ADJOURNED.

If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting if convened upon any requisition of the members as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week not being a public holiday (but if the same be a public holiday the meeting shall stand adjourned to the succeeding date of such public holiday) at the same time and place, and if at

such adjourned meeting a quorum is not present these members who are present shall be a quorum and may transact the business for which the meeting was called.

60. HOW QUESTIONS TO BE DECIDED AT MEETING.

Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of any equality of votes the chairman shall, both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member,

61. WHAT IS TO BE EVIDENCE OF THE PASSING OF A RESOLUTION WHERE POLL NOT DEMANDED.

At any general meeting resolution put to the vote of 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 by a member present in person or proxy or by duly authorized representative, and unless a poll is so demanded, a declaration by the chairman that resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the company, shall be conclusive evidence of the fact, without proof of the members of preparation of the vote recorded in favour or against the resolution.

62. POLL

If a poll is duly demanded, it shall be taken in such a 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.

63. POWER TO ADJOURN GENERAL MEETING.

The chairman of the General Meeting may, with the consent of the meeting, adjourn the same, from time to time, 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.

64. IN WHAT CASE POLL TAKEN WITHOUT ADJOURNMENT.

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

65. BUSINESS MAY PROCEED NOTWITHSTANDING DEMAND OF POLL

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

66. CHAIRMAN'S DECISION CONCLUSIVE

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

67. VOTE OF MEMBERS.

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

68. NO VOTING BY PROXY OR SHOW OR HANDS.

No member not personally present shall be entitled to vote on a show of hands.



69. VOTES IN RESPECT OF SHARES OF DECEASED AND BANKRUPT MEMBERS.

Any person entitled upon the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that seventy two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his rights to transfer such shares, unless the Directors shall have previously admitted his right to such shares, or his right to vote at such meeting in respect thereof.

70. JOINT HOLDERS.

Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy the then one of the said persons present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

71. VOTES IN RESPECT OF SHARES OF MEMBERS OF UNSOUND MIND.

A member of unsound mind, or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote whether on a show of hands or on poll, but his committee or other legal guardian, and any such committee of guardian may, on a poll, vote by proxy.

72. PROXIES PERMITTED.

On a poll, votes may be given either personally or by proxy or by duly authorized representative.

73. INSTRUMENT APPOINTING PROXY TO BE IN WRITING.

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney or if such appointer is a corporation, under its common seal or other authority. Subject to the provisions of these articles no person shall be appointed a proxy who is not member of the company and qualified to vote, save that a corporation being a member of the company may appoint as its proxy one of its officers though not a member of the company.

74. 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 notarially certified copy of that power of authority, shall be deposited at the Registered office of the company not less than twenty four 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.

75. WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the Principal or revocation of the proxy, provided no intimation in writing of death or revocation shall have been received at office of the company, before the meeting.

76. FORM OF PROXY.

An instrument appointing a proxy may be in the following form or in any other form which the Directors shall approve.

“ .....Company Ltd I .....Of  
.....The district of  
.....Being a member of the  
.....Company Ltd, hereby appoint  
.....of  
.....as my proxy to vote for me and on my behalf at  
the (Ordinary of extra ordinary, as the case may be ) general meeting of the  
Company to be held on the .....Day of  
.....at signed this .....day of  
.....”

77. NO MEMBER ENTITLED TO VOTE ETC. WHILE CALL DUE TO COMPANY.

No member shall be entitled to be present on the vote on any question either personally or by proxy, or as proxy for another member, at an general meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable to the company in respect of any of the shares of such member.

78. TIME FOR OBJECTION TO VOTE.

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or purposes of such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

79. DIRECTORS.

Until otherwise determined by the Governor the number of the Directors shall not be less than seven and not more than eleven from amongst whom these shall be appointed by the governor, a Chairman, a Vice Chairman and a Managing Director.

The Director shall unless otherwise determined by the Governor, be appointed by the Governor.

The Director shall not be required to hold any qualification shares.

The first Directors of the Company will be the following:-

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

The Directors appointed by the Governor shall hold office until removed by him ( the power of removal of Director being in the absolute discretion of the Governor) in the event of such removal or in the event of any vacancy in the office of the Directors so nominated by resignation, death or otherwise, the Governor shall be entitled to appoint other Directors in their places.

The Directors shall be paid such salary and /or allowances as the Governor may from time to time, determine,

#### 80. APPOINTMENT OF FINANCIAL ADVISOR

The Governor shall appoint a financial advisor whether part time or full time and shall determine his powers, functions and salary and other allowances payable to him.

#### 81. GENERAL POWER OF COMPANY VESTED IN DIRECTORS.

1) Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things , as the Company is authorized to exercise and do provided that the Board that the Board shall not exercise power or do any act or thing which is directed are required, whether by the Act or any other Act or by the Memorandum or Articles of the Company or otherwise to be exercised or done by the Company general meeting;

Provided further that in exercising any such power or doing any such act, of thing the Board shall be subject to the provisions contained in that behalf in the Act, or any other Act or in the Memorandum or Articles of the Company, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the Company in general meeting.

2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

## 82. SPECIFIC POWERS TO DIRECTORS

Without prejudice to the general powers conferred by the last proceeding Articles, and the other powers conferred by Articles the Directors shall have the following powers with the sanction of the Governor, that is to say power:-

i) TO Acquire property

To purchase, take on lease or otherwise acquire for company property rights or privileges which the company property rights or privileges which the company is authorized to acquire at such price and generally on such terms and conditions as they think fit.

ii) Works of Capital Nature

To authorities the undertaking of works of capital nature

iii) TO Pay for property in Debentures etc.

To pay for any property, rights, or privileges acquired by or services rendered to the company either wholly or partially in cash or in shares, bonds, debentures or other securities of the company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and bonds debentures or other security may be either specifically charged upon all or any part of the property of the company and its uncalled capital not so charged.

iv) To secure contracts by mortgage.

Subject to provisions of the Act to secure the fulfillment of any contracts of engagement entered into by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such other manner as they may think fit.

v) To appoint officers etc.

To appoint and promote and at their discretion remove, retire or suspend such managers, secretaries, officers, clerks, agents and servants, for permanent, temporary or special service as they may, from time to time think fit and to determine their powers and duties and fix their salaries and emoluments and to require security in such installments and to such amount as they think fit provided that no appointment the maximum pay of which is Rs. 3000 or more per mensem shall be made without the prior approval of the Governor.

Provided that such appointment, retirement and removal shall be made in accordance with the provisions of Jammu & Kashmir Civil Services Rules, 1956, Government Servants Conduct Rules, Recruitment Rules and other Service rules and regulations in force in the state from time to time.

vi) To appoint Trustees.

To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

vii) To bring and defend action etc.

To institute, conduct, defend, compound or abandon any legal proceedings by

or against the company, or its officers or otherwise concerning the affairs or the company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the company.

viii) To refer to Arbitration.

To refer any claim or demand by or against the company to arbitration, and observe and perform the award.

ix) To give receipt

To make and give receipts, releases and other discharges for money payable to the company, and for the claims and demands of the company.

x) To authorize acceptance etc.

To determine who shall be entitled to sign on the company's behalf bills notes receipt, acceptances, endorsement cheques, releases contracts and other documents.

xi) To appoint attorneys.

From time to time to provide for the management of the affairs of the company in such manner, as they think fit and in particular to appoint any person to be the attorneys or agents of the company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.

xii) To invest moneys

Subject to the provisions of ..... of the act to invest in the Reserve Bank of India or in such securities as may be approved by the Governor and deal with any of the moneys of the company upon such investments authorized by the Memorandum of Association of the Company ( not being shares in this company) in

such manner as they think fit and from time to time to vary or realize such investments.

xiii) To give security by way of indemnity.

To execute in the name and on behalf of the Company in favour of any Director or other person who may incur on or be about to incur any liability for the benefit of the company such mortgages of the company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.



xiv) To give percentage

To give to any person employed by the company a commission on the profits of any particular business transaction, or a share in the general profits of the company and such commission share of profits shall be treated as part of the working expenses of the company.

xv) To make by-laws

From time to time to make, vary and repeal bye laws for the regulation of the business of the company, its officers and servants.

xvi) To give bonus

To give award or allow any bonus , pension gratuity or compensation to any employee of the company, or his widow, children or dependants, that may appear to the Directors just or proper, whether such employees, his widow, children or dependants have or have not a legal claim upon the company.

xvii) To create provident fund.

Before declaring any dividend to set aside such portion of the profits of the company as they may think fit to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit.

xviii) To establish local board.

From time to time and at any time to establish any local board for managing any of the affairs of the company in any specified locality in the state or out of the state and to appoint any persons to be members of such local board and to fix their, remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make calls and to authorize the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment of delegation may be made in such terms and subjects to such conditions as the directors may

think fit, and the Directors may at any time remove any person so appointed and may annual or very any such delegation.

xix) To make contracts etc.

To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.

xx) To sub-delegate powers

Subject to the provisions of the Act..... To sub-delegate all or any of the powers, authorities , and discretion for the time being vested in them, subject however to the ultimate control and authority being retained by them.

xxi) TO borrow moneys

To borrow money on behalf of the company, and

xxii) To execute mortgages

To execute mortgages and charge on its properties.

83. 1) The Governor shall appoint one of the Directors to be the Managing Director who shall be a whole time employee of the company or a Board of Management consisting of two or more Directors for the conduct of management of the business of the company subject to the control and supervision of the Board of Directors. The Managing Director or the Board of Management so appointed may be authorized to exercise such powers and discretion in relation to the affairs of the company as are specifically delegated to him/ it by the board and are not required to be done by the Board of Directors or the company at the General meeting under the Act.

2) The Governor shall be paid such salary and allowances as may be fixed by

company.

84. DIRECTORS TO CAUSE MINUTES TO BE MADE IN BOOKS

The Directors shall cause minutes to be made in books provided for the purpose:

a) Of all appointments of officers made by Directors:

b) Of the name of the Directors present at each meeting of Directors and of any committee of the Directors.

c) Of all resolutions any proceedings at all meetings of the company, and of the Directors and of the committee of the Directors and every Director present at any meeting of Directors or committee of the Directors shall sign his name in a book to be kept for that purpose.

#### 85. SEAL

The seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of one Director at the lease.

#### 86. DISQUALIFICATION OF DIRECTORS.

A person shall not be capable of being appointed as a Director of the company if he suffers from any of the disqualification enumerated in the Act. The office of a Director shall be vacated if any of the conditions set out in of the Act comes to happen. This is without prejudice to the right of the Governor to remove any Director without assigning any reasons whatsoever.

#### 87. MEETING OF DIRECTORS AND QUORUM

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum in accordance with the Act, for the transaction of the business.

#### 88. DIRECTOR MAY SUMMON MEETING.HOW

##### QUESTIONS TO BE DECIDED

A Director may at any time convene a meeting of the Directors, Questions arising at any meeting shall be decided by majority of votes. The Chairman

shall have a second or casting vote. A meeting of the Board shall be held at least once in every 3 calendar months.

89. POWER OF QUORUM

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

90. CHAIRMAN OF DIRECTOR'S MEETING

The Governor may nominate a Director as Chairman of the Director's meeting and determine the period for which he is to hold office, if no such Chairman is nominated, or if at any meeting the chairman is not present within 5 minutes after the time for holding the same, the Vice-Chairman shall act as a chairman of the meeting and in his absence the Directors present may choose one of their members to be the chairman of the meeting.

91. DELEGATION OF POWERS TO COMMITTEES.

Subject to the provisions of the Act the Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit and may, from time to time, revoke such delegation. Any committee so formed shall, in the exercise of the powers, so delegated conform to any regulations that may from time to time, be imposed upon it by the Director.

92. CHAIRMAN OF MEETING OF COMMITTEES

A Committee may elect a chairman of their meeting if no such chairman is elected or if at any meeting the chairman is not present within 5 minutes after the time appointed for holding the same the members present may choose one of their member to be chairman of the meeting.

93. WHEN ACTS OF DIRECTORS OR COMMITTEE VALID NOTWITHSTANDING DEFECTIVE APPOINTMENT, ETC.

All acts done by any meeting of the Directors or of a committee of Directors or by any person acting a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them were disqualified to be as valid as if every such person had been duly appointed and was qualified to be a Director.

94. RESOLUTION WITHOUT BOARD MEETING VALID.

Subject to the provisions of the Act, a resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

95. The Chairman shall have power to reserve for the decision of the Governor any matter which in his opinion be so reserved.

96. RESERVED FUND

Subject to such directions a may, from time to time, be issued by the Government in this behalf, the Directors may, before recommending any dividend set aside out of the profits of the company such sums as they think proper as a reserve fund, to meet contingencies or for a equalizing dividends or for special dividends, or for preparing, improving and maintaining any of the property of the company, and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the company, and may invest of the company, and may invests the several sums to set aside in such investments (other than shares of the company) as they may think fit and may from time to time, deal with and very such investment, and dispose of all or any part thereof for the benefit of the company, and may divide the reserve funds into such special funds they think fit and employ the reserve funds or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.

97. CAPITALISTION PROFITS.

1) The company in general meeting may upon the

recommendation of the Board resolve:-

- a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any company's reserve accounts (or) to the credit of the profit and loss account or otherwise available for distribution, and
- b) That such sum be accordingly set free for distribution in the manner specified in clause(2) amongst the members who would have been entitled there to, if distributed by way of dividend and in the same proportions.
- 2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:
  - a) Paying up any amounts for the time being unpaid or any shares held by such members respectively.
  - b) Paying up in full, un-issued shares of debentures, of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid or:
  - c) Partly in the way specified in sub-clause (a) and partly in that specified in sub clause(b)
- 3) A share premium account and a capital redemption reserve fund may for the/ purposes of this regulation only be applied in the paying up of un-issued shares to be issued to members of the company as fully paid bonus shares.
- 4) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 5) Whenever such a resolution as aforesaid shall have been passed the Board shall:

a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid up shares or debentures, if any and;

b) generally do all acts and things required to give effect thereon;

6) The Board shall have full power to:

a) to make such provisions, by the issue of fractional certificate or by payment in cash or otherwise as it thinks fit for the case of shares or debentures becoming distributable in fractions; and also.

b) to authorize any person to enter, on behalf of all the members entitled thereto into an agreement with the company providing for allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may be require) for the payment upon by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized of the accounts or any part of the amounts remaining unpaid on their existing shares.

7. Any agreement made under such authority shall be effective and binding on all such members.

#### 98. BUDGET.

The revenue budget shall be submitted for approval of the Government whenever any deficit budget is or the progress of actual indicate the possibility of a deficit.

#### 99. DIVIDENDS.

The profits of the company available for payment of dividends subject to any special rights relating thereto created or authorized to be created by these presents and subject to Act and subject to the provisions of these presents as to the reserve fund shall with the approval of the Governor be divisible among the members in proportion to the amount of capital held by them respectively.

#### 100. CAPITAL PAID UP IN ADVANCE

Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.

#### 101. DECLARATION OF DIVIDENDS.

The company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the capital and may fix the time for payment but no dividend shall exceed the amount recommended by the Director.

#### 102. DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST.

No dividend shall be payable, otherwise than out of the profits of the year or other period or any other undistributed profits of the company and no dividend shall carry interest as against the company.

#### 103. WHEN TO BE DEEMED NOT PROFITS

The declaration of the Directors as to the amount of the net profit of the Company shall be conclusive.

#### 104. INTERIM DIVIDEND.

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

#### 105. DEBITS MAY BE DEDUCTED.

The Directors may retain any dividends on which the company has lien, and may apply the same in or towards satisfaction of the debits liabilities or engagements in respect of which the lien exists.



#### 106. DIVIDEND AND CALL TOGETHER

An general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him and if the call be made at the same time as the declaration of the dividend may, if so arranged between the company and the members be set off against the call. The making of a call under this clause shall be deemed ordinary business of an ordinary general meeting which declares a dividend.

#### 107. DIVIDENDS OR BONUS PAYABLE WHOLLY OR PARTLY IN SPECIFIC ASSETS.

Any general meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the company, or paid up shares, debentures or debenture stock of any other company or in any one or more of such ways. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or in the hands of the company, and available for dividend or representing premia received on the issue of shares, and standing to the credit of the shares premium account be capitalized, and distributed amongst the shareholders in accordance with their rights on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of the shareholders in paying up in full any un-issued shares of the company and that such un-issued shares so fully paid be distributed accordingly amongst the shareholders in the proportion in which they are entitled accordingly amongst the shareholders in the proportion in which they are entitled to receive dividends and shall be accepted by them in full satisfaction of their interest in the said capitalized sum. For the purpose of giving effect to any resolution under this Article, the Directors may settle

difficulty which may arise in regard to the distribution as they think expedient and in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that each payment shall be made to any members upon the footing of the value so fixed or that fractions of less than Rs 1/- may be dis-regarded in order to adjust the rights of all parties, and may vest any such cases of specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Directors. Where requisite, a proper contract shall be filled in accordance with the Act, and the Directors may appoint any person to sign contract on behalf of the person entitled to the dividend or capitalized fund, and such appointment shall be effective.

108. EFFECT OF TRANSFER.

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

109. RETENTION IN CERTAIN CASES.

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause ( article 34) entitled to become a member or which any person under that clause is entitled to transfer, until such person shall become a member in respect of such shares duly transfer the same.

110. DIVIDEND TO JOINT HOLDES.

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

111. PAYMENT BY POST.

Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled or in the case of joint holders to the registered address of that one whose name stands first on the register in respect of the joint holding and

every cheque or warrant so sent shall be made payable to the order of the person to whom it is send.

112. NOTICE OF DIVIDEND.

Notice of the declaration of any dividend whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

113. UNCLAIMED DIVIDEND

All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by Directors for the benefit of the company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the Directors for the benefit of the company, and if the Directors think fit, they may be applied in augmentation of the reserve fund.

#### 114. ACCOUNTS TO BE KEPT.

The company shall cause to be kept proper books of accounts with respect to:

All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place.

All sales and purchases of goods by the company.

a) The assets and liabilities of the company.

#### 115. INSPECTION OF ACCOUNT BOOKS.

The books of accounts shall be kept in the Registered Office of the company, or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

#### 116. INSPECTION BY MEMBERS.

The Directors shall from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be opened to the inspection of member ( not being Directors) and no member ( not being a Director) shall have any right of inspecting any account or books of document of the company except as conferred by law or authorized by the Directors or by company in general meeting

#### 117. ANNUAL ACCOUNTS AND BALANCE SHEET

The Directors shall prepare and lay the balance sheet before the company in accordance with the Act.

118. ANNUAL REPORT OF DIRECTORS.

The Directors shall make out and attach to every balance sheet a report with respect to the State of the company's affairs, the amount if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account or be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors, if authorized in the behalf by the Directors.

119. CONTENTS OF PROFITS AND LOSS ACCOUNTS.

The profit and loss account shall in addition to matters referred to in the Act, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting and in case where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such items shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

120. BALANCE SHEET AND PROFIT & LOSS ACCOUNT TO BE SENT  
TO MEMBERS.

The company shall send a copy of such balance sheet ( including profit and loss account, the auditor's report and every other document required by law, to be annexed or appended to the balance sheet to the registered r address of every member or the Company in the manner in which notices are to be given hereunder and shall deposit a copy at the Registered Office of the Company for inspection of members of the Company during a period of at least four days before the meeting.

121. DIRECTORS TO COMPLY WITH CERTAIN SECTIONS OF THE  
ACT.

The Directors shall in all respects comply with the provisions of the Act or any statutory modification thereof for the time being in force.

122. AUDITOR'S RIGHT TO ATTEND MEETING.

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

123. ACCOUNTS TO BE AUDITED ANNUALLY.

Once at least in every year the accounts of the company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors.

124. APPOINTMENT OF AUDITORS.

Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act or any statutory modification thereof for the time being in force.

12. WHEN ACCOUNTS TO EB DEEMED FINALY SETTLED.

Every account of the Director's when audited and approved by a general meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval threof. Whenever such error is discovered within the period, the account shall forthwith be corrected and henceforth shall be conclusive.

126. RIGHTS OF THE GOVERNOR.

Notwithstanding anything contained in any of these Articles, the Governor may from time to time issue such directives as he may consider necessary in regard to the conduct of he business of the company or directors threof and in like manner may vary and annul any such directive. The directors shall give immediate effect to the Directive so issued.

127. HOW NOTICE TO BE SERVED ON MEMBERS.

A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or if he has no registered address to the address, if any, supplied by him to the Company for the giving of notice to him.

128. NOTIFICATION OF ADDRESS BY A HOLDER OF SHAERS HAVING NO REGISTERED PLACE OF ADDRESS.

A holder of registered shares, who has no registered shares, who has no registered place of address may, from time to time, notify in writing to the company an address, which shall be deemed his registered place of address, within the meaning of the last proceeding Article.

129. WHEN NOTICE MAY BE GIVEN BY ADVERTISEMENT.

If a member has no registered address and has not supplied to the Company an address for giving of notice to him a notice addressed to him and advertised in a newspaper circulating in the neighborhood of the Registered Office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

130. NOTICE TO JOINT HOLDERS

A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

131. HOW NOTICE TO BE GIVEN TO REPRESENTATIVE OR A  
DESEASED OR BANKRUPT MEMBER.

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

132. TO WHOM NOTICE OF GENERAL MEETING BE GIVEN.

Notice of every general meeting shall be given in the same manner herein before authorized to (a) every member of the company, except those members who having registered address have not supplied to the company an address for the giving of notice to them and also to (b) every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency would be entitled to receive notice of the meeting, provided the same is within the knowledge of the company.



### 133. TRANSFEREES ETC BOUND BY PRIOR NOTICE.

Every person who, by operation of law, transfer or 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 and title to the shares being notified to the company shall have been duly given to the person from whom he derives his title to such shares.

### 134. HOW NOTICE TO BE SIGNED.

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

### 135. HOW TIME TO BE COUNTED.

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

### 136. DISTRIBUTION OF ASSETS ON WINDING UP

If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holder of shares issued upon special terms and conditions.

### 137. SECRECY CLAUSE.

No member shall be entitled to require discovery of or any information respecting any detail of the company trading or any MATTER which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the directors it will be inexpedient in the interest of the members of the company to communicate to the public.

### 138. INDEMNITY.

Subject to the provisions of the Act, every Director, Managing Director and other officers or servant of the company shall be indemnified by the company against and it shall be the duty of the directors to pay out of the funds of the company all costs, losses damages and expenses which any such officers or servants may incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Managing Director or other officer or servant, or in any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager or other officer or servant in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which is acquired or in connection with any application under the Act, in which relief is granted by the court.

### 139. INDIVIDUAL RESPONSIBILITY OF DIRECTORS.

Subject to the provisions of the Act, no Director or other officer of the company shall be liable for the acts, receipts, neglects or defaults or any other Director or officer of for joining any in any receipt or other act for conformity, or for any loss expenses happening to the company through the insufficiency or deficiency of title to pay any property acquired by the order of the Director for or on behalf of the company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of company shall be invested or for any loss or damage arising from the bankruptcy,

insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error or judgment or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default, breach of duty or breach of trust.

We the several persons whose names and addresses are subscribed are desirous of being formed a company in pursuance of these Articles of Association and we respectively agree to take number of shares in the capital of the company set opposite to our respective.

Name, address, and Description of subscribers	No of shares taken by each Subscriber	Witness
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Sd

1. Governor, (E.N Mangar Rai)2000  
Chief Secretary to Govt for  
And on behalf of the Governor

Sd

2. M.G Rasool, Secretary to 400  
Govt Works and Power  
Department
3. G.M Kotey, Dy Secretary to 100  
Govt Works and Power  
Department



