



MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

**Chandigarh Industrial and
Tourism Development Corporation
Limited**

COMPANY No. 3415

FRESH CERTIFICATE OF INCORPORATION CONSEQUENT
ON CHANGE OF NAME

IN THE OFFICE OF THE REGISTRAR OF COMPANIES, PUNJAB, HIMACHAL
PRADESH & CHANDIGARH AT JALANDHAR
(UNDER THE COMPANIES ACT, 1956) (1 OF 1956)



IN THE MATTER OF CHANDIGARH INDUSTRIAL AND GENERAL DEVELOPMENT
CORPORATION LIMITED

I hereby certify that CHANDIGARH INDUSTRIAL AND GENERAL DEVELOPMENT
CORPORATION LIMITED

which was originally incorporated on 28th MARCH, 1974 under the Companies
Act, 1956 and under the name of CHANDIGARH SMALL INDUSTRIES DEVELOPMENT
CORPORATION LIMITED

having duly passed the necessary resolution in terms of Section 21 of the Companies
Act, 1953, approval of the Central Government is hereby accorded thereto and the name
of the said company is this day changed to CHANDIGARH INDUSTRIAL & TOURISM
DEVELOPMENT CORPORATION LIMITED and this certificate is issued pursuant to
Section 23 (1) of the said Act.

Given under my hand at Jalandhar this days of 21st MARCH, 1988

1st Chaitra, Saka, 1910

Satyendra Singh
(SATYENDRA SINGH)
Registrar of Companies
Punjab, H. P. & Chandigarh

THE COMPAINIES ACT, 1956

**MEMORANDUM OF ASSOCIATION
OF
CHANDIGARH INDUSTRIAL AND TOURISM DEVELOPMENT
CORPORATION LIMITED**

- I. The name of the company is CHANDIGARH Industrial And Tourism Development Corporation Limited.
- II. The registered office of the company will be situated in the Union Territory of Chandigarh.
- III. The objects for which the company is established are:-
 - (A) The objects of the company to be pursued by the company on its incorporation are: -
 - (1) To aid counsel, assist, finance, protect and promote the interests of small industries in the Union Territory of Chandigarh, whether owned or run by Government, statutory body, company, firm or individuals and to provide them with capital, credit means, resources and technical and managerial assistance for the execution of their work and business, to enable them to develop and improve their methods of manufacture, management and marketing and their technique of production.
 - (2) To undertake procurement and distribution of various raw-material, including any kind of Iron & Steel, whether imported or indigenous allocated by the Government of India to the Department of Industries, Chandigarh Administration, or through MMTC, STC, SAIL, RINL, any other Govt. entity or private entity for supply to the small scale industries/ units, MSME's, companies individuals etc at the prices fixed by the Corporation. Besides, the Government allocations, the Corporation may arrange to procure raw-materials available in short supply in the country for distribution to the bonafide small-scale actual users whether for the supply of end products in the home market or for export purposes.
 - (3) To operate upon import licences/release orders issued to small-scale industries and to club them together for placing indents on the foreign or indigenous suppliers and get the raw-materials, components, spares imported and to arrange to deliver the materials to such licence holders/release order holder on predetermined service charges to enable the small scale units of Chandigarh to utilize small value licenses/release orders.
 - (4) To establish and maintain trade centre (s) to serve as a clearing house for dissemination of information regarding small scale industries and for the purpose of display or exhibit their products and to maintain liaison between the small scale industries of Chandigarh and the interested buyers for securing contracts on their behalf and to do all such acts for execution and implementation of such contracts and orders.
 - (5) To establish and maintain export house (s) to promote, export and participate in export trade for the benefit of small scale industries.

- (6) To undertake and provide marketing facilities to the small scale industries of Chandigarh.
- (7) To acquire lands, develop them suitably by providing communication, power supply, water supply and other facilities at place determined by the company, and make them available on such terms and conditions as may be agreed upon to any individual, firm, company, association or concern for the purpose of establishing new small scale industries or for the purpose of the shifting small scale industries from any congested area and to take over or establish and administer industrial Estates in the Union Territory of Chandigarh.
- (8) To effect co-ordination between large industries and small industries by suitable methods, enabling small industries for manufacture satisfactorily such parts, accessories, ancillaries, and components and other articles as may be required by large industries.
- (9) To promote and operate schemes of the small industries development of Chandigarh and for that purpose to prepare and get or cause to be prepared investigations and studies for feasibility reports, detailed project reports, market studies, statistics and other relevant information for the establishment of any industrial undertaking and to promote and establish companies, and associations for the execution of such industrial projects, To plan, formulate and execute projects in particular for setting up industries in the lines of production which are important in opinion of the Company for the small industries development of Chandigarh.
- (10) To guarantee to the National Small Industries Corporation in respect of money to be paid by an entrepreneur to the National small industries Corporation under the scheme for the hire purchase of machinery on such conditions, as may be prescribed for the purpose.
- (11) Subject to section 384 of the companies Act to direct the management, control and supervision of any company, association, firm or concern by nominating directors, controllers, supervisors, advisors or otherwise or to collaborate with any company or association or firm or concern formed for carrying on any manufacturing or other business within the objects of the company.
- (12) To promote and operate schemes in collaboration with Chandigarh Administration for the dispersal of small scale industries in manner conducive to the balanced regional development of the various parts of Chandigarh.
- (13) To enter into arrangement with Government of India, Chandigarh Administration or any other Government or states, or local Authority for the purpose of carrying out of the objects of the company or furthering its interest and to obtain from such Government or Authority or persons any charters, subsidies, loans, indemnities, grant, contracts, licenses, rights concessions, privileges or amenities which the company may think it desirable to obtain and exercise or to comply with any such arrangement, rights, privileges and concessions.
- (14) To procure capital for or to provide machinery, equipment and other facilities to any company, person and association for the purpose of

carrying into effect any objects connected with the small industrial development of Chandigarh.

- (15) To build sheds in the Industrial Estate and make them available on lease to the entrepreneurs.
- (16) To develop tourism in the Union Territory of Chandigarh, by opening and maintaining hotels, restaurants, bars, canteens, cafeterias, travellers lodges, guest houses, clubs and arranging sights seeing tours.
- (17) To undertake procurement and distribution of essential commodities as may be entrusted by the Chandigarh Administration.
- (18) To carry on the business of purchase and sale of petroleum & petroleum products, CNG , bio-diesel & LPG gas, automobiles, oil, lubricant oil, petroleum product, hydrogen cell etc, to operate/ manage electric charging station and to store, hold, transport, use, experiment with, dispose of all kinds of petroleum crude oil, natural gas, associated gas, petroleum products, oil, gas, CNG, LPG etc.
- (19) To run, manage, operate, act as dealers, authorized dealers, distributors for oil petroleum companies, retail outlet (Petrol Pump) or to further appoint any dealer, authorized dealer or sub-dealer to run, manage or operate the retail outlet (Petrol Pump).
- (20) To run, manage, operate service station for repair and servicing of automobiles, pollution check centre, conveyance store/ specialty stores, F&B outlet or any other activity at any retail outlet (Petrol Pump) or to rent out, license it out.
- (21) To run, manage, operate or carry on the business of operating, managing amusement park, rides, games, Adventure sports, Tour operator for sight-seeing tours, to provide for production, direction, exhibition, representation, display, whether by mechanical means or otherwise of plays, open air or other theatrical performance, symposiums, or other musical and dramatic, similar performances for amusement or entertainment, or to rent out, license it out.
- (22) To run, manage operate, Paddle Boats, solar Boats, Motor Boats, Rowing Boats, Shikaras, Floating Restaurants, Party boat with deck or any other kind of boat, cruise etc., to run, manage, operate hanging restaurants in the air/ sky, revolving restaurant, party/ event in the air/ sky or to rent out, license it out.
- (23) To run, manage, operate or provide testing, calibration, tool room facility, food quality testing or any other testing facility to small scale industries/ units, MSME's, Companies, individuals, Export Oriented Units or any other users etc. or to get the same accredited from NABL or any other Quality council board or Govt. approved entity.
- (24) To run, manage, operate, Iron & Steel Stock Yard, any other Stock Yard as consignment agency or any other form on its own or in collaboration with MMTC, STC, SAIL, RINL, any other Govt. entity or private entity.

- (25) To undertake and promote cultural, recreational and sports activities including management and maintenance of Turf Club and allied activities in the Union Territory of Chandigarh.
- (26) To organize package tours by road, rail, sea, air or otherwise and enter into all agreements connected with the organization of such tours.
- (27) To import, repair, ply and hire buses, motor trucks, motor cars, taxi-cars, station wagons, launches and other kinds of vehicles for the benefit of and use by the tourists.
- (28) To purchase, take on hire or otherwise acquire or construct cinema halls including drives-in-cinemas, theatres, concerts, hall or other building of a like character and rights in the same and to sell, give on hire or otherwise dispose of the rights so acquired.
- (29) To carry on the business of boarding and lodging, house-keepers, wine, bear and spirit merchants, brewers, malsters, distillers, importers and manufactures of aerated, mineral and artificial water and drinks, purveyors, caterers for public amusements generally, garages proprietors, livery-stable keepers, job masters, importers and brokers of food, live-stock of all description, hair dressers, performers, chemists proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusement recreation, sport entertainment and instruction of all kinds, travel agents for railways, shipping and airways and road transport corporation, companies, bodies or carriers, theatrical and opera box office proprietors.
- (30) To undertake any function on such terms and conditions as may be settled with the Chandigarh Administration either as Handling agent or otherwise for or in connection with the development and creation of infrastructure required for the city.

(B) Matters which are necessary for furtherance of the Objects: -

- (1) To enter into contracts with, and take up indents from the Government of India/State Governments in the Union of India, Corporation and other subsidiaries and branches and from any agency of officer there of having the necessary power for fabrication, manufacture assembly or supply of goods, materials, articles and equipment of every description and to arrange for the performance of such contracts and indents by sub-contracting them to or placing orders in respect thereof with small industries or others for the fabrication, manufacture, assembly to supply of such goods, materials, articles or equipments or parts there of servicing or processing in connection therewith or such managerial services as may be necessary for the due performance of such contracts and indents, and to have the goods, material, articles and equipment fabricated, manufactured, assembled and supplied.
- (2) To establish and maintain quality control testing and common facility centre (s) for ensuring standard quality of industrial products and providing such facilities that may be required for the purpose and subscribe or to subsidise or become member of Training institutions, Research Laboratories, Research Institution and Experimental Workshop for scientific technical research and experiments.

- (3) To certify to the appropriate Government Officers with respect to the competency, as to capacity and credit, of any small industrial concern or group of such concerns to perform any specific Government contract.
- (4) To obtain from any Government or other agency such reports concerning the giving of contract and sub contracts and making of loans to business concerns as may be deemed necessary for carrying out the aforesaid objects.
- (5) To grant or guarantee or recommend the grant of loans to small industries, to which sub-contracts are given or orders are issued as aforesaid, in order to enable them in carrying out the sub contracts or orders to finance plant construction, conversion or expansion including the acquisition of land to finance acquisition of equipment, facilities, machinery supplies or materials, or to supply such concerns with working capital to be used in the manufacture of articles equipment, supplies or materials under contract to Government or to this company, to provide them with such financial, technical, managerial and other assistance as may be deemed necessary for the purpose of enabling them to execute and carry out the sub-contracts and orders satisfactorily and to organize production and manufacture for meeting such contracts and sub contracts and orders adequately and according to specification and to ensure satisfactory production by all necessary instruction, assistance, inspection and supervision.
- (6) To promote and establish such Companies, Associations, Advisory Boards and other suitable bodies as may be deemed necessary in order to carry out aforesaid objects effectively.
- (7) To procure capital or financial assistance or accommodation for or provide machinery, equipment, technical and managerial assistance, information. Instruction, inspection, supervision and other facilities to any Company, person, or Association for the purpose of carrying into effect any of the aforesaid object.
- (8) To manufacture, buy, sell, import, export, install, work and generally deal in any plant, machinery, substances, tools materials, goods or things of any description which, in the opinion of the Company may be conveniently dealt with by the Company in connection with any of its objects.
- (9) To enter into partnership or arrangement for joint working in business sharing of profits, pooling of any industrial undertaking, joint venture or reciprocal concession or amalgamation, with any other company, firm or person, carrying on or engaged in any manufacture or business within the object of this Company or similar thereto.
- (10) To establish, promote subsidise and otherwise assist, any Company or Companies syndicate or other concern for the purpose of setting up any small industry
- (11) Generally to purchase, take on lease or in exchange, hire, or otherwise, acquire any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purpose of its business and in particular any land, building, assessments, machinery, plant, and stock in trade.

- (12) To sell, dispose of by way of lease or on hire or otherwise transfer business, property and undertakings of the Company, or any part thereof, for cash, stock or shares of any other Company or for any other consideration which the company may see fit to accept for the attainment of its objects.
- (13) To sell, improve, manage, develop, exchange, lease, mortgage, franchises, and dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the Company.
- (14) To accept stock or shares in or the debentures, mortgage, debentures or other securities of other company in payment or part payment of any services rendered or for any sale made to or debt owing from any such Company.
- (15) To carry on other trade or business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (16) 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 company is authorized to carry on or possessed of property suitable for the purposes of this company.
- (17) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the company, or which the Company, shall consider to be in the nature of preliminary expenses, including therein the cost of advertising, commissions for under-writing, brokerage, printing and stationery and expenses attendant upon the formation of agencies.
- (18) To construct, maintain, and alter any building or works, necessary or convenient for the purpose of the company.
- (19) To apply for and take out purchase or otherwise acquire any trade mark, patents, patent-rights, inventions. Copyright, design or secret processes, which may be useful for the company, object and to grant licenses to use the same, and to work, develop, to carry out, exercise and turn to account the same and adopt such means of making known the business and products of the company or any company in which this company is interested as may seem expedient and in particular by advertising in newspapers, magazines, periodicals, by circulars, by purchase and exhibitions, by publication and distribution of books, and periodicals, calendars, almanacs and diaries, by distributing samples, and by granting prizes, rewards and donations.
- (20) To make draw, accept, endorse, discount, execute, issue and negotiate cheques, bill of exchange, promissory notes, debentures and other negotiable or transferable instruments.
- (21) To borrow or raise or secure the payment of money in such other manner as the company shall think fit and in particular by the issue of debentures, debentures stock, perpetual or otherwise, mortgage or any other securities charged or based upon the undertaking of the company or any part of its property both present and future including its uncalled capital and the rights of the company's or without any other securities charged or based upon the

undertaking of company or any part of its property both present and future including its uncalled capital and the rights of the company's or without any such security, and upon such terms as to priority or otherwise and generally to borrow money in such manner as the company shall think fit.

- (22) To receive grants, loans, advances or money on deposit or otherwise, from the Central Government or State Governments, Banks, Companies, Trusts or individuals with or without allowance of interest thereon.
- (23) To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealing with the company, and to guarantee the performance of contracts by any such persons or companies.
- (24) To invest and deal with the moneys of the company not immediately required in such manner other than in the shares of this company, as may from time to time be determined.
- (25) To acquire by subscription, purchase or otherwise, and to accept and take hold and sell, share or stock in any company, undertaking, the object of which shall, either in whole or in part, be similar to those of this company, or such as may be likely, directly or indirectly, to promote or advance the interests of this company.
- (26) To establish, maintain, subscribe to or subsidise or become member of training institutions, research institutions and experimental workshops for scientific and technical research and experiments.
- (27) To provide for the welfare of persons in the employment of the company, and the wives, widows and families of such persons, by establishing provident or other Funds by grant of the money, pension or other payments and by providing or subscribing to places of instruction and recreation and hospitals, dispensaries, medical and other attendance and other assistance as the company shall think fit and to subscribe, money to or for and otherwise help any charitable or benevolent object or any exhibition or any public show or useful object.
- (28) To establish and regulate branches or agencies of the company at any place in India or elsewhere and discontinue the same.
- (29) Generally to do all such other matters and things as may appear to be incidental or conducive to the attainment of the above objects or any of them or consequential upon the exercise of its powers or discharge of its duties.
- (30) To create any depreciation fund, reserve fund, or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the company or for redemption of debentures or redeemable preference share or for special dividends or for equalizing dividends for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds here in mentioned.
- (31) To employ or pay expert, foreign consultants, etc. in connection with the planning and development of all or any of the business connected with the company's operations.

- (32) To appropriate, use or let out land belonging to the Company for streets, parks, pleasure grounds, allotments and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the Company thinks fit.
- (33) To apply tender, purchase or otherwise acquire contracts and concessions for or in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of works and conveniences and undertake, execute, carry out, dispose of or otherwise turn to account the same.
- (34) To invest the capital of the Company in or to deal with shares, stocks, bonds, debentures, obligations and other securities or obligations of any company or associations formed for establishing executing or working of any industrial undertaking approved by the company.
- (35) To issue, or guarantee the issue of, or the payment of interest on the shares, debentures, debentures stock, or other securities or obligations of any company or associations, and to pay or provide for brokerage, commission and underwriting in respects of any such issue.
- (36) To seek for and secure opening for the employment of capital in Chandigarh and elsewhere and with a view thereto prospect, enquire, examine, explore, and test, and to dispatch and employ expeditions, commissioners experts and other agents.
- (37) To ensure effective liaison with the appropriate banks at the project formulation stage so that later on at stage of obtaining working capital from the concerned banks, entrepreneurs do not experience any difficulty in satisfying the banks regarding the feasibility and economic liability of the project. This would also necessitate the setting up of appropriate consultancy cells in the banks so as to avoid delays and attendant problems faced by the entrepreneurs.

IV. The liability of the members is limited.

V. The share capital of the Company is Rs. 18,00,00,000/- (Rupees Eighteen Crores only) divided into 18,00,000 (Eighteen Lakhs) Equity Shares of Rs. 100 (Rupees Hundred only).

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

Names, address, descriptions and occupations (if any) of subscriber		No. of equity shares taken by each subscriber	Signatures of subscriber	Names, address description and occupation (if any) of witnesses
1.		2.	3.	4.
1.	Chief Commissioner Chandigarh Administration	4998 (Four thousand nine hundred & ninety eight only)	Sd/-	Sh.K.L.Malhotra S/o Sh.Mohan Lal Malhotra Private Secretary to Chief Commissioner Chandigarh.
2.	Sh.B.S Ojha S/o Sh. Basu Dev Home Secretary-Cum- Director of industries Chandigarh Administration Chandigarh	1 (One)	Sd/-	Sh.Gajinder Singh S/o Sh.Avtar Singh Deputy Superintendent Home Union Territory Secretariat Chandigarh
3.	Sh.Kumar Krishna Mukerjee S/o Sh.K.K. Mukerjee Finance Secretary, Chandigarh Administration	1 (One)	Sd/-	Sh.S.L.Wadhwa S/o Sh.Wazir Chand Assistant Union Territory Secretariat Chandigarh
Total		5000 shares		

Dated the 22nd day of March, 1974

THE COMPANIES ACT, 1956**ARTICLES OF ASSOCIATION
OF
CHANDIGARH INDUSTRIAL AND TOURISM DEVELOPMENT
CORPORATION LIMITED****PRELIMINARY**

- (1) In these articles unless there is something repugnant in the subject matter or context:-
- (a) "The Company" means Chandigarh industrial and Tourism Development Corporation Limited.
 - (b) "The Act" means the Companies Act, 2013.
 - (c) "Administrator" means the Executive Head of the Union Territory of Chandigarh by whatever designation he may be called.
 - (d) "Directors" mean the Directors for the time being of the Company.
 - (e) "Chairman" means the Chairman of the Board of Directors for the time being of the Company.
 - (f) "Office" means the registered office for the time being of the Company.
 - (g) "The Seal" means the common seal of the Company.
 - (h) "State" means the Union Territory of Chandigarh.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

- (2) Save as otherwise expressly provided for in these Articles, the regulations contained in Table F in Schedule I to the Act shall apply
- (3) The regulations for the management of company and for the observance of the members there of and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition of its regulations by special resolution as prescribed or permitted by the Act, be such as are contained in these Articles.
- (4) The Company is a Private company having a minimum paid-up share capital as may be prescribed, and accordingly: -
- (i) restricts the right to transfer its shares;
 - (ii) limits the number of its members to two hundred:

Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member:

Provided further that-

A.) persons who are in the employment of the company; and

B.) persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased,

shall not be included in the number of members; and

- (iii) prohibits any invitation to the public to subscribe for any securities of the company;

SHARE CAPITAL AND VARIATION OF RIGHTS

- (5) The share capital of the Company is Rs. 18.00 Crores (Rupees Eighteen Crores) divided into 18,00,000 equity shares of Rs.100 each with power to increase the share capital.
- (6) The shares shall be under the control of the Board of Directors who may allot or otherwise dispose of them on such terms and conditions as it considers fit, subject to such directions as Administrator may issue from time to time.
- (7)
- (1) Every person whose name is entered as a member in the register as a members shall be entitled to receive within two months after allotment or within two months of receipt of the application for registration of transfer (or within such other period as the conditions of issue shall provide):-
- a) One certificate for all his shares without payment: or
- b) Several certificates, each for one or more of his shares, upon payment of one rupee for every certificate after the first.
- (2) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary:
- Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.
- (3) In respect of any 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 holders.
- (8) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

LIEN

- (9)
- (1) The Company shall have a first and paramount lien:-
- a) On every share (not being fully paid share), for all moneys (whether presently payable or not) called, at fixed time; in respect of that share, and

- b) On all shares (not being 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.

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (2) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (10) The Company may sell, in such manner as the Board think fit, any shares on which the company has a lien provided that no sale shall be made:-
- a) Unless a sum in respect of which the lien exists is presently payable ; or
- b) 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.

- (11)
- (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceeding in reference to the sale.

- (12)
- (1) The proceeds of the sale shall be received by company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (2) The residue, if any shall subject to a like lien for sums not presently payable as existed upon the shares before the sale be paid to the person entitled to the shares at the date of sale.

CALLS ON SHARES

- (13)
- (1) The Board may, from time to time make call upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (2) Each member shall, subject to receiving at least fourteen days notice, specifying the time or times and place of payment, pay to the company at the time or times and place so specified, the amount called on his shares.
- (3) A call may be revoked or postponed at the discretion of the Board.

- (14) A call shall be deemed to have been made at the time when resolution of the Board of Directors authorising the call was passed and may be required to be paid by instalments
- (15)
- (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any as the Board may determine.
 - (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- (15A) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- (16)
- (1) Any sum which by the terms of issue of any share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
 - (2) In case of non-payment of such sum all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- (17) The Board:-
- (a) may, if it thinks fit receive from any member willing to advance to the same, all or any part of the moneys uncalled and unpaid upon any share held by him: and
 - (b) Upon all or any of the moneys so advanced may (until the same would but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER AND TRANSMISSION OF SHARE

- (18) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (19) Shares of the company shall be transferred in the form as prescribed under the act from time to time.
- (20) The right of members to transfer their shares shall be restricted as follow:-
- (a) A Share may be transferred by a member or other person entitled to transfer only to a person or persons approved by the Board and to no other person.

- (b) The Board of Directors may decline to register any proposed transfer of shares without assigning any reason thereof.
- (21)
- A.) The Board of Directors may suspend the registration of transfer during the fourteen days immediately preceding the annual general meeting in each year.
 - B.) The Board of Directors may decline to recognize any instrument of transfer unless:
 - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
 - (b) the instrument of transfer is accompanied by the Certificate of the share to which it relates and such other evidence as the Board of Directors may reasonably require to show the right of the transferor 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 transfer was lodged with the Company send to the transferee and the transferor, notice of the refusal.
 - (c) the instrument of transfer is in respect of only one class of shares.
- (22) So far it concerns any share held by any person as a nominee of anybody Corporate on the letters requiring him to transfer any such share to it or to any other persons or persons nominated by it, or not any such person becoming of unsound mind or becoming or being adjudicated an insolvent, or dying, or no 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 Body Corporate may at any time save 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 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 representatives of such holders, shall execute in favour of the body Corporate or of any person or persons nominated by it, a proper transfer from in respect of such share and handover the same along with the relative certificate in respect of such share and handover the same along with the relative certificate in respect of such share to it or any other person or persons nominated by it and the body Corporate or such other person as may be nominated by it in that behalf may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder or of his estate and the same shall be deemed to have duly and properly executed for and on behalf of such holder or of his estate and thereupon the holder of 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 thereupon stand cancelled and be and become void and of no effect and the Company shall be entitled thereafter to issue a new certificate in lieu thereof in favour of the Body Corporate or of such person or persons as it may nominate.

- (23) Any person becoming entitled to a share in consequence of the death or insolvency, a member shall upon such evidence being produced as may from time to time be required by the Board of Directors 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 the transfer of the share by the deceased or insolvent person before the death or insolvency.
- (24) A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

FORFEITURE OF SHARES

- (25) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of the call, 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.
- (26) The notice aforesaid shall:-
- (a) name a further day (not being earlier than 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 be forfeited'
- (27) 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 has been made, be forfeited by a resolution of the Board to that effect.
- (28)
- (1) 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.
 - (2) The liability of such person shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares.
- (29)
- (1) A duly verified declaration in writing that the declarant is a Director or the Manager of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share
 - (2) The company may receive the consideration, if any, given for the share in 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.

- (3) The transferee shall there upon be registered as the holder of the share;
- (4) The transferee shall not bound to see the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

ALTERATION OF CAPITAL

- (30) The company, may from time to time, by ordinary resolution increase the share capital by such sum, to be divided into share of such amount as may be specified in the resolution.
- (31) Except so far as otherwise provided by the conditions of issues or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting surrender and otherwise.
- (32) The new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer if not accepted will be deemed to be declined and after the expiration of such notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.
- (33) The Company may, by special resolution, reduce in any manner and with and subject to any incident authorised and consent required by the law, its share capital.

BORROWING POWERS

- (34) Subject to the provisions of Section 292 of the Act, the Board may, from time to time, borrow any sum or sums of money for the purpose of the Company.
- (35) The Board may secure the payment of such moneys in such manner an upon such terms and conditions in all respects as it thinks fit and particular by creating any mortgage, charge or their security on the undertaking of the whole or any part property of the company (both present and future) including its uncalled capital for the time being.

GENERAL MEETINGS

- (36) The First Annual General Meeting of the Company shall be held by the Company within 18 months of its incorporation and thereafter the annual general meeting of the Company shall be held within 6 months after the expiry of each financial year except in the case when for any special reason, the time for holding the annual general meeting (not being the first annual general meeting) is extended by the Central Government by a period not exceeding 3 months. Except as provided under the Act, no greater interval than 15 months shall be allowed to lapse between two Annual General Meetings. Every general meeting shall be held during business hours on a day that is not a public holiday. The notice calling the meeting shall specify it as the Annual General Meeting .The other general meeting, which may be called at such time and place as may be determined by the Directors, shall be called, Extraordinary General Meeting.

- (37) The Board may, when it thinks fit, call Extraordinary General Meetings.
- (38)
- (1) No business shall be transacted at any general meeting unless a quorum of members is personally present at the time when the meeting proceeds to business.
 - (2) Save as herein otherwise provided two members present in person shall a quorum.
- (39)
- (1) The Government as long as they are shareholders of the Company, may from time to time appoint one or more persons (who need not be a member of the company) to represent them at all or any meetings of the Company.
 - (2) Any one of the persons appointed under sub-clause (1) of the Article who is personally present at the meeting shall be deemed to be a member entitled to vote and present in person and shall be entitled to represent the Government at all or any such meetings and to vote on their behalf whether on a show of hands or on a poll.
 - (3) The Government may, from time to time, cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.
 - (4) The production at the meeting of an order of the Administrator evidenced as provided in the constitution of India shall be accepted by Company as sufficient evidence of any such appointment or cancellation as aforesaid.
 - (5) Any person appointed by the Government under this Article may if so authorized by such order, appoint a proxy, whether specially or generally.
- (40) The Chairman of the Board shall preside as Chairman at every general meeting of the company.
- (41) If the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present shall elect one of their members to be Chairman of the meeting
- (42)
- (1) 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.
 - (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
 - (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in case of an original meeting.
 - (4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting
- (43) In the case of an equality of votes whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands take place or at which the poll is demanded, shall be entitled to a second or casting vote.

- (44) Any business other than that upon which a poll has been demanded may be preceded with pending the taking of the poll.
- (45) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.

The Chairman present at the taking of the poll shall be the judge of the validity of every vote tendered at such poll

VOTE OF MEMBERS

- (46) Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- (a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- (47) A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardians, any such committee or guardian may, on a poll, vote by proxy.
- (48) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by the respect of shares in the company has been paid
- (49)
- (1) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (2) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
- (50) The Instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or executed or a notary certified copy of that power of authority, shall be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking the poll, and in default the instrument of proxy shall not be treated as valid.
- (51) An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near there to as circumstances admit.
- (52) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under the proxy was executed, or the transfer of shares in respect of which the proxy is given:-

Provided that, no intimation in writing of such death insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

- (53)
- (1) Unless otherwise determined by the General Meeting, the number of Directors of the Company shall not be more than 15 or less than 2.
 - (2) All the Directors shall be appointed by the Administrator.
 - (3) The Directors shall hold office at the pleasure of their appointing authorities or until their office become vacant in terms of the provisions of section 283 of the Act whichever is earlier and they shall not be liable to retirement by rotation.
 - (4) The Chairman of the Board shall be appointed by the Administrator.
 - (5) The Chairman and the Directors appointed by the Administrator shall hold office until removed by the Administrator. As and when the Chairman or Director appointed by Administrator vacates office whether on removal or by resignation or otherwise, the Administrator shall fill in the vacancy by nomination.
- (54) The remuneration of the Directors, shall in so far as it consists of a monthly Payment be deemed to accrue from day to day.
- (55) The Director shall be paid sitting fees not exceeding Rs.250 per meeting, as may be fixed from time to time by the Board of Directors, for attending the meeting of the Board of Directors or any committee or Sub-Committee thereof.
- (56) The Directors shall not be required to hold any qualification shares.
- (57) The Board may pay all expenses incurred in getting up and registering the company.
- (58) The company may exercise the power conferred by Section 50 of the Act with regard to having an official seal for use abroad and such powers shall be vested in the Board.
- (59) All Cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipt for money paid to the company, shall be 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.
- (60) Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose.

NOMINATED DIRECTORS

- (60A) Notwithstanding anything to the contrary contained in these articles, so long as any money remains owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Financial Corporation of India (IFCI), Tourism Finance Corporation of India Limited (TFCI), the industrial Credit & Investment Corporation of India Limited (ICICI) and Life Insurance Corporation of India (LIC) Unit Trust of India (UTI) or to any other Financing Company or Body (here in after in this Article referred to as "the Corporation") out of any loans granted by them to the company or so long as IDBI, IFCI, TFCI, ICICI, LIC and UTI or any other Financing Corporation or Credit Corporation or any other financing company or body (each of which IDBI, IFCI, TFCI, ICICI, LIC and UTI or any other Finance corporation or Credit Corporation or any other Financing Company or body) continue to hold debentures in the Company by direct subscription of private placement or so long as the Corporation holds shares in

the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the corporation on behalf of the company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, (whole time or Non-whole time) which Director or Directors is/are (hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appoint any person or persons in his or their places.

The Board of Directors of the Company or the Administrator as the case may be, shall have no power to remove from office the Nominee Director/s. At the option of the Corporation, such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation, such nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same right and privileges and be subject to the same obligation as any other Director of the Company

The Nominee Director/s so appointed shall hold the said office only so long as moneys remain owing by the company to the Corporation or the Corporation holds debentures in the company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the company arising out of any Guarantee is outstanding and the Nominee Director/s appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/ shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meeting and of the Meetings of the Committee of which the Nominee Director/s is /are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Director of the Company are entitled but if any other fees commission, moneys and remuneration in any form is payable to the Director/s of the Company the fees, commission, moneys and remuneration in relation to such Nominee Director/s, shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation of such Nominee Director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the company to the Corporation or as the case may be to such Nominee Director/s

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation.

Provided further that if such Nominee Director/s is an officer of the reserve Bank of India, the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.

Provided also that in the event of the Nominee Director/s being appointed as a whole time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the lenders and have such rights as are usually exercised or available to do by a whole time Director, in the management of the Borrower. Such

Nominee Director/s shall be entitled to receive such remuneration fees, commission and money as may be approved by the lenders.

Provided further that the number of such Nominee Director/s shall not exceed one-fourth (any fraction contained in that one-fourth being rounded off as one) of the total number of Directors of the Company as fixed in Article 53”

ALTERNATE DIRECTORS

- (61) The Board, with the prior approval of the Administrator may appoint as alternate Director to act for a Director (hereinafter in this Article called ‘The Original Director’) during the latter’s absence for a period of not less than three months from this State, Such Director shall not hold office as Original Director, Such appointment shall have effect and such appointee while he holds office as such for a period longer than that permissible to an alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly , but he shall not require any qualifications and shall ipso facto vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinarily held or the absent Director vacates office as Director

PROCEEDINGS OF THE BOARD

- (62)
- (1) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meeting, as it thinks fit.
 - (2) A Director may and the secretary on the requisition of a Director shall, at any time summon a meeting of the Board.
- (63) The Board of Directors shall be bound by the directives from the Administrator from time to time.
- (64)
- (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes,
 - (2) In case of an equality of votes, the Chairman of the Board, if any, shall have second or casting vote.
- (65) If at any time the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be chairman of meeting.
- (66)
- (1) The Board may, subject to the provisions of the Act, delegates any of its powers to committee consisting of such number of such number of members of its body as it thinks fit.
 - (2) Any committee so formed shall, in the exercise of power so delegated, conform to any regulations that may be imposed on it by the Board.
- (67)
- (1) A committee may elect a Chairman of its meetings.

- (2) If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the meeting.
- (68)
- (1) A committee may meet and adjourn as it thinks proper.
- (2) Question arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairman shall have a second or casting vote.
- (69) All acts done by any meeting of the Board or of a committee thereof or by any person acting as a Director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- (70) Save as otherwise expressly provided in the Act, a resolution in writing signed by all the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.
- (71) The Administrator may appoint one of the Directors as Managing Director of the company at such terms as may be fixed by him and in accordance with the Act. Any vacancy in the office of the Managing Director may be filled by the Administrator.
- (72)
- (1) A Secretary may be appointed by the Board for such time, at such remuneration and upon such condition as it may think fit, and any secretary so appointed may be removed by the Board
- (2) A Director may be appointed as Secretary.
- (73) A provision of the Act or these articles requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done or to the same person acting both as Director and as or in place of the Secretary.

THE SEAL

- (74)
- (1) The Board should provide for the safe custody of the seal.
- (2) The seal of the Company should not be affixed to any instrument except by the authority of the resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those two Directors and the Secretary or other person afore said shall sign every instrument to which the seal of the company is affixed in their presence.

DIVIDENDS AND RESERVE

- (75) The company in general meeting may declare dividends. But no dividends shall exceed the amount recommended by the Board.
- (76) The Board may from time to time, pay to the members such interim dividends as appear to be justified by the profits of the company.

(77)

- (1) The Board, may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion either be employed in the business of the company or be invested in such investments (other than share of the company) as the Board may from time to time, think fit
- (2) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

(78)

- (1) All dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect where of the dividends is paid but if and so long as nothing is paid upon any of the shares in the company , dividends may be declared and paid according to the amounts of the shares
- (2) No amount paid or credited as paid on a share advance of calls shall be treated for the purpose of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such rank for dividend as from a particular date such share shall rank for dividend accordingly.

(79) The Board may deduct from any dividend payable to any members all sums of money if any presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

(80)

- (1) Any dividend, interest or other moneys payable in cash in respect of share may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first name on the register of members or to such person and to such address as the holder or joint holders may in writing direct.
- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(81) Any one of two or more joint holders of a share may give effectual receipts for any dividend bonuses or other moneys payable in respect of such share.

(82) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein the manner mentioned in Act.

(83) No dividend shall bear interest against the Company.

ACCOUNTS

- (84)
- (1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company or any of them shall be open to the inspection of members not being Directors.
 - (2) No member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Board or by the company in general meeting.
 - (3) The financial year of the company shall end on 31st March of each year.
- (85) At every Annual General Meeting of 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, 216 and 219 and of Schedule VI to the Act, so far as they are applicable to the company.
- (86) The Board of Directors shall cause an annual report to be made out and attached to every balance sheet of 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 be a Reserve, Reserve Account to be shown specifically on the balance sheet or to a Reserve in subsequent balance sheet. The report shall be signed by the chairman of the Board of Directors on behalf of the Directors if so authorised in that behalf by the Directors and when he is not so authorised shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub sections (1) and (2) of section 215 of the Act.

CAPITALIZATON OF PROFITS

- (87)
- (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 of the company's reserve account, 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 afore sum shall not be paid in cash but shall be applied subject to the provision contained in clause (3) either in or towards;
 - (a) Paying up any amount for the time being unpaid on any shares held by such members respectively;
 - (b) Paying up in full unissued share or debentures of the company to be allotted and distributed, credited as fully paid up, to and amongst, such members in the proportion aforesaid, or
 - (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b)

- (3) A security premium account and a capital redemption reserve fund may, for the purpose of the regulation, only be applied in the paying up of unissued 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.
- (88)
- (1) 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 allotments and issues of fully paid shares or debentures if any; and
 - (b) Generally do all acts and things required to give effect there to,
 - (2) The Board shall have full powers;
 - (a) To make such provision, by the issue of fractional certificates or by payments 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 members entitled thereto, into an agreement with the company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.
 - (3) Any agreement made under such authority shall be effective and binding on all such members.

WINDING UP

- (89)
- (1) If the company shall be wound up the liquidator may with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind the whole or any part of the assets of the company whether they shall consist of property of the same kind or not.
 - (2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid, and may determine how such division shall be carried out as between the members of different classes of members.
 - (3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributors as the liquidator with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities where there is any liability.

AUDIT

- (90) Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act or any statutory modifications thereof for the time being in force.
- (91) In addition to the audit to be carried out in accordance with the Act, the Comptroller and Auditor General of India shall have the right to arrange for internal audit by an authority appointed by him. The authority so appointed by the Comptroller and Auditor General of India and all the members of the staff working under that authority shall, at all reasonable times, have access to all accounts, account books, voucher, documents and other papers of the Company and all the reports of the Auditors appointed under the Act. The authority will submit its report to the Comptroller and Auditor General of India, for such action as he may deem fit.

INDEMNITY

- (92) Subject to the provisions of the Act, every Director and other officer 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 officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such 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 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 granted to him by court.
- (93) Subject to the provision of the Act, no Director or other officer of the Company shall be liable for the Acts, receipts, neglect or defaults of any other director or officer for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the company or for insufficiency of any security in or upon which any of the monies of Company shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortuous act of any person with whom any monies securities or effect shall be deposited or for any loss occasioned by any error of judgements 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 happen through his own negligence, defaults, breach of duty or breach of trust.

We, the several persons, whose names, addresses and descriptions and occupations are subscribed below, are desirous of being formed into a Company in pursuance of these Articles of association and we respectfully agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, address, descriptions and occupations (if any) of subscriber		No. of equity shares taken by each subscriber.	Signatures of subscriber.	Names, address description and occupation (if any) of witnesses
1.		2.	3.	4.
1.	Chief Commissioner Chandigarh Administration	4998 (Four thousand nine hundred & ninety eight only)	Sd/-	Sh.K.L.Malhotra S/o Sh.Mohan Lal Malhotra Private Secretary to Chief Commissioner Chandigarh.
2.	Sh.B.S.Ojha S/o Sh.Basu Dev Home Secretary-Cum-Director of industries Chandigarh Administration Chandigarh	1 (One)	Sd/-	Sh.Gajinder Singh S/o Sh.Avtar Singh Deputy Superintendent Home Union Territory Secretariat Chandigarh
3.	Sh.Kumar Krishna Mukerjee S/o Sh.K.K. Mukerjee Finance Secretary, Chandigarh Administration	1 (One)	Sd/-	Sh.S.L.Wadhwa S/o Sh.Wazir Chand Assistant Union Territory Secretariat Chandigarh
Total		5000 Shares		

Dated this 22nd day of March, 1974



**Chandigarh Industrial & Tourism
Development Corporation Limited**

**Regd. Office :
SCO 121-122, Sector 17-B, Chandigarh-160017**