



**GOVERNMENT OF KERALA**

Abstract

Local Self Government Department - Kerala Waste Management Company constituted for Waste Management in Kerala - Renamed and Memorandum of Association and Article of Association approved - Orders issued.

**Local Self Government (IA) Department**

**G.O. (Ms) No. 135/2013/LSGD**

**Thiruvananthapuram, Dated, 30.03.2013**

Read: G.O.(Ms) No. 282/2012/LSGD dated 02/11/2012.

**ORDER**

Kerala Waste Management Company ordered to be constituted for the purpose of Waste Management in Kerala vide Government Order read above is hereby renamed as "Clean Kerala Company Limited". Government are also pleased to approve the Memorandum of Association and Article of Association of the Clean Kerala Company Limited appended to this Government Order.

2. The Company will be incorporated as a Public Limited Company under the Indian Companies Act 1956 with Head Office at Thiruvananthapuram. The authorized share capital of the company will be Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,000 (one lakh) equity shares of Rs. 1000/- (Rupees one thousand only) each as per clause V of the Memorandum of Association.

3. The Managing Director, Kerala Urban and Rural Development Finance Corporation Ltd is hereby entrusted for taking action to register the Company and to incur the registration expenses thereto from Kerala Urban and Rural Development Finance Corporation Ltd.

**(By Order of the Governor)**

**V. S. Senthil**

**Principal Secretary to Government**

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

The Accountant General (A&E/LBA), Kerala, Thiruvananthapuram

The Director, Urban Affairs, Thiruvananthapuram.

The Director, Local Fund Audit, Thiruvananthapuram.

The Executive Director, Suchitwa Mission, Thiruvananthapuram.

The Director of Panchayath, Thiruvananthapuram.

The Project Director, Kerala Sustainable Urban Development Project,  
Thiruvananthapuram.

The Managing Director, Kerala Urban and Rural Development Finance  
Corporation Ltd, Thiruvananthapuram.

The Director, Kudumbashree, Thiruvananthapuram.

The District Collector, All Districts (through DUA)

The Mayor (Thiruvananthapuram, Kochi, Kozhikode, Kollam, Thrissur Corporations)

The Commissioner of Rural Development, Thiruvananthapuram.

The GA (SC) Department vide Item No. 3298 dated 27.03.13.

The Municipal Secretaries (through DUA)

The Chairman/Chairperson, All Municipalities (through DUA)

The Secretary, All District Panchayaths (through DP)

Finance Department(vide U.O.No.11340/Dev3/13/Fin dtd 11.03.2013)

The Director, I & PRD

The Director, Information Kerala Mission, Pangappara  
(to upload in the website)

Sri. Saleem, Chartered Engineer, Saleem Groups, Calicut-7.

Sri. Abdulla Zubair.M., City Centre, Kannur.

Stock file/OC

**Forwarded/By Order**



**Section Officer**

Copy to: PS to Hon'ble Chief Minister  
PS to Hon'ble Minister (UA & WM)  
PS to Hon'ble Minister (Fin)  
PS to Hon'ble Minister (P & SJ)  
PS to Hon'ble Minister (RD & Plg)  
PA to Principal Secretary, LSGD  
PA to Secretary, Finance  
PA to Secretary, Planning  
PA to Secretary, LSGD  
CA to Deputy Secretary

THE COMPANIES ACT, 1956  
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION  
OF  
CLEAN KERALA COMPANY LIMITED

- I. The name of the Company is CLEAN KERALA COMPANY LIMITED.
- II. The Registered office of the Company will be situated at Thiruvananthapuram in the State of Kerala.
- III (A). The main object to be pursued by the Company on its incorporation are: -
1. To formulate and implement strategies, objectives, plans, guidelines, systems and procedures for protecting the health and wellbeing of the people and the natural environment by providing reasonable measures for reducing, re-using, recycling, recovery, treatment, disposal, use, control and management of material waste to prevent pollution and ecological degradation preventing epidemics and nurture a broad outlook and attitude among the people of the state by inculcating in them a sense and culture of health and environmental sanitation through self sustained sanitation programmes to be replicated with local initiative.
- (B). The Objects incidental and Ancillary to the attainment of the main objects are:
1. To generate model plans to achieve the main objective of the company and to motivate local bodies to adapt and implement them with area specific modifications.
  2. To protect the health and wellbeing of the people by providing an affordable waste collection service.
  3. To increase the number of jobs opportunities within waste services, recycling and recovery sectors.
  4. To formulate and implement policies, plans and proposals to promote and attract Small, Medium and Micro Enterprises into waste management sector.

5. To organize shows, programmes, seminars, exhibitions and various other activities to create awareness among the general public and more specifically in schools, colleges and other educational institutions and public and private offices relating to efficient and effective use of our natural resources, general health and sanitation and to inculcate in them a sense of responsibility and sensitivity towards our environment and resources.
6. To enter into all types of national or international collaborations, license arrangements, technical assistance, financial or commercial arrangements for the fulfillment of any Objects herein contained.
7. To apply the principles of Integrated Solid Waste Management (ISWM) involving the use of suitable techniques, technologies and management programs to cover all types of solid wastes from all sources to achieve the twin objectives of waste reduction and effective management of waste.
8. To develop and use advanced solid waste processing techniques including a variety of biological and thermal transformation process like aerobic composting and incineration.
9. To develop and use various waste transformation techniques like shredding, incineration with or without energy recovery or encapsulation techniques to reduce the weight, volume, size or toxicity of waste without any adverse affect on the natural environment.
10. To enable every household, community and local bodies in the State to acquire adequate and appropriate facilities for safe management of solid and liquid waste *including human excreta*.
11. To formulate and implement Panchayat Environmental Sanitation and Health Programmes through the extensive participation of the local bodies.
12. To focus gender issue in water, sanitation and health.
13. To formulate plans and proposals to attract private investment in waste management and sanitation programmes being launched by the company.
14. To formulate plans and programmes to make sanitation and health a people's movement.

15. To develop effective and simple monitoring system, to develop rapid appraisal techniques to build a data bank system at the local level and to develop objective tools to measure the impact of the programme and the attainment of the objectives of the company.
16. To enter into any partnership or other arrangements for sharing of profits, union of interest, co-operation, joint venture, reciprocal concessions or otherwise, with any person, firm, association, company or corporation carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized to carry on or engage in or any business or undertaking or transaction which is capable of being carried on or conducted so as to directly or indirectly benefit the Company and to lend money, to guarantee or contract or otherwise acquire and hold shares or securities of any such person, firm or company and to sell/re-issue with or without guarantee, or otherwise deal with the same.
17. To invest the funds of the Company not immediately required, in any manner from time to time, in such assets, properties, securities, shares, specie or investments or otherwise deal therewith as may, from time to time, be determined by the Board of Directors and sell or vary all such investments and to execute all assignments, transfers, receipts and documents that may be necessary in that behalf.
18. To employ and remunerate experts or consultants, foreign or Indian in connection with planning or development and running of all or any of the business activities incidental to the operation of the company's activities either by cash payment or by allotment to him or them of shares or securities of the company which is paid in full or in part or otherwise.
19. To establish agencies or branch offices in India and abroad and to regulate and discontinue the same in connection with main objects of the company.
20. To apply for, receive, accept, administer and manage grants, aids, subsidies donations from various national and international organizations including World Bank, International Monetary Fund, World Health Organisation, Asian Development Bank and other organizations and agencies.

21. To open bank accounts and To draw, make, accept, endorse, discount, negotiate, purchase, execute, hold, sell and dispose of cheques, promissory notes, hundies, drafts, charter parties, bills of exchange, bills of lading, warrants, debentures, air consignment notes and other negotiable instruments in course of the company's business.
22. To create any Depreciation Fund, Sinking Fund, Reserve Fund, Insurance Fund, Development Fund or any other Special Funds whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company, or for any other purpose conducive to the interests of the Company.
23. To purchase, take on lease or in exchange or otherwise acquire for the purpose of the business of the Company, improve, manage, develop, cultivate, work, sell, exchange, surrender, lease, mortgage, charge, convert, turn to account, dispose of and deal with movable and immovable property and rights and privileges of all kinds and in particular lands, buildings, easements, mortgages, shares, debentures, securities, produce, concession, options, contracts, patents, licenses, machinery stock-in-trade, business concerns and undertakings and claims, privileges, concessions and chose-in-action of all kinds.
24. Subject to the Provisions of the Companies Act 1956, to place, to reserve or to distribute as dividend or bonus among members or otherwise to apply as the company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at premium by the company and any moneys received in respect of dividends accrued or forfeited shares or from unclaimed dividends.
25. To acquire, merge, amalgamate or reach arrangements with any other company whose objects are or include objects, similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares) of the undertaking subject to liabilities of this or any such other company as aforesaid, with or without winding up or by sale or purchase (of fully or partly paid-up shares or otherwise) all shares or stock of this or any such other company as aforesaid, or by partnership, or in any other manner.
26. To obtain legislative sanctions, provisional order, license or other authority for enabling the company to carry out the objects into effect or for any other purposes which may seem expedient and to oppose by lawful means proceedings or applications calculated to prejudice the company's interests.

27. To remunerate any person or company and pay commission or brokerage in cash or otherwise, for services rendered for the Company.
28. Subject to the Provisions of the Companies Act 1956 or any other enactment in force, to indemnify and keep indemnified members, officers, directors, agents and servants of the company against proceedings, costs, damages, claim and demands in respect of anything done in good faith or ordered to be done by them for and in the interests of the company and for any loss, damage or misfortune whatever and which shall happen in execution of the duties of their office or in relation thereto.
29. To insure against losses, damages, risks and liabilities of any kind all or any of the properties, undertaking, contracts, guarantees or obligations of the company in any manner whatsoever.
30. To lease, let out on hire, mortgage, charge, pledge, hypothecate, sell or otherwise dispose of the whole or any part or parts of the undertaking of the Company or any land, business, property, rights or assets of any kind of the Company, or any share or interest therein respectively, in such manner and for such consideration as the Company may think fit and in particular, for shares, debentures or securities of any other body corporate, having objects altogether or in part similar to those of the Company.
31. To take into consideration and to approve and confirm all acts, deeds or things that may be done or entered into with any person, firm or body corporate by promoters of the Company and further to enter into any arrangements, agreements or contracts with the promoters and to reimburse them for all costs and expenses incurred by them in connection with the formation or promotion of the Company.
32. To support, donate, contribute, subscribe, to give and to pay in cash or in kind to any individual or body of individuals and also to contribute, donate and subscribe to any charitable, religious, educational or, other public institutions, trusts, funds, clubs, societies or individual or body of individuals, subject to the provisions of the Companies Act, 1956, or any other statutory provision applicable from time to time, but not intended to serve any political cause or purpose.
33. To apply for, purchase, or otherwise acquire, and protect and renew in any part of the world, any patents, patent rights, invention, trademarks, designs, licenses, concessions and the like, conferring any exclusive, or non-exclusive or limited right to their use, or any secret or other information as to any invention which may

be capable of being used for any of the purpose of the Company, or the acquisition of which may be directly or indirectly to benefit the Company.

34. To acquire from any Government, Central, State, Local or Foreign or Public Body, or persons or authority, or from any private individual any concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being beneficial / useful or which the Company may think directly or indirectly conducive to any of its objects or capable to being carried on in connection with its business, and to work, develop, carry out, exercise and turn to account the same.
35. To promote and form and to be interested in and take, hold and dispose of shares in other companies and to transfer to any such company, property of this Company, and to take or otherwise acquire, hold and dispose of shares, debentures and other securities in or of any such company and to subsidize or otherwise assist any such company.
36. To sell, lease, mortgage or otherwise dispose of or transfer the business, property, assets or undertaking of the company or any part thereof for such consideration as the Company may think appropriate and in particular for shares, stocks, debentures or other securities of any other company, whether or not having objects altogether or in part similar to those of the Company.
37. To distribute in specie or otherwise as may be resolved, any property or assets of the Company or any proceeds of sale or disposal of any property or assets of the Company including the shares, debentures or other securities of any other company formed to take over the whole or any part of the assets or liabilities of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction, if any, for the time being required by law.
38. To give any officers, servants or employees of the Company, any share or interest in the profits of the Company's business, or any branch thereof, and whether earned by means or through the agency of any subsidiary company or not, and for that purpose, to enter into any arrangements, the Company may think fit.
39. To undertake and perform sub-contracts and to do all or any of the above things in any part of the world as principals, agents, contractors, trustees or otherwise by or through agents, sub-contractors or trustees or otherwise and either alone or jointly with others.
40. To establish, provide, maintain and conduct research and other laboratories, training colleges, schools, and other institutions for the training, education and



instruction of students and others who may desire to avail themselves of the same and to provide for the delivery and holding of lectures, demonstrations, exhibitions, classes, meetings and conferences in connection therewith.

41. To promote or finance or assist in promoting or financing any business, undertaking or industry, incidental or ancillary to the business of the company, whether existing or new and to develop the same.
42. To refer or to agree to refer to arbitration, disputes, present or future between the company and any other company, society, firm or individual and to submit the same to arbitration to any arbitrator in India or Abroad.

**(C). The other objects of the Company not included in A and B above are:**

1. To develop and promote a range of cost effective, location specific and appropriate technology options for a participatory environmental sanitation programme.

**IV.** The liability of the members is limited.

**V.** The Authorized Share Capital of the Company is Rs.10,00,00,000/- (Rupees Ten Crore Only) divided into 100,000 (One Lakh) equity shares of Rs 1000/- (Rupees Thousand each only) with the power to increase or reduce the capital in accordance with the Provisions of the Companies Act 1956, and the shares forming part of the capital for the time being may be sub divided, converted, cancelled or consolidated or divided into such class and be held upon such terms as may be prescribed by the Articles of Association and regulations of the company for the time being or otherwise.

We the several persons, whose names, addresses 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.

Sl.No	Name, Description, Address and Occupation of Subscribers	No of Equity Shares Taken by each Subscriber	Signature
1.	Principal Secretary, Local Self Government Department		
2.	Secretary, Local Self Government Department		
3	Director of Urban Affairs		
4	Secretary, Finance Department		
5	Secretary, Planning		
6	Sri. K. SALEEM. Chartered Engineer, Saleem Groups, Calicut-7.		
7	Sri. Abdulla Zubair. M., City Centre, Kannur.		

THE COMPANIES ACT, 1956  
Company limited by shares.

ARTICLES OF ASSOCIATION  
OF  
CLEAN KERALA COMPANY LIMITED

PRELIMINARY

1. The regulations contained in TABLE A in the First schedule to the Companies Act 1956 shall not apply to this company to the extent excluded by specific provisions stated here under save the regulations for the management of the company and for the observance of the members there of and the representatives shall subject to any exercise of the statutory powers of the company with reference to the repeal or alteration of or addition to the regulations by Special Resolution as prescribed by the Companies Act 1956, be such as are contained in these Articles.

INTERPRETATION CLAUSE

2. In these presents the following words and expressions shall have the following meanings unless excluded by the subject or context -
  - a. "The Act" means the Companies Act, 1956, as amended, from time to time
  - b. "Articles" means these Articles of Association, as may be amended from time to time;
  - c. "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board Meeting or acting by Circular Resolution under the Articles.
  - d. "The Company" or "this Company" means CLEAN KERALA COMPANY LIMITED.
  - e. "Chairman" means the Chairman of the Board appointed by the Board who will also be the Chairman of the General Meetings from time to time.
  - f. "The Directors" mean the Directors for the time being of the Company.
  - g. "The Managing Director" means the Managing Director for the time being of the Company.
  - h. "Members" means the duly registered holders, from time to time, of the shares of the Company and includes the subscribers of the Memorandum of Association.
  - i. "The Office" means the Registered Office for the time being of the Company.

- j. "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively by Section 189 of the Act.
- k. "Proxy" means an instrument whereby any person is authorized to vote for a member at a General Meeting on a poll.
- l. "The Registers" means the Register of Members to be kept pursuant to Section 150 of the Act.

### **SHARE CAPITAL.**

- 3. The Authorized Share Capital of the Company shall be such amount as stated in Clause V of the Memorandum of Association of the company with power to alter its Share Capital subject to the Provisions of Section 86,94 and 100 of the Act.
- 4. The Company shall have the power to issue preference shares or Cumulative Convertible Preference Shares in accordance with and subject to the provisions of Section 80 of the Act.
- 5. Except to the extent allowed by Section 77 of the Act, no funds of the Company shall be employed in the purchase of or lending for purchase of its shares
- 6. Subject to the provisions of 77A of the Act, the Company shall have power to buy-back its shares or other securities.
- 7. The Board may at its discretion issue any portion of the Preference shares not already issued, as Redeemable Preference Shares which are at the option of the company liable to be redeemed and subject to the Provisions of Section 80 of the Act on such terms as to dividends, preferential payment or return of the amount paid up thereon and as to conditions and terms of redemption as the Directors may deem fit.

### **SHARES OF THE COMPANY**

- 8. Subject to the provisions of these Articles, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose off the same as it think fit. The company may from time to time decide by ordinary resolution:-
  - i) To increase the share capital by such sum to be divided into shares of larger amounts as it think expedient.
  - ii) To consolidate or divide all or any of the share capital into shares of larger amounts than its existing shares.
  - iii) To convert all or any of its fully paid shares into stock or reconvert the stock into fully paid shares of any denominations.

- iv) To subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however that in the subdivision 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.
  - v) To cancel shares which at the date of passing of the resolution on 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 shares so cancelled.
9. The new shares shall be issued on such terms and 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; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a special or without any right of voting.
  10. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions of these presents.
  11. If by the conditions of allotment of any shares, the whole or part of the amount or issue price thereof, shall be payable by installments, every such installment shall when due, be paid to the Company by the persons who for the time being and from time to time shall be registered holder of the share or his legal representative.
  12. The company may by special resolution reduce or increase its share capital in any manner and with and subject to any incident authorised and consent required by law.
  13. The Board of Directors may issue and allot shares in the capital of the company as payment or part payment for any properties purchased or goods transferred or machinery or appliances supplied or for services rendered to or to be rendered to the company in or about the formation or promotion of the company.
  14. The company shall except or otherwise provided by these Articles, be entitled to treat the registered holder of any shares as the owner thereof and shall be under no obligation to recognize any interest, equity or trust in or affecting any shares other than the absolute right thereto of the registered holder.
  15. In accordance with the provisions of Section 76 of the Act, 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 subscriptions (whether absolute or conditional) for any shares, debentures or debenture-stock of the Company. Such commission may be paid or satisfied in shares, debentures or debenture-stock of the Company

16. The joint holders of a share shall not be more three in number, and be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares.
17. The Board shall have absolute discretion to reject any application without assigning any reason whatsoever. If any application is rejected, the amount paid along with the application shall immediately be refunded.
18. No allotment is necessary in the case of signatories to the Memorandum of Association. The shares subscribed for by them shall be deemed to have been allotted to them on the date of incorporation of the company and their names shall forthwith be entered in the register of members.
19. An option or right to call of shares shall not be given to any person except with the sanction of the company in General Meeting.
20. An application signed by or on behalf of the applicant for shares in the company, followed by an allotment of any shares therein, shall be acceptance of the shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

#### **COMPANY'S LIEN ON SHARES**

21. The company shall have a first and paramount lien upon all shares other than fully paid up shares registered in the name of any member, either alone or jointly with any other person and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares.
22. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until the expiration of fourteen days after a notice in writing stating and demanding payment has been given to the registered holder of the shares for the time being or to the person entitled to the shares/ by reason of the death or insolvency of the registered holder.

#### **SHARE CERTIFICATES**

23. The Certificates of Shares and Duplicates thereof when necessary, shall be issued under the seal of the Company which shall be affixed in the presence of (i) two Directors, including the Managing Director, if any and (ii) the Secretary or some other person appointed by the Board as Authorised Signatories, all of whom shall sign such Share Certificate for an on behalf of the Board. The Company shall, within three months after the allotment of shares, complete and have ready for delivery the certificates of shares allotted, unless the conditions of issue of shares otherwise provide. The Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means

such as engraving in metal or lithography. PROVIDED ALWAYS that notwithstanding anything contained in this Article, the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.

24. Every member shall be entitled, free of charge, to one certificate for all the shares registered in his name. Every certificate of shares shall specify the number and the denoting number/ numbers of the shares in respect of which it was issued and the amount paid up thereon. For each further certificate the Directors shall be entitled, but shall not be bound, to prescribe a charge as may be decided by the Board.
25. The Company may issue such fractional certificate as the Directors may approve in respect of any of the shares of the Company on such terms as the Directors may think fit as to the period within which the fractional certificates are to be converted into share certificates.
26. (a) If any certificate be worn out or defaced or torn or be otherwise mutilated or there is no further space on the back thereof for endorsement of transfer, upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity and the payment of out-of-pocket expenses incurred by the Company as the Directors deem adequate being given and upon such advertisement being published as the Board may require, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.  
  
(b) Such sum as may be decided by the Board from time to time shall be paid to the Company for every certificate issued under this clause. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfers have been fully utilized.
27. The certificate of shares registered in the name of two or more persons shall be delivered to the person first named in the Register.
28. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends or cash bonus, or service of notices or any other matter connected with the Company except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the provisions of the Act.

## TRANSFER OF SHARES

29. Shares in the company shall be transferred by an instrument in writing in the form prescribed under section 108 of the Act.
30. The instrument of transfer of any shares in the company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the Register
31. In order to ascertain whether there is anyone among the members willing to purchase the share at the face value, the member intending to transfer any share shall give notice (hereinafter called the transfer notice) of his intention in writing to the company. Such notice shall specify the number of shares proposed to be transferred and the face value fixed thereof and shall also state that the company *has been appointed as his agent for the sale of the share therein mentioned.*
32. Within 30 days after the receipt of the transfer notice, the Board of directors shall, in such manner as it think proper, communicate the intending transferors proposal of the transfer to all the members and invite applications from them as to their willingness to purchase the shares within such time as may be fixed by the Board of Directors and the fair value.
33. If the Board of Directors find any member willing to purchase the shares in pursuance of the enquiry made under the forgoing article, notice of the fact shall within seven (7) days after the expiry of the time fixed, be served on the intending transferor who shall *thereupon be bound to transfer the share to the intending purchasing member on payment by him of the fair value to the intending transferor.* Both the intending transferor and the purchasing member shall execute the instrument of transfer in accordance with the provisions of section 108 of the Companies Act 1956 and complete the transfer within three months from the date of service of the last mentioned notice.
34. If several members apply for the purchase of the shares of the intending transferor, the question shall be decided by drawing lots.
35. The Board of Directors in consultation with the company Auditors shall fix the price at which the share for the time being forming part of the capital of the company may be purchased in pursuance of a transfer notice and the price thus fixed shall be known as the "Fair Value". Until the fair value has been fixed a sum equal to the capital paid upon any share shall be deemed to be the fair value of such shares.
36. If after 15 days of the issue of the communication, no member has applied for purchase of the shares mentioned in the transfer notice, the company may transfer the shares to other existing shareholders on a pro rata basis at a price as decided by the company.



37. The Board of directors in its discretion refuse to register the transfer of any share to any person, if in their opinion it is not desirable in the interest of the company to admit such persons to the membership. The Board of Directors may refuse to register any transfer of shares on which the company has a lien. The Board of Directors may also decline to transfer the shares if the number of members exceeds the limit prescribed in clause 2 above.
38. Any person or persons becoming entitled to any shares by any court or other coercive sale or by any reason of insolvency of a member shall offer such share to the other member or members to be purchased at the fair value and it is only in the event of refusal by every member of the company that such person shall have the right to have the name registered as member of the company.
39. Any money due from the company to a shareholder may with or without the consent of a shareholder, be applied by the company or towards the payment of any money due from him and for the latter's money, the company shall have a first lien on all shares held by such shareholder and on all dividends accruing thereon, with full power of sale for the directors in respect of the shares subject to any such lien.

#### **TRANSMISSION OF SHARES.**

40. The Executors or administrators of deceased share holder shall be the only persons recognized by the company as having any title to the shares. The Directors may in their discretion resolve to recognize the title of any person who proves to their satisfaction as having title to the shares with or without indemnity being given to the company accordingly as the directors may decide. In the case of the share registered in the name of two or more persons the survivors and the executor or administrator or administrators of the deceased or such other person or persons as the directors may resolve to recognize in that behalf shall be the only persons recognized by the company as having title to the shares.
41. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member upon producing such evidence of his title as required by the Directors, may be registered with the approval of the Directors, as the member in respect of such shares.

#### **BORROWING POWERS**

42. Subject to the provisions of Sections 292 and 293 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of the Board, accept deposits from Members, either in advance of calls or otherwise, sums of money for the Company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board of Directors shall not borrow such moneys without the consent of the Company in General Meeting.

43. The payment or repayment of moneys borrowed pursuant to previous Article of these presents may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit including by the issue of debentures or debenture stock of the Company charged upon all or any part of the undertakings or property of the Company (both present and future) and its uncalled share capital for the time being pursuant to a resolution passed at the meeting of Board of Directors but not by its circular resolution.
44. Any debentures, debenture stock, bonds or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
45. Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending General Meetings of the Company and the right to appoint Directors and otherwise. Debentures carrying the right of conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting.
46. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall subject to the provisions of the Act and these presents make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls shall, apply as such to calls made under such authority, and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be.
47. Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the shareholders or otherwise, to obtain priority over such prior charge.
48. If the Directors or any of them or any other persons 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.

## MEETINGS

49. The Annual General Meeting shall be held in accordance with Section 166 of the Act and shall be called for a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at such place within the local limits as the Board of Directors may determine and the notice calling the meeting shall specify it as the "Annual General Meeting".
50. Every member of the Company shall be entitled to attend every General meeting either in person or by proxy, and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting on any part of the business, which concerns him as Auditor.
51. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited Statement of Accounts), the proxies lodged and the Register of Directors' holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
52. All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.
53. The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in sub-section (4) of Section 169 of the Act, forthwith proceed duly to call an Extraordinary General Meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 169 of the Act and of any statutory modification thereof for the time being shall apply.
54. A General Meeting of the Company may be called by giving not less than 21 days' notice in writing. However, a general meeting may be called after giving a shorter notice than that of 21 days, if consent is accorded thereto:-
  - (a) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and
  - (b) in the case of any other meeting, by members of the Company holding not less than 95 percent of such part of the paid up share capital of the Company as gives them a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote only on some resolutions or resolution to be passed at the meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former resolution or resolutions but not in respect of the latter.

55. Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat. No General Meeting, annual or extraordinary shall be competent to enter upon, discuss or transact any business, which has not been specifically mentioned in the notice, or notices upon which it was convened.

(a) In the case of an Annual General meeting all business to be transacted at the meeting shall be deemed Special, with the exception of business relating to:-

- i. The consideration of the Accounts, Balance Sheet and Profit & Loss Account and the Report of the Board of Directors and of Auditors,
- ii. The declaration of dividend
- iii. The appointment of Directors in the place of retiring,
- iv. The appointment and the fixing of the remuneration of the Auditors.

In the case of any other meeting all business shall be deemed Special.

(b) Where any items of business to be transacted at the meeting are deemed to be Special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts regarding each such item of business including in particular the nature of the concern and extent of the interest, if any, therein of every Director and the Managing Director, if any, of the Company;

Provided that, where any item of special business as aforesaid to be transacted at a meeting of the Company, related to or effect any other company, the extent of shareholding interest in that other company, of every Director and the Managing Director, if any, of the first mentioned Company shall also be set out in the statement, if the extent of such shareholding interest is not less than twenty percent of the paid-up share capital of that other company.

(c) Where any item of business consists of the according of approval to any document by the meeting, the time and place when the document can be inspected shall be specified in the statement aforesaid.

56. Notice of every meeting shall be given to every member of the Company as provided in Section 53 of the Act.

57. Subject to the Section 231 of the Act, notice of general meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in the manner provided in Section 53 of the Act.

58. Where by any provision contained in the Act or in these presents, Special Notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company as provided in Section 190 of the Act.

## PROCEEDINGS AT GENERAL MEETINGS

59. The ordinary business of an Annual General Meeting shall be to receive and consider the Accounts, Balance Sheet and the Reports of the Board of Directors and of the Auditors, to declare dividend, to appoint Directors (in the place of those retiring by rotation) and to appoint Auditors and fix their remuneration. All other business transacted at an Annual General Meeting and all business transacted at any other General Meeting shall be deemed special business.
60. Five members present in person shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting, unless the quorum requisite is present at the commencement of the business.
61. (a) The Chairman of the Board of Directors shall preside as chairman at every General Meeting, Annual or Extraordinary. If there be no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the chair, the Directors present may choose one of their Directors to be Chairman and if no Director present be willing to take the Chair, shall on a show of hands, elect one of their members to be Chairman of the meeting.  
  
(b) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected as Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.
62. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day, time and place, as the Directors may by notice to the shareholders appoint. If at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.
63. No business shall be discussed at any General Meeting except election of a Chairman while the Chair is vacant.
64. Every question submitted to a meeting shall be decided, in the first instance, by a show of hands.
65. At any General Meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands.
66. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

- (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding share in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which any aggregate sum of not less than fifty thousand rupees has been paid up.
  - (b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand, but before commencement of the poll.
67. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman may direct.
68. The Chairman of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
69. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.
- (a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him.
  - (b) The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause.
  - (c) Of the two scrutineers, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The other may be a Professional/Independent person.
  - (d) The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
  - (e) The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.
70. 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 all polls shall be the sole judge of the validity of every vote tendered at such poll.

71. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
72. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
73. The Company shall cause minutes of the proceedings of every general meeting to be entered in the book kept for that purpose and the minutes shall contain and include the matters specified in Section 193 of the Act.
74. The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any member without charge as provided in Section 196 of the Act. Any member shall be furnished with a copy of any minutes in accordance with the Section.
75. Subject to provisions of the Act and these presents, votes may be given personally or by attorney duly authorized under power of attorney or by proxy or in case of a body corporate also by a representative duly authorized under Section 187 of the Act or by proxy of such representative of the body corporate.

#### **VOTING RIGHTS**

76. Every member, who being an individual, is present in person or being a Corporation, is present by a representative, shall have one vote on a show of hands.
77. Every member who being an individual is present in person or by a proxy or by attorney duly authorized under power of attorney, or being a Corporation is present by a representative or his proxy shall, on a poll, have a voting right in proportion to his share of the paid up equity capital of the Company.
78. No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney duly authorized under power of attorney or unless such member is a body corporate present by a representative duly authorized under Section 187 of the Act in which case such attorney or representative may vote on a show of hands as if he was a member of the Company.
79. Any person entitled under the Transmission Clause to any shares may vote at any General Meeting in respect thereof in the same manner as he were the registered holder of such share, provided that forty-eight hours atleast 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 Board of Directors of his right to transmission of such shares, unless the Directors shall have previously admitted his right to transmission of such shares or his right to vote at such meeting in respect thereof.

80. Subject to the provisions of Section 176 of the Act, the instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if such appointer is a corporation, under his common seal or the hand of an officer or an attorney duly authorized by it. A person may be appointed a proxy though he is not a member of the Company, but such proxy shall not have any right to speak at any meeting. A proxy who is appointed for a specified meeting only shall be called a Special Proxy. Any other proxy shall be called a General Proxy. A Special Proxy shall be valid only for the meeting to which it relates and it cannot be used for more than one meeting.
81. A person may be appointed as a proxy even though he is not a member of the Company and every notice convening a meeting of the Company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself.
82. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not less than forty eight hours before the time for holding the meeting at which person named in the instrument purports to vote in respect thereof and in default the instrument or proxy shall not be treated as valid.
83. Every member entitled to vote at a meeting of the Company according to the provisions of these presents on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
84. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.
85. Any objection as to the admission or rejection of a vote, either, on a show of hands, or, on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.
86. 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.



## DIRECTORS

87. Until otherwise determined by a General Meeting and subject to section 252 and 259 of the Act, the number of Directors shall not be less than three and not more than twelve.
88. As long as the Government of Kerala or its public sector undertakings hold not less than 15% of the equity shares of the company, the Government of Kerala shall have the right to nominate from time to time at its discretion 1/3rd of the total number of directors of the company. Government of Kerala shall also be entitled from time to time to remove any such director or directors so appointed and reappoint any other person in his or their place.
89. The following shall be the first Directors of the Company.
1. Principal Secretary, Local Self Government Department
  2. Secretary, Local Self Government Department
  3. Director of Urban Affairs
  4. Secretary, Finance Department
  5. Secretary, Planning Department
  6. Sri. K. SALEEM. Chartered Engineer, Saleem Groups, Calicut-7.
  7. Sri. Abdulla Zubair. M., City Centre, Kannur.
90. No Director shall be required to hold any share or qualification shares of the Company.
91. The Board may, from time to time, increase or reduce the number of Directors subject to Sections 258 and 259 of the ACT.
92. At every general meeting, those directors whose period of office have been specified and have expired, shall retire from office but shall be eligible for re-election.
93. The quorum necessary for Directors meeting shall be one third of the total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.
94. The continuing Directors or director may act notwithstanding any vacancy in the Board but, so that, if their number falls below the minimum above fixed, the Directors or Director shall not except for the purpose of filling vacancies or summoning a General Meeting, act so long as the number is below the minimum.
95. (a) If any casual vacancy has not been filled by the Board upto the date of the Annual General Meeting of the Company next following the arising of the vacancy, the same may be filled by ordinary resolution of the members at such Annual General Meeting.

b) The Board may appoint Additional Directors in accordance with the provisions of Section 260 and may appoint Alternate Directors subject to the provisions of Section 313 and of the Act

(c) The Board may in accordance with and subject to provisions of section 313 of the Act appoint any person to act as Alternate Director for a director during the latter's absence for a period of not less than three months from the state in which meetings of Board are ordinarily held.

96. In case the Company obtains any loans/ other facilities from financial institutions and it is a term thereof that the financial institution shall have a right to nominate one or more directors, then subject to such terms and conditions as may be agreed upon, the said financial institutions shall be entitled to nominate one or more Directors, as the case may be, on the Board of Directors of the Company and to remove from office any such Director so appointed and to nominate another in his place or in place of the Director so appointed, who resigns or otherwise vacates his office. Any Director or Directors so nominated shall not be liable to retire by rotation subject to the limitations imposed by the Act. Any such nomination or removal shall be made in writing and by a resolution of the Board of Directors of such financial institution or by any person duly authorized by it.

#### **SITTING FEE AND TRAVELLING EXPENSE**

97. Each Director (other than Managing Director ,Whole-time Director and Manager) shall be entitled to receive out of the funds of the Company for his services in attending meetings of a board or committee of the Board, sitting fee as may be decided by the Board from time to time but not exceeding the limits that may be prescribed by the Act.
98. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in attending and returning from Board and Committee meetings or incurred in the execution of duties, if any as Directors.

#### **VACATION OF OFFICE OF DIRECTOR**

99. Office of a Director shall become vacant subject to the provisions of Section 283 of the Act.

#### **RESIGNATION OF DIRECTOR**

100. Subject to the provisions of the Act, a Director may resign his office at any time by giving notice in writing addressed to the Company or to the Board of Directors.

#### **CONTRACT WITH THE COMPANY**

101. The Company may enter in to certain contracts in which particular Directors are interested subject to sanction of Board and also subject to Section 297 of the Act.

102. No Director shall as a Director take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement not shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote; and if he does vote, his vote shall be void;

Provided that this prohibition shall not apply:

- (a) to contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company;
- (b) to any contract or arrangement entered into or to be entered into with a public company, or a private company which is a subsidiary of a public company, in which the interest of the Director aforesaid consists solely (i) in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the company referred to herein or (ii) in his being a member holding not more than two percent of the paid up share capital of such company;
- (c) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

103. The Company shall keep a register of all contracts or arrangements in which any Director is interested or concerned as required by Section 301 of the Act

104. Subject to the provisions of the said Acts and any other law for the time being in force, a Director may be or become a director of any company promoted by the Company, or in which he may be interested as a vendor, shareholder, or otherwise, and no such Director shall except as otherwise provided by or under the said Acts, be accountable for any benefits received as director or shareholder of such other Company.

#### **POWER TO REMOVE DIRECTORS BY ORDINARY RESOLUTION**

105. Subject to the provisions of Section 284 of the Act, the company may by an ordinary resolution remove a Director before the expiration of his period of office and by an ordinary resolution appoint another person in his stead, provided special notice of the intended appointment has been given in accordance with section 284(2) of the Companies Act 1956.

## PROCEEDINGS OF THE BOARD OF DIRECTORS

106. The quorum necessary for the transaction of the business shall be three or one third of the total number of Directors whichever is higher, subject to the provisions of Section 287 of the Companies Act, 1956. provided that where at any time the number of interested Directors exceed or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time.
107. Subject to the provisions of Section 285 of the Act, a meeting of the Board shall be held at least once in every three calendar months and at least four such meetings shall be held in each calendar year.
108. Subject to the applicable provisions of the Act as amended from time to time, meetings of the Board can also be held in a manner that the attendance and/or participation of one or more Directors of the Company shall be without their physical presence and their attendance/participation may be by any non-physical means such as by use of internet/audio/video or other electronic medium and *imaging mechanisms as may be permitted and such meetings shall be conducted in conformance of applicable guidelines, or if no such guidelines are promulgated then conforming to the guidelines as may be fixed by the Board from time to time.*
109. The Directors may meet together, whether physically or otherwise, for the discharge of the business, adjourn and otherwise regulate their meetings and proceedings, as they think fit.
110. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director of the Company at his usual address in India and in case of a Director who is either not residing in India, or who is temporarily absent from his regular address in India and where due notice has been provided by the such Director about his temporary absence to the Company, the notice of every Board meeting shall also be sent to the address of every such Director to this address outside India or to the temporary address as intimated by the Director to the Company in writing.
111. A meeting of the Board 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 law or under the Articles and regulations for the time being vested in or exercisable by the Board.
112. Every notice convening a meeting of the Board of Directors shall set out the agenda of the business to be transacted thereat in full and sufficient detail and unless otherwise agreed to by the Chairman and the Managing Director appointed, or his alternate no item of business shall be transacted at such meeting which has not been stated in full and sufficient detail in the said notice convening the meeting, provided that with the unanimous consent of all the directors present, any item of business not included in the agenda can be transacted at the meeting.

113. The Managing Director or a Director or a Secretary upon the requisition of Director(s), may at any time convene a meeting of the Board.
114. Subject to the provisions contained in Section 292 of the Act, the Directors may appoint an executive or other committee or committees consisting of such members, of its body as it thinks fit to delegate any of their powers to such committee or committees or committees of the Board either wholly or in part subject to the regulations imposed on it by the Directors. The Board of Directors may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in these presents, and may pay the same.
115. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
116. A resolution not being a resolution required by the said Act or by these Articles to be passed only at a meeting of the Board, may be passed without the meeting of the Board or a Committee of Directors provided that the resolution has been circulated in draft together with necessary papers, if any, to all the Directors or to all the members of the Committee then in India (not less than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members at their usual addresses in India, and has been approved by such of the Directors as then in India or by a majority of such of them as are entitled to vote on the resolution.
117. The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of every General Meeting of the Company and of every meeting of the Board or of every Committee of the Board.
118. Any such Minutes of any meeting of the Board or any Committee of the Board or of the Company in general meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such Minutes.

#### **POWERS OF THE BOARD OF DIRECTORS**

119. Subject to the Section 291 of the Act, the Board of Directors 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 Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum of Association of the Company or these presents or otherwise, to be exercised or done by the Company in General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board of Directors shall be subject to the provisions contained in that behalf in the Act or in any other Act or in the Memorandum of Association of the

Company or these presents or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

120. The Board of Directors shall not, except with the consent of the Company in General Meeting:

- i. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking,
- ii. remit, or give time for the repayment of, any debt due by a Director,
- iii. invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of compulsory acquisition of any undertaking or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time,
- iv. borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeds the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, or
- v. contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty-five thousand rupees or five percent of its average net profits as determined in accordance with the Act during the three financial years immediately preceding, whichever is greater.

(b) Generally the Board of Directors shall exercise its aforesaid powers in consonance with and not in contravention of Section 293 of the Act.

(c) No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

121. The Board of Directors of the Company shall exercise the following powers on behalf of the Company, and it shall do so, only by means of resolutions passed at meeting of the Board of Directors:

- (a) the power to make calls on shareholders in respect of moneys unpaid on their shares;

- (b) the power to buy-back its shares under Section 77A;
- (c) the power to issue debentures;
- (d) the power to borrow moneys including the power to enter into arrangements with bankers for the borrowing of moneys by way of overdraft or cash credit or otherwise but not the actual day to day availing of such arrangements not borrowing on debentures;
- (e) the power to make loans

122. Without prejudice to the general powers conferred by the last preceding Article and the other powers conferred by these presents it is hereby expressly declared that the Directors shall have the following powers subject to restrictions contained in Section 293 and other applicable Provisions of the Companies Act 1956.

- (a) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (b) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- (c) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce or other movable property of the Company either separately or jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (d) To open accounts with any bank or bankers or with any company, firm or individual and to pay moneys into and draw moneys from any such account from time to time as the Directors may think fit.
- (e) At their discretion, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amounts credited as fully paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- (f) To secure the fulfillment of any contracts or agreements entered into by the Company with its bankers for sums borrowed during ordinary and proper course of business by mortgage or charge of all or any of the properties of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
- (g) To appoint and at their discretion, remove or suspend, such committee or committees of experts, technicians or advisers, such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services, as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.
- (h) To contribute to any charitable object of public utility within the limits prescribed by Section 293 of the Act.
- (i) To support and subscribe to any institution, society or club which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on business to give pensions, gratuities, bonuses or charitable aid to any person or persons who have served the Company or to the wives, children or dependents of such person or person they may appear to the Directors just or proper whether any such person, his widow, children or dependents have or have not a legal claim upon the Company.
- (j) Subject to the provisions of the Act, to accept from any member, on such terms and conditions as shall be agreed, a surrender of his shares or any part thereof.
- (k) 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.
- (l) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.
- (m) To refer any claims or demands by or against the Company to arbitration.



- (n) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (o) To determine who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.
- (p) 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.
- (q) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof upon such securities (not being shares in this Company) and in such manner as they may think fit and from time to time to vary or realize such investments, provided however, that the profits, if any, arising on the sale or change of investments of the Company, unless prohibited by any other statute for the time being in force, shall be treated as capital moneys and carried to the Capital Reserve Account.
- (r) To execute in the name and on behalf of the Company, in favour of any Director or other person who may incur or be about to incur any personal liability 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 upon.
- (s) To give to any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.
- (t) From time to time, to make, vary and repeal rules and regulations for the conduct of the business and affairs of the Company, its officers and servants.
- (u) Subject to the provisions of the Act and these presents for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company 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 of 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.

(v) Before recommending any dividend, to set aside out of the profits of the Company such sums as they think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as to a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes, as the Board of Directors may, in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters, to which the Board of directors apply or upon which they expend the same or any part thereof may be matters, to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board of Directors may think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however, to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.

(w) To pay and charge to the capital account of the Company any commission or interest lawfully payable therefrom under the provisions of Sections 76 and 208 of the Act.

(x) To comply with the requirements of any local law, which in their opinion it shall in the interests of the Company, be necessary or expedient to comply with.

123. The following matters require unanimous approval of all the members of the Board:

(a) Create any fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or any part of the undertaking, property or assets of the Company or of such subsidiary, except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the business.

- (b) Borrow any sum (except from the Company's bankers in the ordinary and proper course of the business) in excess of a maximum aggregate sum outstanding at any time not exceeding the limit fixed by the General Meeting.
- (c) Give any guarantee or indemnity to secure the liabilities or obligations of any person (other than a wholly owned subsidiary of the Company)
- (d) Sell, transfer, lease, assign or otherwise dispose of a material part of the undertaking, property and/ or assets of the Company or any such subsidiary (or any interest therein), or contract so to do otherwise than in the ordinary and proper course of the business.
- (e) Amend the Joint Venture Agreement (Memorandum of Agreement), Shareholders' Agreement, Memorandum of Association and/ or Articles of Association
- (f) Change the nature or scope of business of the Company
- (g) Appoint, replace or remove Directors of the Company or the Company Secretary.
- (h) Approve any increase in the authorized or issued capital of the Company
- (i) Consolidate, sub-divide or convert any of the Company's share capital or in any way alter the rights attaching thereto
- (j) Create, acquire or dispose of any subsidiary or of any shares in any subsidiary
- (k) Do or permit or suffer to be done any act or thing whereby the Company may be wound up (whether voluntarily or compulsorily), save as otherwise expressly provided for in this Agreement
- (l) Issue any debentures or other securities convertible into shares or any share warrants or any options in respect of shares
- (m) Acquire, purchase or subscribe for any shares, debentures, mortgages or securities (or any interest therein) in any company, trust or other body
- (n) Register any share transfer required by any transfer of shares from a shareholder to another shareholder or to a third party.

## DISCLOSURE OF INTEREST

124. Every Director who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at meeting of the Board as required by section 299 of the Act.

## CHAIRMAN

125. The Board may elect a Chairman of its Meetings and determine the period for which he is to hold office. He shall preside over all Meetings of the Board and Committees of Directors
126. The Directors may elect one among them as Vice-Chairman to preside over their meetings, in the absence of the Chairman. Unless otherwise determined, the Vice-Chairman shall be elected annually. The Vice Chairman shall in the absence of the Chairman, have all the powers conferred on the Chairman by these Articles.
127. If no person has been appointed as Vice-Chairman under Clause (2) above, or, if at any meeting the Chairman and Vice-Chairman are not present within fifteen minutes after the time appointed for holding the meeting, the Managing Director or if he is unwilling, the Directors present may choose one among them to be Chairman of the meeting.

## CIRCULAR RESOLUTION

128. Save in those cases where a resolution is required by Section 262,292,372(5),386 and 488 of the Act or any other provisions of the Act to be passed at a meeting of the Board, a resolution in writing circulated in draft together with the necessary papers, if any, to all the directors or all the members of the Committee, then in India, not being less in number than the quorum fixed for the meeting of the Board or the Committee as in the case may be and to all other Directors or members of the committee at their usual address in India and approved by such of the directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as if it had been a resolution duly passed at the meeting of the Board or Committee duly convened and held.

## THE SECRETARY

129. The Directors may from time to time appoint a person (hereinafter called "the Secretary") to keep the Statutory Registers, to perform any other functions which by the Act and the Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to the Secretary by the Directors and at their discretion, the Directors may remove the person so appointed.

130. The Directors may at any time appoint a temporary substitute for the Secretary, who shall for the purposes of these presents be deemed to be the Secretary.

### THE SEAL

131. The company shall have a common seal and the Board shall provide for its safe custody at the Registered office.
132. Every deed or other instrument to which the Seal of the Company shall be affixed shall be signed by at least two Directors including the Managing Director if any and countersigned by the Secretary or such other person as may be authorized in that behalf by the Directors, provided nevertheless that certificates of shares may be under the signatures of such person as provided by the Companies (Issue of Share Certificates) Rules in force from time to time. Save as otherwise expressly provided by the Act, a document or processing requiring authentication by the Company may be signed by a Director, or the Secretary or any other officer authorized in that behalf by the Board and need not be under its seal.

### REGISTERS

133. The Company shall keep and maintain Registers under section 49 (7), 143, 150, 152, 301, 303, 307, 372A, 209, 136, 159,
134. Books of Account in accordance with the provisions of Section 209 of the Act.
135. Copies of Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161.

### DIVIDENDS

136. The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these presents as to the Reserve Fund or other Special Fund or funds, shall be divisible *among the members in proportion to the amount of capital paid up on the shares held by them respectively.*
137. The Company in General Meeting may by ordinary resolution declare a dividend to be paid to the members according to their rights and interest in the profit and may, subject to the provisions of section 207 of the Act and fix the time for payment.
138. No large dividend shall be declared than is recommended by the Board, but the Company in general meeting may by ordinary resolution declare a smaller dividend.

139. Subject to the provisions of section 205 of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Government for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.
140. The declaration of the Board as to the amount of the net profits of the Company shall be conclusive, subject to the provisions of the Act.
141. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.
142. The Board may retain any dividends payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares to the Company.
143. Subject to the provisions of these Articles any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each members shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend may be set off against the call.
144. No dividend shall be payable except in cash provided that nothing in the foregoing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.
145. A transfer of shares shall not pass the rights to any dividend declared therein before the registration of the transfer by the Company.
146. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of the registered shareholder to make a separate application to the Company for the payment of the dividend.
147. Any one of several persons who, are registered as the joint-holders of any share may give effectual receipts for all dividends, bonuses and other payment in respect of such share.
148. Unless otherwise directed in accordance with section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheques or warrant sent through the post to the registered address of the holder or, in the case of joint-holders, to the registered address of that of the joint-holders who is the first named in the Register in respect of the joint-holding or to such person and such address as the holder or joint holders, as the case may be may direct, and every cheques or warrant so sent shall be made payable to the order of the person to whom it is sent.

149. The company shall pay the dividend or send warrant in respect thereof to the shareholder entitled to the payment of the dividend, within thirty days from the date of the declaration of the dividend unless:-
- (a) Where the dividend could not be paid by reason of the operation of any law.
  - (b) Where a shareholder has given directions regarding the payment of dividend and those directions cannot be complied with.
  - (c) Where there is a dispute regarding the right to receive the dividend.
  - (d) Where the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholders. OR
  - (e) Where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
150. If the Company has declared a dividend but which has not been paid within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any Scheduled Bank called "unpaid dividend account", and deposit the amount of such unclaimed dividend in the said account.
- (b) Any unclaimed or unpaid dividend lying in the "unpaid dividend account" which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the "unpaid dividend account", shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government under sub-section (1) of Section 205C.

## ACCOUNTS

151. The Company shall cause to be kept proper books of account in accordance with Section 209 of the Act with respect to:-
- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place;
  - (b) all sales and purchases of goods by the company;
  - (c) the assets and liabilities of the company;
  - (d) such particulars relating to utilization of material or labour or to other items of cost as may be prescribed, if such class of companies is required by the Central Government in this regard.

152. The books of account and other books and papers shall be kept at the Registered Office of the Company or at such other place or places as the Board of Directors think fit and shall be open to inspection by any Director or any other person authorized under the Act during business hours.
153. The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.
154. The Board of Directors 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 and documents of the Company or any of them shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by Act or authorized by the Board of Directors or by a resolution of the Company in General Meeting.
155. The Board of Directors shall lay before each Annual General Meeting a Profit and Loss Account for the financial year of the Company and a Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than nine months in the case of first year accounts and in the case of subsequent accounts six months or where any extension of time has been granted by the Registrar of Companies under the provision of the Act by more than six months and the extension so granted.
156. Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in Parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit.
- (a) So long as the Company is a holding company having a subsidiary, the Company shall conform to Section 212 and other applicable provisions of the Act.
157. Every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Secretary if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director where there is one.
- (b) Provided that when only one Director is for the time being in India, the Balance Sheet and Profit and Loss Account shall be signed by such Director and in such a case there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason of non-compliance with the provisions of Clause (a) above.
- (c) The Balance Sheet and the Profit and Loss Account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.



158. The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditor's Report (including the Auditor's separate, special or supplementary report, if any) shall be attached thereto.

(a) Every Balance Sheet laid before the Company in Annual General Meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet related and the date of the Report.

(b) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members, and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(c) The Board shall also give the fullest information and explanations in its report or in cases falling under the proviso to Section 222 of the Act in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(d) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized, shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company.

(e) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (a) to (c) of this Article are complied with.

(f) The Company shall comply with the requirements of Section 219 of the Act.

### AUDIT

159. Every Balance Sheet and the Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned:

160. The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting and shall comply with the provisions of Sections 224, 224A to 226 and other applicable provisions in regard thereto of the Act.

161. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of the Auditors appointed to fill any casual vacancy may be fixed by the Directors.
162. The powers and duties of the Auditors of the Company shall be as laid down in Section 227 of the Act.
163. The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.
164. The Auditor's report shall be read before the Company in general meeting and shall be open to inspection by any member of the Company.
165. Every account when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein three months next after the approval thereof. Whenever any such error is discovered within that period the amount shall forthwith be corrected and henceforth shall be conclusive.

#### **SERVICE OF DOCUMENTS**

166. A document may be served on the Company or an officer thereof by sending it the Company or officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.
  - (b) Subject to the provisions of the Act, any document required to be served or sent by the Company on or to the members, or any of them, and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in one daily English and one daily vernacular newspaper circulating in the local area in which the registered office of the Company is situated.
167. Every person, who by operation of law, transfer or by other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which, previously to his name and address and title to the share being notified to the Company, shall be duly given to the person from whom he derives his title to such share

#### **SECRECY CLAUSE**

168. Subject to the provisions of the Companies Act, no member shall be entitled except to the extent expressly permitted by the Act or these presents, to enter upon the property of the Company or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or 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, will be inexpedient in the interest of the members of the Company to communicate the public.

## INDEMNITY

169. Subject to the provisions of Section 201 of the Act, every Director, Managing Director, 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, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act of thing done by him as such officer or servant or in any way in the discharge of his duties including 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, Managing Director, Officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.
170. Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Officer or servant of the Company shall be liable for the acts, receipts, neglects of any Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors 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 the 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 an error of judgement, omission, default 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 dishonesty.

## WINDING UP

171. Subject to the provisions of the Act as to Preferential payments the assets of the company shall on its winding up, be applied in satisfaction of its liabilities *pari passu* and subject to such application shall unless the articles otherwise provide, be distributed among the members according to their rights and interests in the company.
172. If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide amongst the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction shall think fit.

## DISPUTE RESOLUTION & ARBITRATION

173. Any and all disputes or differences among the members or the Company hereto arising out of or in connection with the Articles or its performance shall, so far as it is possible, be settled amicably through consultation in good faith. If the negotiations do not resolve the dispute to the reasonable satisfaction, then each Party shall nominate one senior officer as its representative. These representatives shall, within ten (10) days of a written request by either Party, to call such a meeting, meet in person alone (except for one assistant for each party) and shall attempt in good faith to resolve the dispute. If the disputes cannot be resolved by such senior officers in such meetings, the Parties agree that they shall, if requested in writing by either Party, meet within ten (10) days after such written notice for one day with an impartial mediator (apart from the disputing parties) and consider dispute resolution alternatives other than litigation.
174. If even after the next second ten (10) days of consultation, the Parties hereto have failed to reach an amicable settlement, on any or all disputes or differences arising out of or in connection with this Agreement or its performance, such disputes or differences shall be referred to arbitration at the request of either of the Parties upon written notice to that effect to the other.
175. Such arbitration shall be in accordance with the Arbitration and Conciliation Act, 1996 (which rules are deemed to be incorporated in this Agreement by reference herein).

Sl.No	Name, Description, Address and Occupation of Subscribers	No of Equity Shares Taken by each Subscriber	Signature
1.	Principal Secretary, Local Self Government Department		
2.	Secretary, Local Self Government Department		
3	Director of Urban Affairs		
4	Secretary, Finance Department		
5	Secretary, Planning		
6	Sri. K. SALEEM. Chartered Engineer, Saleem Groups, Calicut-7.		
7	Sri. Abdulla Zubair. M., City Centre, Kannur.		