

THE COMPANIES ACT, 1956
(Company Limited By Shares)
Memorandum of Association
Of
HARYANA STATE ELECTRONICS DEVELOPMENT
CORPORATION LIMITED

- I. The name of the Company is HARYANA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED.
- II. The registered office of the Company will be situated in the Union Territory of Chandigarh.
- III. A) The main objects to be pursued by the Company on its incorporation are :
 1. To provide infrastructural facilities like central testing, callibration/standardisation consultancy and functional estates to electronics industry particularly small scale and ancillary units in the state.
 2. To identify potential electronics entrepreneurs in the State with technical and managerial background and to assist them with project identification, market surveys, feasibility reports/studies, finances by way of underwriting etc.
 3. To conduct prototype development and pilot production of electronics systems and components for the benefit of industry particularly small scale units in the State.
 4. To establish subsidiary companies in the State for the manufacture of various kinds of sophisticated electronic systems and component involving high technology etc.
 5. To provide a central marketing agency for all the electronics goods produced by various units of the Corporation and to assist and guide other small scale units in the State of marketing their products.
 - *6. To manufacture, buy, sell, import, export, alter, improve prepare for market, exchange, instal, repair, service, let-on-hire or otherwise provide facilities and deal in all types of Electronics, Computers, Opto-Elctronics/Optics, Electrical and Solar Energy Systems, Equipments, Components, gadgets and their accessories and any other commercial or industrial electronic, electrical and solar Energy Products, equipments and appliances and components and consumer articles products.
 - *7. To promote, improve, establish, execute, manage, control, develop and administer, industries projects or enterprises for manufacture, production and repair of plants, machinery, tools, implements, materials, chemicals, substances, goods or things of any description in the field of electronics, electrical, computer, solar energy, optoelectronics, optics or in any other fields related to electronics.
 - *8. To acquire, lands, develop them suitably for providing communication, power supply, water supply and other facilities and make them available for the purpose of establishing a new industrial undertraining firm or company.

* Inserted by Special Resolution passed on 9th March, 1988 and confirmed by the Company Law Board, Northern Region Bench, New Delhi on 31st October, 1988.

*9. To make, improve, experiment and do research in electronics, computers, opto-electronics/optics electrical and solar energy and all kinds of electronics, electrical

and solar energy fields and all kinds of electronics, electrical and solar energy products, appliances and their accessories and components.

- +10. To carry on any other activity, service, manufacture in the IT/ITes, Electronics and Telecommunication sector.
- +11. To carry on the business in India or outside India of imparting training, skill development, capacity building as per the norms of Industry Requirement in the country, entering into joint ventures with the institutions/companies/government in or outside India for providing training, education, technical knowledge or any other facility in the field of IT/ITES or any other related field to make them competent for the job market and to do all things, deeds and actions for attainment of the above object.
- +12. To act as Skill Training Providers/Skill Knowledge Providers/ Skill Service Providers and for this purpose to register itself, enter into contract or Memorandum of Understanding with any of the Ministries, Corporations, Boards, Missions of the Government, NGOs, Industry, and Educational Institutions etc.
- +13. To carry on the business of setting up and providing Infrastructure facilities of all types including educational institutions, skill development, capacity building and any other activities related thereto.
- +14. To establish in India or outside India Knowledge/Skill Parks, Multi-Skill Development Centres, Startup/Business Incubators and Accelerators as per industry requirement to facilitate the other objects of the Corporation such as skill development, capacity building, training in IT/ITes or any other related sector.

**15 To carry on the business of providing Manpower placement and recruiting, selecting, conducting tests, Interviewing, training and employing computer professionals to various State Government Departments/Boards/Corporations/Agencies/Authorities and to provide consultancy and other services in connection with requirements of manpower.

B) Objects incidental or ancillary to the attainment of the main objects:-

- 1. To manufacture, buy, sell and deal in all raw materials required for all or any of the above purposes.
- 2. To purchase, take on lease or licence or in exchange, hire or otherwise any real and/or personal property and any rights or privileges which the company may think necessary or convenient for the purpose of its business or which may enhance the value of any other property of the company and in particular any land (freehold or other tenure) building, easement, machinery, plant and stock-in-trade and on any such lands to erect buildings, factories, sheds, godowns, residential houses or other structures for the works and purposes of the company and to install machinery thereat.

* Inserted by Special Resolution passed on 9th March, 1988 and confirmed by the Company Law Board, Northern Region Bench, New Delhi on 31st October, 1988.

+ Inserted by Special Resolution passed on 1st July, 2015 and confirmed by the Registrar of Companies, Chandigarh, on 3rd August, 2015.

** Inserted by Special Resolution passed on 26th September, 2018 and confirmed by the Company Law Board, Northern Region Bench, New Delhi on 23rd October, 2018

- 3. To build, construct, maintain, enlarge, pull down, remove or replace, improve or develop and to work, manage and control any buildings, offices, factories, mills foundries, refineries, furnaces, godowns, warehouses, shops, roads, ways, railways, tramways, or other means of transport, sidings, bridges, reservoirs, dams, water

courses, water systems wharves, electrical works, gas works or works operated by any other kind of power and to install all kinds of plant, machinery and works thereat.

4. To erect, purchase or take on lease or otherwise acquire any mills, factories, foundries, machinery and any other movable or immovable property for the purposes of the Company, whether in India or elsewhere.
5. To manufacture, buy, sell, exchange, alter, improve, manipulate prepare for market and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, receptacles, substances, materials articles and things necessary or convenient for carrying on any of the above business or processes incidental thereto.
6. To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the company's objects or which it may be advisable to undertake with a view to developing, rendering valuable, prospecting or turning to account any property, real or personal, belonging to the company or in which the company may be interested.
7. To sell, lease, mortgage, grant licences, easements and other rights over any property of the company to transfer deal with or dispose off the undertaking, property, assets, rights and effects of the company or any part thereof for such consideration as the company may think fit and in particular for shares, stock debentures or other securities of any other company having objects altogether or in part similar to those of the company.
8. To let on lease or on hire-purchase system or to lend or otherwise dispose off any property belonging to the company and to finance the purchase of any articles, whether made by the company or not by way of loans or by the purchase of any such articles and the letting thereof on hire purchase system or otherwise howsoever.
9. To purchase or otherwise acquire the undertaking or the whole or any part of the business, property, rights and liabilities of any person, firm or company carrying on or proposing to carry on any business which this company is authorised to carry on or possessed of property or rights suitable for any of being conducted so as directly or indirectly to benefit the company and to purchase, acquire, sell and deal in property, shares, stock, debenture-stock of any such person, firm or company and to conduct, make or to carry in to effect any arrangements in regard to the winding up of the business of any such person, firm or company.
10. To amalgamate, enter into partnership or into arrangement for sharing profits, union of interest, cooperation, Joint venture or reciprocal concession or for limiting competition with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the company.
11. To establish, promote, concur or be interested in establishing or promoting any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose whatsoever and to transfer to any such Company and property of this company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other company and to subsidise or otherwise assist any such other company.
12. To underwrite, acquire by purchase, subscription or otherwise and to receive, hold, own, guarantee, sell, assign, exchange, transfer, mortgage, pledge or otherwise dispose off or deal in and with any of the shares, debentures, notes, trust receipts,

bonds, warrants, rights and other securities, obligations, choses in action and evidence of indebtedness or interest issued or created by any corporation, joint stock company, syndicate, association, firm, trusts or persons, public or private or by the Government of India or by any foreign Government or by any State, territory province, municipality or other body or by any Government agency and as owner thereof to possess and exercise all the rights powers and privileges of ownership including the right to execute, consent and vote thereon and to do any and all acts and things necessary or advisable for the preservation, protection, improvement and enhancement in value thereof to attain the main objects of the company.

13. To pay for any rights or property acquired by the company and to remunerate any person or company whether by cash payment or by allotment of shares, debentures or other securities of the company credited as paid up in full or in part or otherwise.
14. To purchase or otherwise acquire any patent, processes, devices, inventions, trade marks, formulas, goodwill and other rights and to deal with or dispose off the same in any manner whatsoever.
15. To enter into any arrangement with any Government or authority, Central, State, Local or Foreign or Public body or persons or authority or with any private individual that may seem conducive to the Company's objects or any of them and to obtain from any such Government, authority, person or company and concessions, grants, decrees, rights, charters, contracts, licences, power and privileges whatsoever which may seem to the company capable of being turned to account or which the company may think directly or indirectly conducive to any of its objects or capable of being carried on in connection with its business and to work, develop, carry out, exercise and turn to account the same.
16. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on with all scientific and technical investigations and inventions by providing, subsidising endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing for the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes and grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the company is authorised to carry on.
17. To establish, maintain and conduct training schools, courses and programmes in connection with the sale, installation, use, maintenance improvement or repair of machines, apparatus or appliances or products and of articles required in the use of thereof or used in connection therewith by the Company.
18. To apply for and obtain any Act of Parliament or State Legislature, charter, privilege, concession, licence or authorisation of any Government, State authority for enabling the company to carry any of its objects into effect or for extending any of the powers of the company or for effecting any modifications of the constitution of the company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interest of the company.
19. To acquire from or to sell to any person, firm or body corporate whether in India or elsewhere technical information, know-how, processes, engineering, manufacturing and operating datas, plans, layouts and blue prints useful for the design, erection and operation of plant required for any of the business of the company and to acquire any grant of licence and other rights and benefits in the foregoing matters and things.

20. Subject to the provisions of the Act, to make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this company and also to subscribe, contribute or otherwise assist or guarantee moneys for charitable, scientific, religious, benevolent, national, public or other institutions or objects or for any exhibition or for any public, general or other objects.
21. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident fund, pension superannuation funds for the benefit of and give or procure the giving of donations gratuities, pension allowances or emoluments to any persons who are or were at any time in the employment or service of the company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company or who are or were at any time the directors or officers of the company of any such other company as aforesaid and wives, widows, families and dependents of such persons and also establish and subsidise and subscribe to any institutions, associations, clubs or funds calculated to the benefit of or to advance the interest and well being of the company or any such other company as aforesaid and make payments to or towards the insurance of any such other company as aforesaid and make payments to or towards the insurance of any such person as aforesaid and to any of the matter aforesaid either alone or in conjunction with any such other company as aforesaid.
22. To refer or agree to refer any claim, demand, dispute, or any other question by or against the company or in which the company is interested or concerned and whether between company and the member or members or his or their representatives or between the company and third parties to arbitration in India or at any place outside India and to observe and perform and to do all acts, deeds, matters and things to carry out or enforce the awards or to challenge the same.
23. To pay out of the funds of the company all costs, charges and expenses which the company may lawfully pay with respect to the promotion, formation and registration of the company and/or the issue of its capital or which the company shall consider to be preliminary including therein the cost of advertising, printing and stationery and commission for obtaining application for taking, placing or underwriting or procuring the underwriting of shares debentures or other securities of the company and expenses attendant upon the formation of agencies, branches and local boards.
24. To borrow or raise moneys or to receive moneys on deposit or loan at interest or otherwise in such manner as the company may think fit and in particular by the issue of debentures or debenture-stock (perpetual or otherwise) and convertible into shares in this or any other company or not and to secure the repayment of any such moneys borrowed raised or received all or any of the property, charge or lien upon all or any of the property, assets or revenue of the company (both present and future) including its uncalled capital and to give the lenders or creditors the power of sale and other powers as may seem expedient and to purchase redeem or pay off any such securities and also by a similar mortgage charge or lien to secure and guarantee the performance by the company or other person, firm or company of any obligation undertaken by the Company.
25. To accumulate funds and to lend, invest or otherwise employ moneys belonging to or entrusted to the company in or upon any shares, securities or investment upon such terms as may be thought proper, whether with or without security and from time to time to vary such investments loans, etc., in such manners as the company may think fit.

26. To lend and advance moneys or to give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and other having dealings with the company and to guarantee the performance of any contract or obligation and the payment of moneys by any such persons or companies and generally to give guarantee and indemnities.
27. To confer upon any encumbrancer or trustee for any encumbrance of uncalled capital such powers of making and enforcing calls and of voting the transfer of shares not fully paid up as may be thought fit.
28. To take or concur in taking all such steps and proceedings as may seem best calculated to uphold and support the credit of the company and to obtain and justify public confidence and to avert or minimise financial disturbances which might affect the company.
29. To issue or guarantee the issue of or the payment of interest on the shares, debentures, debenture-stock or other security or obligations of any person, company, or association and to pay or provide for brokerage, under-writing commission in respect of any such issue or obligations to attain the main objects of the company.
30. To guarantee the payment of moneys unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations to attain the main objects of the company.
31. To receive moneys on deposit with or without allowance of interest thereupon and to guarantee the debits liabilities and the contracts of customers and others.
32. To subsidise, assist and guarantee the payment of moneys by or the performance of any contract, engagement or obligation of any person or companies and in particular customers of the company or any person or companies with whom the company may have or intend to have business relations.
33. To adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the press, by circulars, by placards and exhibition of works or art or interest by publication of books and periodicals or by granting prizes, rewards and donations.
34. To aid pecuniarily or otherwise any association, company, firm, person body or movement having for an object the solution, settlement or surmounting or industrial or labour problems or troubles or the promotion of industry or trade and to contribute moneys within such limits as may for the time being be prescribed by law to scientific charitable or public objects.
35. To vest any real or personal property, rights or interest acquired by or belonging to the company in any person or company on behalf of or of the benefit of the company and with or without any declared trust in favour of the company.
36. To act as agents or brokers and trustees for any person or company and to undertake and perform subcontracts and to do all or any of the above things in any part of the world and as principals, agents, contractors or trustees or otherwise and by or through agents, subcontractors or trustees or otherwise and either alone or jointly with others.

37. To procure the incorporation, registration or other recognition of the company in any country, state or place and to establish and regulate agencies for the purpose of company's business.
38. Subject to the provisions of the Companies Act, 1956 or any other law for the time being in force 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 liability 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.
39. To carry on any business or branch of a business which this company is authorised to carry on by means or through the agency of any subsidiary company or companies and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangements which may seem desirable with reference to any business or branch so carried on including power at any time either temporarily or permanently to close any such business or branch and to appoint directors or managers of any such subsidiary company.
40. To draw, make, accept, endorse, discount, execute, issue, negotiate, assign, purchase, sell and otherwise deal in cheques, drafts, promissory notes, bills of exchanges, hundies, debentures, bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
41. To do all and everything necessary, suitable or proper for the accomplishment of any of the objects or the furtherance of any of the powers here-inbefore set forth either alone or in association with other corporate bodies, firms or individuals and to do every other act or acts, thing or things incidental or appurtenant to growing out of, connected with the aforesaid business or powers or any parts or parts thereof provided the same be not inconsistent with the laws of the Union of India.
- *42. To aid, assist and finance any industrial undertaking project or enterprises whether owned or run by Govt, statutory body, private company firm, with capital, credit, means resources, machinery, equipment and other facilities for the purpose of carrying into effect any objects connected with industrial development of Haryana.

The liability of the members is limited.

IV

V

The share capital of the company is @ Rs. 10,00,00,000 (Rs. Ten crores only) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10 each.

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- * Inserted by Special Resolution passed on 9th March, 1988 and confirmed by the Company Law Board, Northern Region Branch, New Delhi on 31st October, 1988.
- @ Increased from Rs. 2,50,00,000 to Rs. 5,00,00,000 by Special Resolution passed on 2nd August, 1988 and from Rs. 5,00,00,000 to Rs. 10,00,00,000 by Special Resolution passed on 25th January, 1995

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

Name of the Subscriber & Signatures	Address, description & occupation of the Subscriber	Number of Equity Shares taken by the Subscriber	Name, address, description and occupation of Witness
1. V.K. SIBAL S/o Sh. H.L. SIBAL Sd/-	Commissioner and Secretary to Govt. Haryana Industries Deptt. Govt. Service	Ten (10)	<p style="text-align: center;">Common witness to all. Sd/- (K.K.Sharma) S/o Sh. Charan Dass Secretary, Haryana State Industrial Development Corporation Limited S.C.O. 40-41, Sector 17-A, Chandigarh.</p>
2. J.K. DUGGAL S/o Sh. H.R. DUGGAL Sd/-	Managing Director Haryana Financial Corporation Chandigarh Govt. Service	Ten (10)	
3. T.K. BANERJI S/o Sh. B.N. BANERJI Sd/-	Commissioner and Secretary to Govt. Haryana Planning and Finance Deptt. Govt. Service	Ten (10)	
4. A.N. MATHUR S/o Sh. D.N. MATHUR Sd/-	Managing Director Haryana State Industrial Development Corporation Chandigarh Govt. Service	Ten (10)	
5. D.KUMAR S/o Sh. A.N. SINGHAL Sd/-	Director of Industries Haryana, Chandigarh Govt. Service	Ten (10)	
		50 Shares (Fifty)	Chandigarh May 10, 1982

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

OF

HARYANA STATE ELECTRONICS DEVELOPMENT CORPORATION LIMITED

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

Interpretation.

The marginal notes hereto shall not effect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

“Company” means Haryana State Electronics Development Corporation Ltd;

“Act” means the Companies Act, 1956 (Central Act 1 of 1956);

“Government” means the State Government of Haryana.

“Capital” means the capital for the time being raised or authorised to be raised for the purposes of the company;

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

“Director” means the Director for the time being of the Company;

“Board of Directors” or ‘Board’ means the Board of Director, for the time being, of the company; ;

“Chairman” means the Chairman of the Board of Directors, for the time being, of the Company;

“Office” means the Registered Office, for the time being, of the company;

“Register” means the Register of members to be kept pursuant to section 150 of the Act;

“Registrar” means the Registrar of Companies of the State in which the office is, for the time being, situated;

“Dividend” includes Bonus;

“Month” means calendar month;

“Seal” means the Common Seal for the time being, of the Company and as regard the transaction of the business of the Company outside India, the official seal which shall be used in accordance with the provisions of section 50 of the Companies Act, 1956;

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

“Proxy” includes attorney duly constituted under a Power of Attorney;

‘In writing’ and “Written” include printing, lithography and other modes of representing or reproducing words in a visible form. Words importing the singular number only include the plural number and vice versa. Words importing the masculine gender shall include the feminine gender. Words importing persons include Corporation.

Company to be Private Company.

2. The Company is a Private company and according :-
- (a) the number of members for the time being, of the company shall not exceed fifty excluding:-
 - (i) person who are for the time being, in the employment of the company; and
 - (ii) person, who having been formerly in the employment of the Company were members of the Company while in that employment and have continued to be members after the employment ceased ; but where two or more person hold one or more shares in the Company jointly, they shall for purpose of the Article, be treated as a single member;
 - (b) any invitation to the public to subscribe for any shares in, or debentures of, the Company is hereby prohibited; and
 - (c) the right of the transfer shares shall be restricted as hereinafter provided.

Table ‘A’ not to apply.

3. Save as reproduced herein the Regulations contained in Table ‘A’ in Schedule 1 to the Act shall not apply to the Company.

Company to be governed by regulations.

4. The regulations for the management of the company and for the observance of the members of and their representative shall, subject to any exercise of the statutory powers of the company in reference to the repeal or alteration of, or addition to its regulations by special resolution as prescribed or permitted by the Act, be such as are contained in these Articles.

Capital.

5. THE SHARE CAPITAL of the company is @ Rs. 10,00,00,000 (Rs. Ten crores only) divided into 1,00,00,000 (One crore) equity shares of Rs. 10 each.

Company not to purchase its own shares.

6. Save as permitted by section 77 of the Act, no part of the funds of the Company shall be employed in the purchase of, or in loans upon, the security of the shares of the Company.

Allotment of Share

7. Subject to the provisions of the Act and these Articles and to the Rights of the Government, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such person on such terms and conditions, and at such times, as the Board thinks fit either at par or at a premium and for such considerations as the Board thinks fit, subject to the provisions, if any, in that behalf of the memorandum of Association of the Company, and without prejudice to any special rights previously conferred on the holders of the existing shares in the Company, any shares in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting rights of shares capital or otherwise, as the Company may from

@ Increased from Rs. 2,50,00,000 to Rs. 5,00,00,000 by Special Resolution passed on 2nd August, 1988 and from Rs.5,00,00,000 to Rs. 10,00,00,000 by Special Resolution passed on 25th January, 1995.

time to time by special resolution determine and any preference share may with the sanction of a special resolution be issued on the terms that it is or at the opinion of the Company is liable to be redeemed.

8. As regards all allotments made from time to time the Company shall duly comply with section 75 of the Act. Return of allotments.
 9. Every person whose name is entered as a member in the register of members shall, without payment of any fee or charge, be entitled to receive with in three months after allotment or registration of transfer a certificate under the seal of the Company, in such forms as the Directors shall prescribe or approve, specifying the share or shares held by him and the amount paid thereon. Member's right to certificate.
- Provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holder shall be sufficient delivery to all.
10. Every certificate of shares shall specify the number and denoting numbers of shares in respect of Which it is issued and the amount paid up there on and shall be signed at least by two Directors one of whom shall be the Managing Director and the Secretary or some other person appointed by the Directors. Particulars on share certificate.
 11. If a share certificate is defaced, torn or, old decrepit, worn out or there is no further space on the back thereof for the endorsement of transfer, then upon the surrender thereof to the Company, it may order the same to be cancelled and issue a new certificate in lieu thereof. If any share certificate is lost or destroyed, it may be renewed on obtaining prior consent of the Board and on payment of fifty paise and in such reasonable terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the company in investigating evidence, as the Directors think fit. Issue of new share certificate in place of one defaced, or torn or old, decrepit, worn out or lost or destroyed.
 12. The Directors may, from time to time, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and specify the time or times of payments and each member shall pay to the Company at the time or times so specified, the amount called on the shares. Calls on shares.
- Provided, however, that the Directors may from time to time at their discretion, extend the time fixed for the payment of any call.
13. If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or the allottee the shares in respect of Which a call shall have been made shall pay interest on the same at such rate not exceeding 6% per annum as the Directors shall fix from the date appointed for the payment thereof to the time of actual payment, but the directors may wave payment of such interest wholly or in part. When interest on call or instalment payable.
 14. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Joint holders liability to pay call.
 15. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A call may be revoked or postponed at the discretion of the Directors. When call deemed to have passed.

Forfeiture of shares.

16. (i) If a members fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued :
- (ii) the notice aforesaid shall :-
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made ; and
- (b) state that, in the event of non payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.
- (iii) If the requirement of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made be forfeited by a resolutions of the Directors to that effect.
- (iv) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit.
- (v) At any time before a sale or disposal as aforesaid the Directors may cancel the forfeiture on such terms as they think fit.

Effect of forfeiture.

17. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, not with standing the forfeiture, remain liable to pay to the Company, all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
- (ii) The liability of such person shall cease if and when the Company shall have received payments in full and all such moneys in respect of the shares.

Declaration of Forfeiture.

18. (i) A duly verified declaration in writing that the declarant is a Director, Managing Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may received the consideration, if any, given for the share or any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- (iii) The transferee shall thereupon be registered as the holder of the share.
- (iv) The transferee shall not be bound to see to the application of the purchase-money if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference, to the forfeiture, sale or disposal of the share.

19. The provision of these articles as to forfeiture shall apply in the case of non payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Provision regarding forfeiture to apply in the case of non-payment of sums payable at fixed time.
20. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advance has been made. The Company may pay interest at such rate (not exceeding without sanction of the company in general meeting, 6 percent per annum) as the members paying such sum in advance and the Directors agree upon and the Directors may at any time repay the amount so advanced upon giving to such member three months notice in writing. Payment of calls in advance.
21. The Company shall have the first and paramount lien on every share (not being a fully paid up share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and Company shall also have a lien on all shares (other than fully paid up shares) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company but the Directors may, at any time declare any share to be wholly or in part exempt from provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable hereon. Company's lien on shares.
22. The Company may sell, in such manner as the Directors think fit, any shares on which the company has lien, but no sale shall be made unless a sum in respect of which the lien, exists is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. Enforcement of lien by sale.
23. The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. Application of sale proceeds.
24. The right of members to transfer their shares shall be restricted as follows:- Transfer and transmission of share.
- (a) A share may be transferred by a member or other person entitled to transfer only to a person approved by the Board.
- (b) Subject to section 3 of the Act and subject as aforesaid, the Directors may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.
25. Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of Competent Jurisdiction) (or as by law required) be bound to recognise any Benami, trust, or equity or equitable contingent or Company not bound to recognize any interests in shares other than that of registered holders.

other claim to or interest in such share on the part of any persons whether or not it shall have express or implied notice thereof.

TRANSFER OF SHARES

Execution of transfer.

26. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and the transferee and transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Registered in respect thereof.

Form of instrument of transfer.

27. Every instrument of transfer of shares shall be in the form prescribed under the Act and shall be in accordance with the provision of section 108 of the act as amended from time to time. There shall not be charged any fee or fees in respect of transfer or transmission of any number of shares.

Directors may refuse to register transfer.

28. The Board may, subject to right to appeal conferred by section 111, decline to register :-

- (a) the transfer of shares not being fully paid up shares, to a person of whom they do not approve : or
- (b) any transfer of shares on which the company has a lien; provided that a registration of a transfer shall not be refused on the ground of transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on the shares. If the Directors decline to register any transfer, they shall give notice of such refusal to the transferee and the transferor as required by section 111 of the Act.

Instrument of transfer to be left with the company.

29. Every instrument of transfer shall be left at the office of the Company for registration, accompanied by the certificate of the shares, the subject of the instrument of transfer or, if no such certificate is in existence, by the letter of Allotment of the shares and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

Notice of refusal or transfer.

30. If the Board refuse to register the transfer of any share, the Company shall, within two months from the date on which the instrument was lodged with the Company, send to the transferee and the transferor notice of the refusal.

ALTERATION OF CAPITAL

Power to increase capital.

31. Subject to the approval of the Government, the Directors may, with the sanction of the Company in general meeting, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution, within the provisions of Section 97 of the Act.

Condition on which new shares may be issued.

32. Subject to such directions as may be issued by the Government in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed there to as the Company may in its general meeting direct and if no such direction be given as the Directors shall determine:

Provided that no shares (not being preference shares) shall be issued carrying Voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to holder of others shares (not being preference shares).

33. Except so far as otherwise provided by the conditions of issue or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installment, transfer and transmission, lien, voting, surrender and otherwise. How far new shares to rank with shares in original capital.
34. The new shares shall be offered to the members in proportion to the existing shares held by each members and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer if not accepted will be deemed to be declined and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose off the same in such manner as they think most beneficial to the Company. New Shares to be offered to members.
35. Subject to the provisions of sections 100 to 104 of the Act and to such directions as may be issued by the Government in this behalf, the Company may, from time to time by special resolutions, reduce its capital by paying off capital or cancelling capital which has been lost or unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may, be called up again or otherwise and the Directors may subject to the provisions of the Act, accept surrender of shares. Reduction of capital.
36. Subject to provisions of section 94 of the Act the company may in general meeting alter the conditions of its Memorandum as follows :- Consolidation and sub-division of shares.
- (a) consolidate and divide all or any of its shares into shares of larger amounts than its existing shares:
 - (b) sub divide it shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject, nevertheless, to the provisions of the Act, in that behalf. Subject to these Articles and section 106 of the Act the resolution by which any shares are subdivided may determine that as between the holders of the shares resulting from such sub-divisions one or more or such shares may be given any preference or advantages or otherwise over the others or any other such shares;
 - (c) cancel shares which at the date of such general meeting 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 as cancelled.
37. If at any time; the capital by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provision of section 106 and 107 of the Act, be modified, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class; provided that such agreement is :- Power to modify.

- (a) ratified in writing by the holders of shares of that class at least three-fourths of the nominal issue value of them; or
- (b) confirmed by a resolution passed at a separate general meeting and supported by the votes of at least three-fourths of the holders of shares of that class, and all the provisions hereinafter contained as to general meeting shall *mutatis mutandis* apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of that class. This Article shall not by implication curtail the power of modification which the company would have if the Article were omitted.

BORROWING POWERS

Power to borrow.

38. Subject to provision of section 58A of the Act and the rules made thereunder the directions given by the Reserve Bank of India from time to time the Directors may, from time to time, borrow or secure the payment of any sum of sums of money for the purposes of the Company by means of resolution passed at a meeting of the Board.

Conditions on which money may be borrowed.

39. And upon such terms and conditions in all respect as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures; or debenture-stock or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Securities assignable free from any equities.

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

Issue at discount etc., or with special privileges.

41. Subject to the provisions of section 76,79 and, 117 of the Act any shares, debentures, debentures-stock, bonds or other securities may be issued at discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings allotment of shares, appointment of Directors and otherwise.

Instrument of transfer.

42. Save as provided in section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

Notice of refusal to register transfer.

43. If the Board refuses to register the transfer of any debentures, the company, shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

Priority of charge on uncalled capital.

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

Indemnity.

45. 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.

GENERAL MEETINGS

46. The first Annual General Meeting of the Company shall be held by the Company within 18 months of its incorporation and thereafter the Annual General Meeting of the Company shall be held within 6 months after the expiry of each financial year except in the case when for any special reasons, the time for holding the Annual General Meeting (not being the first annual general meeting) is extended by the Registrar by a period not exceeding 3 months. Except as provided under the Act, no greater intervals than 15 months shall be allowed to lapse between two Annual General Meetings. Every General Meetings shall be held during business hours on a day that is not a public holiday. The notice calling the meeting shall specify it as the Annual General Meeting. The other general meetings, which may be called at such time and place as may be determined by the Directors, shall be called Extraordinary General Meetings. Annual General Meeting.
47. Subject to the provisions of section 169 of the Act, the Directors may whenever they think fit and shall, on the requisition of the holders of not less than one-tenth of the paid-up capital of the company as at that date carried right of the voting in regard to that matter on which all calls or other sums then due have been paid forthwith proceed to convene an Extraordinary Meeting of the company and in the case of such requisition the following provisions shall have effect :- Extra ordinary meeting.
- (i) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists.
 - (ii) If the Directors of the Company do not proceed within twenty-one days from the date of the deposit of the valid requisition to cause a meeting to be called for consideration of these matters on a day not later than forty-five days from the date of the deposit of the requisition, the requisitionists or the majority of them in value may themselves convene the meeting but any meeting so convened shall be held within three months from the date of the deposit of the requisition.
 - (iii) Any meeting convened under this Article by the requisitions shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors. If after requisition has been received, it is not possible for a sufficient number of Directors to meet any time so as to form a quorum, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.
48. A General Meeting of the Company may be called by giving not less than seven days notice in writing specifying the place, day and hour of meeting. Such notice shall be served on every member in the manner herein after provided, but with the consent in writing of all the members entitled to receive notice of same, any particular meeting may be convened by such shorter notice and in such manner as those members may think fit: Notice of Meeting.

Provided, however, that where any resolution is intended to be passed as a special resolution at any General Meeting as required by sub-section (2) of section 189 of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be served.

Non-receipt of notice not to invalidate proceedings.

49. The accidental omission to give any such notice to or the non receipt of, any such notice by any member shall not invalidate the proceedings at any meeting.

Business at Annual General Meeting.

50. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance-sheet and the report of the Director and of the Auditors, to declare dividends, to appoint and fix the remuneration of Auditors, to appoint Directors in the place of those retiring and to transact any other business which under these Articles ought to be transacted at an Annual General meeting. All other business transacted at an Annual General Meetings shall be transacted in accordance with section 173 of the Act.

Quorum

51. Two members present in person shall form a quorum for a General Meeting.

Right of Govt. to appoint any person as their representative

52. (i) The Government, as long as they are share holders of the company, may, from time to time, appoint one or more persons (who need not be a member or members of the Company.) to represent them at all or any meetings of the Company.

(ii) Any one of the persons appointed under clause (i) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the Government at all or any such meetings and to vote on their behalf whether on a show of hands or on a poll.

(iii) The Government may from time to time, cancel any appointment made under clause (i) of this Article and make fresh appointments.

(iv) The production at the meeting of an order of the Government evidenced as provided in the Constitution of India shall be accepted by the company as sufficient evidence of any such appointments or cancellation as aforesaid.

(v) Any person appointment by the Government under this Article may, if so authorised by such order, appoint a proxy, whether specially or generally.

Chairman of General Meeting.

53. The Chairman of the Board of Directors shall be entitled to the Chair at every General Meeting or if there be no such Chairman, or if at any meeting he shall not be present within half-an-hour after the time appointed for holding such meeting or is unwilling to act as Chairman, then the members present shall choose another Director to be Chairman.

If quorum not present, meeting to be dissolved and when to be adjourned.

54. If, within half-an-hour after the time appointed for the holding of a General Meeting a quorum be not present, the meeting, if convened on the requisition of shareholders shall be dissolved and in every other case 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 be notice to the shareholders appoint. If at such adjourned meeting a quorum be not

present the members present shall be a quorum and may transact the business for which the meeting was called.

55. 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 Chairman to adjourn meeting.
56. business left unfinished at the meeting from which the adjournment took place.
57. Subject to the provisions of section 180 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any questions of adjournment shall be taken at the meeting and without adjournment. Poll on election of Chairman.
58. Every question submitted to a meeting shall be decided in the first instance by a show of hand and in the case for any equality of votes the Chairman shall, both on a show of hands and at a poll (if any) have a casting vote in addition to the votes at which he may be entitled as a member. How question to be decided at meeting.
59. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of the Act, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried, or carried unanimously or by a particular majority; or lost and an entry to that effect in the books of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution. What is to be evidence of the passing of resolution where poll not demanded.
60. If a poll is duly demanded, it shall be taken in such manner at such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of poll may be withdrawn. Poll.
61. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. Poll shall not prevent continuance of meeting.
62. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. Chairman sole judge.

VOTES OF MEMBERS

63. Upon a show of hands, every member present in person shall have once vote and upon a poll every member present in person or by proxy or by duly authorised representative shall have voting-rights in proportion to his share of the paid up equity capital of the company. Voting Rights.
64. Any member who is a company present by representative duly authorised by a resolution of the Directors of such company in accordance with the provisions of section 187 of the Act may vote on a show of hands as if he was a member of the company. The production at the meeting of a copy of such resolution duly certified by one Director of such company as being true copy Company member's representative to vote by proxy.

of the resolution shall at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

Votes in respect of shares of deceased and bankrupt members.

65. Any person entitled under the transmission clause to transfer any share may vote at a meeting in respect thereof as if he was the register holder of such share provided that at least 72 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Votes in respect of shares of Unsound minds.

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

Proxy permitted.

67. On a poll votes may be given either personally or by proxy or by duly authorised representative.

Instrument appointing proxy to be in writing.

68. A member entitled to attend and vote at a meeting may appoint any other person (whether a member or not) as his proxy to attend a meeting and vote on his behalf. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting. The instrument of appointment of a proxy shall be in writing or if the appointer is a body corporate, be under its seal or be signed by an officer of an attorney duly authorised by it.

Instrument appointing proxy to be deposited at office.

69. 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 thereof shall be deposited at the office of the Company not less than 48 hours before the time of holding the meeting at which the persons named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution except in the case of adjournment of any meeting first held provisionally to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 48 hours before the time fixed for such meetings as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may be notice in writing addressed to the member or the attorney require to produce the original power of attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

When instrument appointing proxy to be delivered to Company.

70. If any such instrument of appointment be confined to the subject of appointing proxy or substitute for voting at meeting of the Company it shall permanently or for such time as the Directors may determine be in the custody of the Company and if embracing other object a copy thereof examined with the original shall be delivered to the company, to remain in the custody of the Company.

Form of proxy.

71. An instrument appointing a proxy may be in the following form, or in any other form, which the Director shall approve:-

PROXY

“I _____ of _____ in the district of _____
_____ being a member of the above named company hereby
appoint _____ of _____ as my proxy to vote for me and
on my behalf at the Annual General Meeting/Extraordinary General Meeting
of the Company to be held on the _____ day of _____ and
any adjournment thereof’.

Signed this _____ day, _____ of _____

BOARD OF DIRECTORS

71. (i) The number of Directors shall be not less than three and not more than eleven. Number of Directors
- (ii) Persons hereinafter named shall be the first Directors of Company;
1. Sh. V.K. Sibal, IAS
Commissioner & Secy to Govt. Haryana, Industries Deptt.
 2. Shri T.K. Banerji, IAS
Commissioner & Secy to Govt. Haryana, Finance Deptt.
 3. Shri Dhanendra Kumar, IAS
Director of Industries, Haryana
 4. Shri A.N. Mathur, IAS
Mg. Director Haryana State Industrial Dev. Corpn. Ltd.
 5. Shri J.K. Duggal, IAS
Mg. Director Haryana Financial Corpn.
72. (i) The Directors including the Chairman and the Managing Director shall be appointed by the Government and shall be paid such salary and/ or allowances as the Government may from time to time determine. Subject to the provisions of section 314 of the Act, such reasonable additional remuneration as may be fixed by the Government may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise. Appointment of Directors.
- (ii) The Government may determine the period for which the Chairman and the Managing Directors are to hold their respective offices.
- (iii) By virtue of the provisions of clause (i) of this Article, read with subsection 7(b) of section 284 of the Act the Government shall have the power to remove any Director including the Chairman, if any, and the Managing Director from office at any time in their absolute discretion.
- (iv) The Government shall have the right to fill any vacancy in the office of the Directors caused by removal, resignation; death or otherwise.
- (v) At every Annual General Meeting of the Company, all the Directors except the Chairman and the Managing Director shall retire from office. The Chairman and the Managing Director shall retire on their ceasing to hold the office of the Chairman and the Managing Director, respectively. A retiring Director shall be eligible for reappointment.

- (vi) A Director shall not be required to hold any Shares of the Company as his qualification.

POWERS OF THE BOARD OF DIRECTORS

General
Power

73. (i) Subject to the provision of section 294 of the Act, the Board 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 in furtherance of its objects, specified in the Memorandum of Association, for which the Company is established, except such powers as are required by the Act or the Memorandum or General Meeting. In exercising such powers or doing any such acts or things, the Board shall be subject to the provisions contained in that behalf in the Memorandum or Articles of the Company or in any regulations not consistent herewith and duly made thereunder, including regulations made by the Company in General Meeting.
- (ii) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

POWERS OF THE BOARD

General
Power of
Company
vested in the
Board.

74. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who may pay all expenses incurred in promoting and registering the Company, and who shall be entitled to exercise all such powers, and to do such acts and things as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these articles or otherwise; to be exercised or done by the Company in General Meeting; provided further that in exercising any such power, in doing such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or the Memorandum of the Company or these Articles, or in any regulations not inconsistent there with and duly made thereunder, including regulations made by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

MANAGEMENT

Appointment
of Managing
Director

75. The Governor may from time to time appoint one of the Directors to the office of the Managing Director of the Company for such term and at such remuneration (whether any way of salary or commission or participation in profits or otherwise or partly in one way and partly in other) as he may think fit, and may from time to time remove or dismiss him from office and appoint another in his place. Any such Director appointed to any such office shall, if he ceases to hold the office of Director for any cause, *ipso facto* and immediately cease to be a Managing Director.

Secretary.

76. The Board may, from time to time, appoint a Secretary for such term at such remuneration and upon such conditions as it may think fit, and may remove any Secretary so appointed.

77. Subject to the provisions of the Act and these Articles the Managing Director or a Whole time Director, by whatsoever name he is called, other than a technical or nominated Director, shall have the Management of

Powers of
Managing
Director.

the whole of the affairs of the Company, subject to the superintendence, control and direction of the Board of Directors of the Company.

Without prejudice to the general powers conferred otherwise by these articles, the Managing Director shall have the following powers subject to the supervision and control of the Directors:-

- (a) To carry on the business of the Company in any manner beneficial to the Company and to provide for the Management of the affairs of the Company in any specified locality in or outside India and to delegate to persons incharge of the local management such powers as the Board of Directors may decide.
- (b) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration, fees and the stamps paid in respect thereof and the cost of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and other such costs and charges.
- (c) To sell for cash or on credit and either whole-sale or in retail and for ready or future delivery and realise the proceeds of sale of property, movable or immovable or any right or privileges belonging to the Company or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property of rights, belonging to the Company for other property or rights.
- (d) To appoint at any time and from time to time by power of attorney or otherwise any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers and authorities and directions and for such period and subject to such conditions as the Managing Director may from time to time think fit, with powers for such Attorney or Attorneys to sub-delegate all or any of the powers, authorities and discretion vested in Attorney for the time being.
- (e) To execute all deed and agreements, contracts, receipts, and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and demands of the Company, such authority for issue of receipts may be delegated by the Managing Director to any office of the Company.
- (f) To institute, conduct, defend, compound or abandon any actions, suits and legal proceeding by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the said actions, suits and legal proceedings.
- (g) To enter into, vary or cancel all manners of contracts on behalf of the Company.

- (h) To invest, subject to the provisions of Section 49 of the Companies Act, 1956 all moneys and properties of the Company on such terms and in such manner as the Managing Director thinks fit and to alter, vary or realize by sale, mortgage or otherwise such investments from time to time.
- (i) To engage and in his discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents dealers, brokers, foremen, servants, employees of every description and to employ such progressional or technical or skilled assistants as from time to time may in his opinion be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and for such amounts as the Managing Director thinks fit.
- (j) To acquire by purchase, lease, exchange, pledge, hypothecation or otherwise lands, estates, fields, buildings, office, showrooms, godowns and other buildings in the State of Haryana or elsewhere, machinery, engines, plants, rolling stock, tools, machine tools, outfits stores, hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
- (k) To plant, develop, improve, cut down process, sell or otherwise dispose off the products of the Company and to incur all expenses in his behalf.
- (l) To erect, maintain, repair, equip, alter and extend building and machinery in the State of Haryana or in any other place.
- (m) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and to do all such acts, deeds and things in the name of and on behalf of the Company as he any consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (n) To pay all moneys due by the Company and look after the finance of the Company.
- (o) To open current and time deposit accounts or other accounts with banker or bankers at his choice and to operate on such accounts and also when necessary to overdraw or take loans on such accounts on the security of the Company or of any of its assets.
- (p) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrant, delivery orders, Government promissory Notes, other Government instruments, bonds, debentures or debenture stock of Corporation, Local Bodies, Port Trusts, improvement Trusts or other Corporate Bodies and to execute transfer deeds for transferring stocks, shares or stock certificates the Government and other local or Corporate Bodies in connection with any business or any subject of the Company.

- (q) To borrow from time to time such sum of money for the purposes of the Company upon such terms as may be expedient with or without security.
- (r) To make loans from time to time upon such terms and such sums as may be expedient, with or without security.
- (s) To receive and give effectual discharge on behalf of and against the Company for moneys, funds, goods or property lent, payable or belonging to the Company or for advances against the goods of the Company.
- (t) To make or receive advance of money, goods, machinery, plants and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as he any deem fit.
- (u) To submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (v) To institute, appear in or defend any legal proceedings in the name of and on behalf of the Company, to sign pleadings and other documents, engage and to instruct and Advocate, Solicitors and Lawyers and to execute vakalat nama or other authority in their favour and to compound and compromise and claims, suits proceedings.
- (w) To make all manner of insurances.
- (x) To delegate all or any of the powers authorities and discretion for the time being vested in the Managing Director and also from time to time provided by the appointment of an Attorney or Attorneys to sign, seal, execute, deliver, register, or cause to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company not requiring the Common Seal of the Company.

78. (i) The office of a Director shall *ipso facto* become vacant if :

- (a) he is found to be of unsound mind by a Court of competents jurisdiction; or
- (b) he applies to adjudicated an insolvent; or
- (c) he is adjudged an insolvent; or
- (d) he is convicted by a Court of an offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or
- (e) he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central

Vacation of
office
Director.

Government has, by notification, in the official Gazette, removed the disqualification, included by such failure; or

- (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or
 - (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is partner; or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act; or
 - (h) he acts in contravention of section 296 of the act; or
 - (i) he becomes disqualified by an order of Court under section 203 of the Act; or
 - (j) he be removed from the office in pursuance of Section 284 of the Act; or
 - (k) by notice in writing to the Company he resigns his office; or
 - (l) any office or place of profit under the company or under any subsidiary of the Company is held in contravention of Section 314 of the Act and by operation of that section he is deemed to vacate office.
- (ii) Notwithstanding any matter or thing in sub clauses (c) (d) and (i) of Clause (i), the disqualifications referred to in those sub-clauses shall not take effect.
- (a) for thirty days from the date of adjudication, sentence or order; or
 - (b) Where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
 - (c) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication; sentence, conviction or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Except with the previous consent of the Company accorded by a special resolution, as required under Section 314 of the Act (a) no Director of the Company shall hold any office or place of profit; and (b) no partner or relative of a partner, no private Company of which such Director is a Director or member and no Director or Manager of such a private Company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more, except that that a Managing Director or Manager, Banker or Trustee for the holders of debentures of the Company (i) under the Company; or (ii) under any subsidiary of the Company, unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding Company.

80. Subject to the provisions of Section 297 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods materials or services, nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm or in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director to be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangements by reason of such Director holding office or of the fiduciary relations thereby established. Conditions under which Directors may contract with Company
81. 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 not being a contract or arrangement entered into or to be entered into between the Company and any other Company where any of the Directors of the Company or two or more of them together holds or hold more than two percent of the paid up share capital in the other Company shall disclose the nature of his concern or interest at a meeting of the Board as required by Section 299 of the Act. A general notice, renewable in the last month of each financial year of the Company that a Director is a Director or a member of any specified body corporate or is interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern of interest in relation to any contract or arrangement so made and after such general notice is given to secure that it is brought up and read at the first meeting of the Board after it is given. Disclosure of a Director's interest
82. No Director shall as a Director take any part in the discussion of or vote on any contract or arrangement in which he is, in any way, whether directly or indirectly, concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to- Discussion and voting by Director interested.
- (a) Any contract of indemnity against any loss which the Directors or any of them may suffer by reason of becoming or being sureties or a surety of the company; or
- (b) Any contract or arrangement entered into or to be entered into by the Company with a public Company, or with a private Company which is subsidiary of a public Company in which the interest of the Director consist solely in his being a Director of such Company and the holder of shares of not more than such number or value therein as is requisite to qualify him for appointment as Director thereof having been nominated as such Director by the Company or in being a member holding not more two percent of the paid up share capital of such Company.

PROCEEDINGS OF DIRECTORS.

83. The Board shall meet together once in every months form the transaction of business and at least four such meeting shall be held in every year. They may adjourn and otherwise regulate its meetings and proceedings as they think fit. At least 7 days notice in writing of every meeting of the Board shall be given to every Director at his usual address in India provided however that any meeting of Directors may be held on less than 7 days notice if all of the Directors of the Company consent thereto. Unless Meeting of Directors.

otherwise determined from time to time and at any time by the consent of all the Directors for the time being in India; meetings of the Board shall take place at the office.

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| Place of meeting. | 84. | The Meeting of the Board may be held at the Registered Office or anywhere else in India if it is in the interest of the Company. |
| Director may summon Board meeting. | 85. | A Director may at any time convene a meeting of Board and questions arising at any meetings shall be decided by majority of votes. The Chairman shall have a second of casting vote. |
| Quorum. | 86. | The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within half an hour from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint. |
| Power of quorum. | 87. | A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Article for the time being vested in or exercisable by the Board. |
| Chairman of Director's meeting. | 88. | The Government may nominate a Director as Chairman of the Directors' meetings and determine the period for which he is to hold office. If no such Chairman is nominated or if at any meeting the Chairman is not present within 15 minutes after the time for holding the same, the Directors present may choose one of their member to be Chairman of the meeting. |
| Power of Chairman. | 89. | The Chairman shall reserve for the decision of the Government any proposals or decisions of the Board of Directors or any matter brought before the Board which raises, in the opinion of the Chairman, an important issue and which is on that account fit to be reserved for the decision of the Government and no decision on such an important issue shall be taken in the absence of Chairman appointed by the Government. In respect of matters reserved by the Chairman for Decision of the Government. If the Government's views are not received within a period of two months, the Directors shall be entitled to act in accordance with the proposal or decision without further reference to the Government. |
| How questions to be decided. | 90. | Subject to the provisions of Sections 316, 372 (5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman shall have a second or casting vote. |
| Powers to appoint committee and delegate. | 91. | The Board may, subject to the restrictions laid-down in Section 292 of the Act, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, confirm to any regulations that may from time to time be imposed upon it by the Board. |
| | 92. | The meeting and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article. |

Proceedings of committee.

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

When acts
Directors valid
notwithstanding
defective
appointment
etc.

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

94. Save in those cases where a resolution is required by Sections 262, 292, 297, 316, 372 (5) and 386 of the Act to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be) and to all other Directors or members of the committee at their usual address in India and has been approved by such of them as are then in India or by a majority of such of them as are entitled to vote on the resolution.

Resolution
without Board
meeting.

MINUTES

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

Minutes to be
made.

- a) of named of the Directors present at each meeting of the Board and of any Committee of the Board and in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting form or not concurring in the resolution;
- b) of all orders made by the Board and Committee of the Board;
- c) of all appointments of Directors and other officers of the Company; and
- d) of all proceedings of General Meeting of the Company and of meetings of the Board and committee of Board.

The Minutes of each meeting shall contain a fair and correct summary of the proceedings;

Provided that no matter need be included in any such minutes which the Chairman of the meeting, in his absolute discretion, is of the opinion.

- a) Is, or could reasonably be regarded as, defamatory of any person;
 - b) Is irrelevant or immaterial to the proceedings; or
 - c) Is detrimental to the interest of the Company
- (ii) Any such Minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in the manner provided in clause (i) above, shall be evidence of the proceedings recorded in such Minutes. The Minutes Books of General Meetings of the Company shall be kept at the office and shall be open to inspection by members on business days between the hours of 10-00 a.m. and 12-00 noon, subject to the rules and regulations as prescribed by the Board in this behalf.

Signing of document.

96. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted or otherwise executed as the case may be, by the managing Director or Manager of the Company or by such person and in such manner as the Board shall from time to time by resolution determine.

Donations, etc.

97. The Directors are authorized to pay donations to any individuals or institutions or contribute to any charitable, religious, benevolent, national, public or general and other funds whether or not directly relating to the business of the Company or the welfare or its employees and sums the aggregate of which will, in any financial year, not exceed twenty five thousand rupees or five percent of the average net profits of the Company during the three financial year immediately preceding, whichever is greater, and may, with the consent of the Company in General Meeting, contribute any sums in excess of such limits.

Delegation of powers.

98. The Board may authorise or empower any Director or Directors, Managing Director, Manager, or Secretary of the Company either by name, by virtue of office or otherwise or any other person or persons, either singly or jointly to exercise or perform all or any of powers (including the powers to sub delegate), authorities and duties conferred or imposed on the Directors by law or Articles of Association, subject to such restriction and conditions, if any, and either generally or in specific cases the Board may think proper.

Signing of attendance register.

99. Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose.

100. The Board shall provide a common seal for the purpose of the Company and from time to time destroy the same and substitute new seal in lieu thereof and shall provide for the safe custody of the seal for the time being. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf and except in presence of at least one Director or such officer of the Company as the Board may appoint for the

The Seal

purpose and such Director or officer shall sign every instrument to which the seal of the Company is affixed.

101. (i) Subject to such directions as may from time to time be issued by the Government in this behalf, the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends or for special dividends, or for repairing, improving and maintaining any of the property of the Company and for amortization of capital and for such other purposes as the Director shall in their absolute discretion think conducive to the interests of the company and pending such application, may at the like discretion, be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit and vary such investments and dispose off all or any part thereof for the benefit of the Company. Reserves.
- (ii) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
102. The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. Declaration of dividend.
103. No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company. Dividends out of profits only.
104. The declaration of the Directors as to the amount of net profits of the Company shall be conclusive. Declaration of profit.
105. The Board may from time to time pay to the members such interim dividends as appear to be justified by the profits of the Company. Interim Dividend.
106. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. Payment of dividends in proportion to the amount paid-up.
- (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (iii) All the dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend, as from a particular date such share shall rank for dividend accordingly.
107. The Board may deduct from any dividend payable to any member all sums of moneys if any presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. Deduction of amount payable to Company from dividends

Mode of payment of dividends, etc.

108. (i) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Receipts in case of joint holders.

109. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other money payable in respect of such share.

Notice of dividends.

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

CAPITALISATION OF PROFITS

Capitalisation of Reserves, etc.

111. (i) The Company in general meeting may, upon the recommendation of the Board, resolve:-

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's General

Reserve or any Reserve fund or any amounts standing to the credit of the profit and loss account, or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.

Manner of distribution of capitalized amounts.

- (ii) The sum aforesaid shall not be paid in cash and shall be applied subject to the provision contained in clause (iii) either in or towards.

- (a) Paying up any amounts for the time being unpaid on any shares held by members, respectively; or

- (b) Paying up in full unissued shares or debentures of the Company to be allotted distributed and credited as fully paid up, to and amongst such members in the proportions aforesaid;

- (c) Partly in the way specified in sub clause (a) and partly in that specified in sub clause (b)

- (ii) A share premium account and a capital redemption reserve fund may for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

- (iii) The Board shall give effect to the resolution passed by the Company in pursuance of this Regulation.

112. (i) Whenever such as resolution as aforesaid shall have been passed the Board shall Apportionment of profits
- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any and
- (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have full power:- Issue of fractional certificates.
- (a) to make such provision, by the issuer of fractional certificates or by payment in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions, and also.
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them, respectively, credited as fully paid up, of any further shares or debenture, to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares. Agreement
- (iii) Any agreement made under such authority shall be effective and binding on all such Members. Effectiveness of agreement.

INSPECTION OF REGISTERS

113. (I) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being Director. Inspection of accounts and books.
- (II) No member, not being a Director, shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.

BOOKS AND DOCUMENTS

114. The Board shall cause to be kept in accordance with section 209 of the Act proper books of accounts with respect to:- Books of Account to be kept.
- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.
- (b) all sales and purchases of goods by the Company;
- (c) the assets and liabilities of the Company;
- (d) necessary particular relating to utilization of materials or labour or other items of costs as may be prescribed by the Central Government.
115. The books of accounts shall be kept at the Registered Office or at such other place in India as the Board may decide and when the Board so decides, the Where to be kept

Company shall, within seven days of the decision, file with Registrar, a notice in writing giving the full address of that other place.

Books of Accounts to be preserved. 116. The books of accounts of the Company shall be preserved in good order for a period of not less than eight years from the date of incorporation of the Company, and after the said period of eight years, the books of accounts of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order.

Inspection. 117. (i) The books of accounts shall be open to inspection by any Director during business hours.
(ii) The books of accounts shall also be open to inspection by the Registrar or by any officer of Government authorized by the Central Government in this behalf.

BALANCE SHEET AND ACCOUNTS

Balance sheet and Profit and Loss Account. 118. At every Annual General Meeting the Board shall lay before the Company a balance-sheet and profit and loss account made up in accordance with the provisions of Section 210 of the Act and such balance-sheet and profit and loss account shall comply with the requirements of sections 210, 211, 212, 215, 216 and 219 and of Schedule VI of the Act, so far as they are applicable to the Company.

Annual Report of Directors. 119. The Board of Director shall cause an annual report to be made out and attached to every balance-sheet a report with respect to the State of the Company's affairs amount, if any, which they recommend should be paid by ways of dividend and amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance-sheet or to a Reserve Fund, General Resovier or Resovier Account shown specifically in a subsequent balance-sheet. The Report shall be signed by the Chairman of the Board of Directors on behalf of the Directors if authorized in this behalf by the Director and when 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 by virtue of sub-sections (1) and (2) of section 215 of the Act.

Copies to be members others. 120. A copy of every balance sheet (including the profit and loss account, the Auditor's Report and every document required by law to be annexed or attached to the balance sheet) shall, as provided by Section 219 of the Act, not less than twenty-one days before the meetings, be sent to every such members, debenture holder, trustee and other person to whom the same is required to be sent by the said section.

Copies of Balance sheet, etc, to be filed. 121. The Company shall comply with Section 220 of the Act as to filling copies of the balance sheet and profit and loss account and documents required to be annexed or attached thereto, with the Registrar.

AUDIT

122. Once at least in every year the books of accounts of the Company shall be examined and the correctness of the profit and loss account and balance-sheet ascertained by one or more auditor or auditors as provided in the Act. Accounts to be audited annually,

123. The Auditors of the company shall be appointed or re-appointed by the Company Law Board on the advice of the Comptroller and Auditor-General of Appointment of Auditors.

India and their rights and duties shall be regulated by sections 224 to 233 of the Act-read with section 619 thereof.

124. The Auditors of the Company shall be entitled to receive a notice of and to attend any General Meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and may make any statement of explanation they desire with respect to the accounts. Auditors right to attend meetings.
125. (i) The Comptroller and Auditor-General of India shall have power:- Powers of the Comptroller and Auditor-General of India.
- (a) to direct the manner in which the Company's accounts shall be audited by the auditors appointed in pursuance of Article hereof and to give such auditor's instructions in regard to any matter relating to the performance of their functions as such;
- (b) to conduct a supplementary or test audit of the Company's accounts by such person as he may authorize in this behalf, and for the purpose of such audit to have access at all reasonable times to all accounts, account books, vouchers, documents and other papers of the Company and to require information to be furnished to any person or persons so authorized on such matters by such person or persons and in such form as the Comptroller and Auditor-General of India may be general or special order direct.
- (ii) The Auditors aforesaid shall submit a copy of their audit report to the Comptroller and Auditor-General of India, who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.
126. Every Balance sheet and profit and loss account of the Company when audited and adopted by the Company in general meeting shall be conclusive. When accounts to be deemed finally settled.
127. Notwithstanding anything contained in any of the Articles, the Government may from time to time, issue directives as they may consider necessary in matters of board policy and in like manner may vary and annul any such directive. The Company shall give immediate effect to directives so issued. Rights of the Government.
128. A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has not registered address) to the address, if any, supplied by him to the Company for the giving of notice to him. How notices to be served on member.
129. A holder of registered shares who has no registered place of address may, from time to time, notify in writing to the Company an address, which shall be deemed his registered place of address, within the meaning of Article 128. Notification of address by holder of registered shares having no registered place of address.
130. If a member has no registered address and has not supplied to the Company, an address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly given to him on the date on which the advertisement appears. When notice may be given by advertisement.

- Notice to joint holders. 131. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
- How notice to be given to representatives of deceased or bankrupt member. 132. A notice may be given by the Company to the persons entitled to share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the titled of representatives of the deceased or assignee of the insolvent or by and like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner, in which the same might have been given if the death or insolvency had not occurred.
- To whom notice of general meeting to be given. 133. Notice of every general meeting shall be given in the same manner hereinbefore authorised to (a) every member of the Company except those members who having no registered address have not supplied to the Company an address for the giving of notice to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency, would be entitled to receive notice of the meeting provided the Company has due notice of death or insolvency.
- Transfer, etc. bound by prior notice 134. Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previous to his name and address and title to the share being notified to and registered by the Company shall be duly given to the person from whom he derives his title to such share.
- How notice to be signed. 135. The signatures to any notice to be given by the Company may be written or printed.
- How time to be counted. 136. Where a given number of days notice or notices extending over any other period is required to be given, the day of service shall, unless it is other-wise provided, be counted in such number of days or other period.
- Distribution of assets on winding up. 137. If the company shall be wound up and the assets available for distribution among the members as such shall be in sufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up, the excess shall be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively, but this clause shall be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

IDEMNITY

138. Subject to Section 201 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgement with any application under Section 633 in which relief is granted to him by the Court.

139. Subject to Section 201 of the Act, no Director or other officer of the Company shall be liable for the act, receipts, neglect, or defaults of any other Director or officer or for joining in any receipts or other act for conformity or for any loss or expense happening to the Company through the insufficiency of the 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 from bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or over right in 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.

SECRECY

140. Every Director, Manager, Auditor, Trustee, Member of Committee, Officer, Servant Agent, Accountant or other person employed in the business of the Company shall, if so required by the Board before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the charge of his duties except when required to do so by the Board or by any meeting or by a Court of law and except so far as may be necessary in order to comply with any of the provisions contained in these presents. Secrecy.
141. Subject to Articles 116 hereof, no member or (other person other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board 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 trades or secret process or any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or communicate. Access to property, information, etc.

SERVICE OF NOTICES AND DOCUMENTS

142. A document may be served by the Company on any member either personally, or by sending it by post to him to his registered address, or (if he has no registered address) to the address in India supplied by him to the Company for the giving of notices to him. Mode of service document.
143. Where a document is sent by post, service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document and to have been effected in the case of notice of meeting at the expiration of 48 hours after the letter containing the same is posted and in any other case, the time at which letter would be delivered in the ordinary course of post. When services deemed to be effected.
144. A document advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Service of document by advertisement.

Company who has no registered address in India and has not supplied to the Company an address within India for giving of notices to him.

. Service of document on legal representative

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

Persons entitled to notice.

146. (i) Notice of every general meeting shall be given in the manner herein before mentioned.

(a) to every member of the Company;

(b) to the persons entitled to a share in consequence of the death or insolvency of a member, and to the auditor for the time being of the Company.

Omission of notice not to invalidate proceeding.

(ii) Any accidental commission to give notice to, or the non-receipt of notice by any, member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

Signature on notice.

147. Any notice to be given by the Company shall be signed by the Managing Director or such officers as may be authorized by the Board and the signature thereto may be written, printed, lithographed or stamped.

Individual responsibility of Directors.

148. No Director or other office of the Company shall, be liable for the acts, receipts, neglects or defaults of any other Director or officer of the Company 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 security in or upon which any of the moneys of the

Company shall be invested or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person with whom any money, securities, or effect shall be deposited or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default misfeasance, breach of duty or breach of trust.

MISCELLANEOUS

* 149. That the Company shall refer for consideration and approval all such matters to the Finance Department / HBPE through the Administrative Department

which are mandatorily required to be so referred in accordance with specific Instructions issued from time to time such as revision of pay scales, creation/upgradation of posts amendment in Service Rules etc. alongwith the recommendations of the Board of Directors”

* Inserted by Special Resolution passed on 29th August, 2016 and confirmed by the Company Law Board, Northern Region Bench, New Delhi on 27th September, 2016

Sr. No.	Name of Subscriber	Descriptions occupations and address of the Subscribers	Signature of the subscriber	Name, signature, address, occupation and description of the Witness
1.	V.K. SIBAL S/o Sh. H.L. SIBAL	Commissioner and Secretary to Govt. Haryana Industries Deptt. Govt. Service	Sd/-	<p>Common witness of all.</p> <p>Sd/- (K.K.Sharma) S/o Sh. Charan Dass Secretary, Haryana State Industrial Development Corporation Limited S.C.O. 40-41, Sector 17-A, Chandigarh.</p> <p>Chandigarh May 10, 1982</p>
2.	J.K. DUGGAL S/o Sh. H.R. DUGGAL	Managing Director Haryana Financial Corporation Chandigarh Govt. Service	Sd/-	
3.	T.K. BANERJI S/o Sh. B.N. BANERJI	Commissioner and Secretary to Govt. Haryana Planning and Finance Deptt. Govt. Service	Sd/-	
4.	A.N. MATHUR S/o Sh. D.N. MATHUR	Managing Director Haryana State Industrial Development Corporation Chandigarh Govt. Service	Sd/-	
5.	D.KUMAR S/o Sh. A.N. SINGHAL	Director of Industries Haryana, Chandigarh Govt. Service	Sd/-	