



Form No. 1

**Certificate of Incorporation**

Corporate Identity Number: **U60232DL2006GOI155068**

**2006-2007**

I hereby certify that DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED is this day incorporated under the Companies Act, 1956 (No.1 of 1956) and that the company is limited.

Given under my hand at Delhi this THIRTIETH day of OCTOBER TWO THOUSAND SIX.

Sd/-  
**(MAHESH CHANDRA SAXENA)**  
Asstt. Registrar of Companies  
National Capital Territory of  
Delhi and Haryana



**Certificate for Commencement of Business**  
**Pursuant of Section 149(3) of the Companies Act, 1956**

**Corporate Identity Number : U60232DL2006GOI155068**

I hereby certify that DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED which was incorporated under the Companies Act, 1956 (No.1 of 1956) on the THIRTIETH day of OCTOBER TWO THOUSAND SIX, and which has this day filed or duly verified declaration in the prescribed form that the conditions of the Section 149(2)(a) to (c) of the said act, have been complied with and is entitled to commence business.

Given under my hand at Delhi this THIRD day of NOVEMBER TWO THOUSAND SIX.

Sd/-  
**(MAHESH CHANDRA SAXENA)**  
Asstt. Registrar of Companies  
National Capital Territory of  
Delhi and Haryana

(THE COMPANIES ACT, 1956)

(PUBLIC COMPANY LIMITED BY SHARES)

**MEMORANDUM OF ASSOCIATION**

**OF**

**DEDICATED FREIGHT CORRIDOR  
CORPORATION OF INDIA LIMITED**

- I. The name of the Company is Dedicated Freight Corridor Corporation of India Limited.
- II. The Registered office of the Company will be situated in the National Capital Territory of Delhi.
- III. The Objects for which the Company is established are:-
  - (A) **MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:**
    1. To carry on the business in respect of Planning, designing, development, construction, manufacturing, assembling, fabricating, processing, installing, maintenance and operation of Heavy Haul freight railway infrastructure and related logistic support systems of all types and description in India and abroad of rail-based goods traffic as may be approved by the Government from time to time, and to undertake any or all activities connected thereto, including but not limited:-
      - (i) To undertake and/or preparation of Feasibility Reports, Detailed Project Reports, Techno-economic investigations, site selection, environment impact assessment and mitigation measures, supply of basic engineering and detailed designs and working drawings for construction of the system, equipment selection material handling, preparation of specifications and tender documents, tender evaluation and purchase of all materials and goods pertaining to such projects, expediting inspection and testing, construction supervision, project management, commissioning, operation and maintenance, freight marketing, quality assurance, recruitment, training and posting of personnel and human resource development.
      - (ii) To engage in and/or provide project consultancy and management services including but not limited to engineering, technical, commercial, operational and maintenance management, market resource and personnel management, energy management, environment engineering, industrial engineering, organizational

structure, system administration, traffic forecasts, transport planning, investment planning, intermodal relationship of various forms of transport and engage in research of all aspects relating to freight transport and other logistic support systems and transport solutions and promotion or proposition of such methods, studies and measures as may be considered desirable by or beneficial to the interest of the Company.

- (iii) To carry on business relating to construction, maintenance and operation of railway freight infrastructure of any kind and description and to enter into contracts on a turnkey basis or otherwise, either individually or jointly with other undertakings and companies or persons in India or abroad, including for supply, erection, commissioning of equipment, testing, operation and maintenance and all other services ancillary thereto, including but not limited to:
- (a) Construction of new systems including laying and renewal of permanent way, grade separation of level crossings, construction of rail/road over bridges, freight bypass, creation and augmentation of freight terminals
  - (b) Up-gradation, strengthening, doubling, conversion and modernization of any or all components of existing railway systems
  - (c) Electrification including but not limited to traction and general power supply systems
  - (d) Construction of manufacturing, remanufacturing, repair workshops, maintenance depots and modernization thereof
  - (e) Provision of new signaling and telecommunication systems, train control systems, safety and disaster management systems and maintenance of such systems
  - (f) Strengthening, rebuilding or regirdering of existing railway bridges
  - (g) Setting up of new production units for manufacture of heavy haul freight rolling stock, signaling, interlocking and telecommunication equipment, bridge girders, structures, welded rails, pre-stressed concrete sleepers, various track components and other requirements for freight transport
  - (h) Maintenance of ways, works, bridges, all types of fixed installations, rolling stock and other equipment including signaling and interlocking, telecommunication, train control and electrical installations

- (i) Operation and maintenance of freight transport systems belonging to the Company through other parties (including body corporate) on lease and licence basis
  - (j) Providing and arranging integration of various freight systems including but not limited to feeder transport services and ancillary arrangements like logistic parks, container terminals, freight terminals, ports, mines, warehouses
  - (k) Carrying out market research, market surveys and public relation measures.
- (iv) To acquire, purchase, licence, concession or assign existing and or future rail infrastructure assets including contractual rights and obligations.
  - (v) To carry on the business/activity/scheme like Build Own Transfer (BOT), Build Own Operate Transfer (BOOT), Build Lease Transfer (BLT) or sublease or any other scheme or project found suitable in and related to the filed of construction, maintenance and/or operation of Railway network.
  - (vi) To create, enter into, promote or participate in subsidiaries, Joint Ventures or special purpose vehicles or other entities, economic partnerships as may be found suitable for achieving and furthering the objects of developing, construction, maintenance and/or operation of railway infrastructure and ancillary activities.
  - (vii) To mobilize resources directly or from banks, financial institutions and other lenders including funding offered by Government of Japan under Special Terms of Economic Partnership coordinated by JICA/JBIC or any other agency, either directly or through an agency/entity as may be decided by Government of India in the Ministry of Railways and to manage the investment of such funds in the projects undertaken by the Company.
  - (viii) To undertake computerization of activities related to all areas in connection with the business as referred to in sub-clause (i) to (vii) above.
  - (ix) To carry on the business of providers of rail infrastructure for carriage of goods in particular, and to generally carry on all businesses relating to a Railway Administration in relation to Non-Government Railways (as defined in the Railways Act, 1989 as amended from time to time), including but not limited to: <sup>1</sup>

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**1- Clause amended vide special resolution passed at 2<sup>nd</sup> AGM held on 21.07.2008.**

- a. making or constructing in or upon, across, under or over any lands, or any streets, hills, valleys, roads, railway, tramways, or any rivers, canals, brooks, streams or other water or any drains, water pipes, gas-pipes, oil pipes, sewers, electric supply lines, or telegraph lines, boundary wall on one or both sides of the railway infrastructure, planes, bridges, tunnels, culverts, embankments, aqueducts, roads, lines of railways, passages, conduits, drain, piers, cuttings and fences, intake wells, tube wells, dams, river training and protection works as the Company thinks proper.
- b. altering the course of any river, brook, stream, or other water courses, for the purpose of constructing and maintaining tunnels, bridges, passages or other works over or under them and divert or alter, either temporarily or permanently, the course of any river, brook, stream or other water courses or any road, street or way, or raise or sink the level thereof, in order to carry them more conveniently over or under or by the side of the railways, subject to approval of respective competent authorities.
- c. making drains or conduits into, through or under any lands adjoining the railway for purposes of conveying water from or to the railway.
- d. erecting and constructing such houses, warehouses, offices and other buildings, and such yards, stations, wharves, engines, machinery, apparatus and other works and conveniences as the Company thinks proper.
- e. altering, repairing or discontinuing such buildings, works and conveniences as aforesaid or any of them and substitute others in their stead.
- f. erecting, operating and maintaining or repairing any telegraph and telephone line, any electric traction equipment, power supply and distribution installation in connection with the working of the railway.
  - g. making and maintaining works for the accommodation of the owners and occupiers of lands adjoining the railway such as crossings, bridges, over bridges, under bridges, culverts, tunnels, roads, drains, water sources or other passages over, under or by the sides of or leading to or from the railway.
- h. making boundary marks or fences, erecting gates, chains, bars, stiles or hand rails in connection with the working of railway.
- i. establishment of ferries for the accommodation of its railway traffic or otherwise providing and maintaining bridges and

roadways, carrying traffic over roadways/waterways, constructing and maintaining roads/waterways for the accommodation of traffic passing, providing and maintaining any means of transport including motor transport or aircraft service with a terminus at or near a station on its railway which may be required for the transport of goods, carried or to be carried on its railway.

j. establishment of freight movement systems of all types and disciplines, Rail, Road, Sea, Underground and Air based.

k. And doing all other acts necessary for making, maintaining, altering or repairing using the railway.

(x) To take up any new project, provide services in the Railway sector or to withdraw from any project or services being provided in the Railway Sector after taking prior specific approval from Ministry of Railways.

(xi) To accept, charge, claim, recover Track Access Charges, User Charges, fee and or other charges fixed by Central Government or any authority, agency nominated, constituted by it, for the services provided or that may be provided to the Railway Sector in the field of infrastructure developed or that may be developed by the Company from time to time.

(xii) To acquire by concessions, grant, purchase, barter, lease, license, by compulsory acquisition or otherwise either absolutely or conditionally or either alone or jointly with others any lands in terms of the provisions of The Railway Act, 1989, buildings, plants, machineries, works, conveniences and other movable and immovable properties of any descriptions or execution of projects to be undertaken by the Company.

(xiii) To enter into concession agreements or agreements with Ministry of Railways or with any Ministry / Department of Central Government or State Government or with any agency, or extension thereof or with any person or association or, body corporate or a company, public or private as may be deemed expedient.

**(B) THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE AS FOLLOWS:**

(1) To acquire, establish, construct, provide, maintain and administer workshops, townships, Special Economic Zones (SEZ), estates, permanent way, buildings, yards, walls, water reservoirs, channels, pumping installations, purification plants, pipe lines, garages, storages, sheds and accommodation of all descriptions connected with the business of the Company and which may seem calculated directly or indirectly to advance the interest of the Company.

- (2) To purchase, take on lease, under concession or otherwise, lands, buildings, works, mines, mineral deposits, mining rights, plantations, forests and any rights and privileges or interest therein and to explore, work, exercise, develop and to turn into account the same, if any, required directly or indirectly, for any of the businesses of the Company.
- (3) To purchase, take on lease, or in exchange or license or concession, or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, manage, let, sell, dispose of, exchange, roads, canals, water courses, lands, buildings, workshops, railways, business, tramways, machinery and apparatus, water-rights, way leaves, trade marks, patents and designs, privileges or rights of any description or kind, in connection with the business of the Company and which may seem calculated or capable of being conducted so as to directly or indirectly benefit the Company.
- (4) To buy in India or outside India any plants, equipments and auxiliaries which can be advantageously utilised by the Company to attain its objects and carry on operations or business of any nature which the Company from time to time may deem fit or expedient to carry on in connection with its business at any time being conducted.
- (5) To create, generate, purchase or otherwise acquire, use, sell or otherwise dispose of, electric current and power of every kind and description, and to sell, supply or otherwise dispose of, light, heat and power of every kind and description.
- (6) To acquire from any person, firm or body corporate whether in India and/or outside India in the public or private sector, technical information, know-how, process engineering, manufacturing and operating data, plans, layout and blue prints, useful for design, erection, construction, commissioning, operation and maintenance of plant and equipment required for any of the businesses of the company and to acquire any grant or license and other rights and benefits in the foregoing matters and things.
- (7) To build, construct, maintain, enlarge, pull-down, remove or replace, improve or develop and work, manage and control any building, office, go-down, warehouse, shop, machinery, engine, roadway, railway, tramway, toll-roads, or other means of transport, siding, bridge, reservoir, dam, watercourse, water system, dock, wharf, electric works, transmission lines, gas works or works operated by any other kind of power and works, and also such other machinery, equipment, conveyances, works and conveniences which may seem calculated directly or indirectly to advance the interest of the Company and to subsidise, contribute to or otherwise assist or take part in doing any of these things and/or to join with any other person and/or company and/or with any Government, Indian and/or foreign, and/or Government authority in doing any of these things.
- (8) To apply for, purchase, or otherwise acquire, and protect and renew in India any part of the world any patents, patent rights, trade marks, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive



- or limited rights, to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licences in respect of, or otherwise, turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights and without-prejudice to the generality of the above, any contracts, monopolies or concessions for or in relation to the supply and sale of any minerals, metals, products or other substances, materials, articles or things for or in relation to the construction, execution, carrying out, improvement, management, administration or control of any works and conveniences required for the purpose of carrying out any of the aforesaid business and to undertake, execute, carry out, dispose of or otherwise turn to account such contracts, monopolies or concessions.
- (9) To sell, dispose of or transfer any building, industrial undertaking, project, or factory to any company or association or concern carrying on similar business on such terms and conditions as may be determined by the Company.
- (10) To receive or pay remuneration, assist and finance in India and/or outside India any industrial undertaking, project or enterprise, whether owned or run by Government, Statutory Body, private company, firm or individual with capital credit or resources for execution of its work and business by or to the Company.
- (11) To promote, organise or carry on the business of consultancy services either independently or through suitable tie-ups both in India and abroad in any field of activity in which the Company is engaged in or connected therewith as also in such other field of activities where the Company has developed expertise by virtue of its dealing in such areas and rendering consultancy and advisory services to clients and any such other services.
- (12) To receive engineering, technical and management consultancy services for rail network but not limited to engineering, commercial, and operational management of rail network system, market research and personnel management.
- (13) To pay for any rights, facilities and property acquired by the Company and to remunerate any person, company, administration, or body 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 receive payment for any rights, facilities and property provided by the Company and to receive remuneration from any person, company, administration or body either by cash payment, allotment of shares, debentures or other her securities.
- (15) To issue or guarantee the issue of or the payment of interest on debentures or other security or obligations of any other Company or association and to pay or provide for brokerage, commission and underwriting in respect of such issue.

- (16) To negotiate and / or enter into agreement and contracts with individuals, companies, corporations, bodies corporate and/or such other organizations in India and abroad including governments and governmental or semi-governmental bodies of other sovereign states, for obtaining or providing know-how or technical and/or financial collaboration or any other such assistance for carrying out any business or transactions which the Company is authorised to carry on and also for the purpose of activating research and development and to acquire or provide, exploit, use, formulate inventions, utility models and patent rights for furthering the objects of the Company, subject to Joint Ventures guidelines issued by Government as amended from time.
- (17) To acquire from any Government, Central, State, Local or Foreign or public body, or person or authority, or from any private individual any concession, grant, decree, right, power and privilege whatsoever which may seem to the Company capable of being turned to account, or which the Company may think directly conducive to any of its objects or capable of being carried, on in connection with its business and to work, develop, carry, exercise and turn to account the same.
- (18) To apply for charter, privilege, concession, license or authorisation of any Government, State or Municipality, provisional order or Licence from any authority for enabling the Company to carry out any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the Company or for any other purpose which may seem expedient and to oppose any proceeding or application which may seem calculated directly or indirectly to prejudice the interest of the Company.
- (19) To buy, sell and deal in minerals, plant, machinery, implements, conveniences, provisions and things capable of being used in connection with the business of the Company.
- (20) To provide in India or abroad residential and/or resting accommodation, guest house(s), medical and welfare facilities for the employees of the Company and in connection therewith to afford to such persons facilities and conveniences for transport, washing, bathing, cooking, reading, writing and for the purchase, sale and consumption of provisions, both liquid and solid and for the safe custody of goods.
- (21) To cause the Company to be registered or recognised and or rated in any other part of the world.
- (22) To open, maintain and / or wind up branch offices and / or new offices in India or elsewhere as it may be necessary to protect and promote the interest of the Company.
- (23) To carry on any other business or any business of any other kind or quality whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with the above or

calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights.

- (24) To purchase, take on lease or licence or in exchange hire or otherwise acquire any immovable and /or movable property and any right or privilege which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company and in particular any land (freehold, leasehold or other tenure) buildings, basements, machinery, plant, and stock-in-trade and on any such lands to erect buildings, factories, sheds, go-downs or other structures for the works, and purpose of the Company and also for the residence and amenity of its employees, staff and other workmen and erect and install, machinery and plant and other equipment deemed necessary or convenient or profitable for the purposes of the Company.
- (25) To exchange, sell, convey, assign or let on lease or grant licence for the whole or any part of the Company's immovable properties and to accept as consideration or in lieu thereof other land or cash or Government securities guaranteed by Government or shares in Joint Stock Companies or partly one and partly the other or such other property or securities as may be determined by the Company and to take back or reacquire any property so disposed of by repurchasing or leasing the same or obtaining a licence for such price or prices and on such terms and conditions as may be agreed upon.
- (26) To employ foreign or other technicians, experts, advisers, or consultants, or to lend the services or the employees of the Company on a contract basis or on full time employment basis for the furtherance of Company's objectives aforesaid.
- (27) To sell, improve, manage, develop, exchange, loan, lease or let, under- lease, sub-let, mortgage, dispose off, deal with in any manner, turn to account or otherwise commercially deal with any rights or property of the Company.
- (28) To promote and form and to be interested in and take hold and dispose of shares in other Companies having objects in whole or in part similar to those of the Company and to transfer to any such Company any property of this Company, and to take or otherwise acquire, hold and dispose of shares, debentures and other securities in or of any such Company and to subsidise or otherwise assist any such Company.
- (29) To improve, manage, develop, grant rights or privileges including but not limited to advertising rights in respect of or otherwise deal with, all or any part of the land, property and rights of the Company.
- (30) To pay for any right 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.
- (31) To pay out of the funds of the Company all costs, charges and expenses which the Company may lawfully incur with respect to 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 and other incidental expenses for obtaining application for taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company, expenses required for the formation of such agencies, branches and local boards.

- (32) To borrow, raise or receive money (in Rupees or Foreign Exchange) directly or through an agency nominated by Ministry of Railways on deposit or loan at interest or by securitization of receivables from any source or by issue of hybrid securities, or otherwise whether in India or abroad including funding offered by Government of Japan under Special Terms of Economic Partnerships coordinated by JICA / JBIC or any other agency, either directly or through an agency / entity as may be decided by Government of India in the Ministry of Railways, by the issue of bonds, debentures or debenture-stock, perpetual or otherwise, and convertible into shares to aforesaid lenders and to secure the repayment of any such money borrowed raised or received or owing by mortgage, pledge, 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, buy back, 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 any other person, firm or company of any obligation undertaken by the Company or any other person, firm or company as the case may be.
- (33) To draw, make accept, endorse, discount, execute and issue and negotiate bills of exchange, hundies, promissory notes, bills of lading, warrants, debentures and other negotiable instruments or transferable securities/instruments.
- (34) To receive grants from the Government of India or any State or Union Territory Government for the said projects and to make other financing arrangements for construction, maintenance and operation of new and existing rail freight transport and other related systems including raising loan from local/foreign financial institutions, capital markets and resources from collections through dedicated taxes.
- (35) To receive, hold and disburse funds on behalf of Government and other individuals and bodies, corporate or otherwise, for any activity related to the Company.
- (36) To receive money on deposits or interest or otherwise and to lend money with or without securities to such companies, firms or persons and on such terms and conditions as may seem expedient and in particular to customers and others having dealings with this company and to guarantee the performance of contracts or obligations by any such persons, companies and firms, provided that the Company shall not carry on the business of Banking as defined by the Banking Regulations Act, 1949.

- (37) To subsidise, assist and guarantee the payment of money by, or the performance of any contract, engagement or obligation by any person or company, and in particular, customers of the Company, with whom the Company may have or intend to have business relations.
- (38) To invest and deal with the moneys of the Company not immediately required in such manner as may be thought fit and as determined by the Board of Directors of the Company from time to time.
- (39) To appoint attorneys, managers, secretaries, officers and staff for the purpose of carrying on the business and functions of the Company or sales or distribution of goods dealt in or manufactured, if any, by the Company.
- (40) To establish and maintain or procure the establishment and maintenance of any contributory provident fund, contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pension, bonus, incentives, performance linked or otherwise, annuities, insurance linked benefits, or other allowance(s) or emoluments to any person who are or were at any time in the employment and/or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associate with the Company or with any such subsidiary company or who are or were at any time the Directors or officers or staff of the Company or of any such other company as aforesaid, and the wives, widows, families and dependents of any such persons, and also establish and subsidise to any charitable or public object, institution, society, association, club or funds calculated to the benefit of or to advance, the interest and well being of the Company or of any such other company as aforesaid or its employees and to make payment to or towards the insurance of any such person aforesaid and to any of the matters aforesaid either alone or in conjunction with any other Company as aforesaid.
- (41) To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other special fund, whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for any other purpose conducive to the interest of the Company.
- (42) To adopt such means of making known the business of the Company or in which this Company is interested as may seem expedient and in particular by-advertising in the press, by circulars, by publication of books and periodicals, by exhibitions and by granting prizes, rewards and donations, subject to Sections 293, 293A and 2933 of the Companies Act, 1956.
- (43) To enter into any contract or arrangement for a more efficient conduct of the business of the Company or any part thereof and to sublet any contract from time to time.
- (44) To enter into partnership or have arrangements for sharing or pooling profits, union of interest, cooperation, joint ventures-or reciprocal concessions or to carry on or engage in any business or transactions which this Company is authorised to carry on or engage in, or/and business undertaking or

transaction, which may seem capable of being carried on or conducted so as to directly or indirectly benefit this Company.

- (45) To distribute or otherwise as may be resolved, any property or asset of the Company or any proceeds of sale or disposal of any property or assets of the Company in case of winding up of the Company including shares, debentures or other securities of any part of the assets or liability of the Company but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) for the time being required by law.
- (46) To vest any immovable or movable property, right or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- (47) To act as agents and as 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 as principal, agents, contractors, trustees or otherwise and by agents sub-contractors, trustees or otherwise and either alone or jointly with others.
- (48) To impart training and / or education and for that purpose to establish, maintain and operate training/educational institutions and hostels for trainees, officers and staff in India or in any part of the world; to make such arrangements as may be expedient for imparting training and/or education including conferring of degrees/diplomas either by itself or in association / affiliation / collaboration with other recognised / accredited education / training institutions from India or any part of the world to all successful candidates.
- (49) 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, to enter into arrangements 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 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.
- (50) To the extent directly or indirectly, conducive to or incidental to the attainment of the above objects to make and perform contracts, leases and other commitments of every kind.
- (51) To donate, make contribution, give grant-in-aid, provide assistance financial or otherwise in aid of any National, Public, Benevolent or charitable cause, purpose or object, and to give donations, contribute monies, make grants, provide aid pecuniary or otherwise to any person(s), association of persons, society, fund trust, local or municipal bodies, organisation or institution for rural uplift or development including for purposes like providing or improving drainage and water supply system, environmental protection, afforestation

- etc, educational or research institutions, health and medicare centres, which in the opinion of the Company and its absolute discretion deserve to be assisted, helped or supported by reason of location of Company's business establishments and/or nature of its business activities or otherwise, and which may promote the goodwill of the Company and directly or indirectly further the interests of the Company and of its members.
- (52) To layout and prepare any land for any kind of athletics, sports and for the playing of such sports of kind of amusement or entertainment and to construct the stands and buildings and conveniences for use in connection therewith.
  - (53) To obtain, apply for and arrange for the issue or enactment of order or act of legislature or act of authority in India or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help, necessary or expedient to carry out or extend any of the objects of the Company or for any other purposes which may seem expedient and to oppose any proceedings or application or any other endeavours, steps or measures which may seem calculated directly or indirectly to prejudice the Company's interests.
  - (54) To promote, float, and form any subsidiary companies or special purpose vehicles or other companies, firms, associations in India or abroad.
  - (55) To enter into agreements and contracts with foreign companies or other organisations for purchase of equipments and for technical, financial or any other assistance, for carrying out all or any of the objects of the company.
  - (56) To enter into contracts of indemnity and guarantee.
  - (57) To open an account or accounts with any bank and to pay into and withdraw money from such account or accounts in India or abroad.
  - (58) To arrange and provide necessary security for the assets of the Company and users of its services.
  - (59) To enter into agreements with the Central Government/State Government, Railway Administrations, Private Agencies & Private Sector Parties for purposes of:
    - (a) working, use, management and maintenance of any railway;
    - (b) construction and or supply of machinery or for leasing or taking on lease any plant, machines or equipment required for use of railway or for the Company itself;
    - (c) payments to be made and conditions to be performed with respect to working, use, management and maintenance;
    - (d) inter-change, accommodation and conveyance of traffic being on, coming from or intended for the respective railways of the contracting

parties and fixing, collection, appointment and appropriation of revenue arising from that traffic;

- (e) purchasing, acquiring (under Land Acquisition Act), taking on lease, under construction or otherwise, lands, buildings, works, mines, mineral deposit, moving rights, plantations, forests and any right and privilege or interest therein and to explore work, exercise, develop and to turn to account, the same if it is required for the business of the Company.
- (60) To manufacture, buy, sell, exchange, install, work, alter, improve, import or export and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and things necessary or convenient for carrying on any of the business which the Company is authorised to carry on or are usually dealt in by persons engaged in such business.
- (61) To construct, manufacture, rebuild, repair, purchase, sell, import, export, rent, machines and machinery of any kind, which may appear to be necessary or convenient for or incidental to any business of the Company.
- (62) To produce gas and electricity necessary for the purposes of business of the Company and to process all products resulting from or ancillary to such production and making of gas to convert the same into saleable materials like, coke, road-tar, creosote oil, phenols, creosotes, carbolic acid and other chemical or distilled products any by-products and to otherwise deal with and dispose of the same and to take all steps incidental or required in respect of the same.
- (63) To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others for the main business of the Company.
- (64) To employ and remunerate experts or consultants to prepare project reports, plans, estimates of schemes of rail freight transport, to investigate, to examine conditions and prospects, value and circumstances of such transport and allied subjects.
- (65) To enter into agreements and contracts with Indian or foreign individuals, companies or other organisations for technical, financial or any other assistance for carrying out all or any of the objects of the Company.
- (66) To establish and maintain agencies and branches in India or any part of the world for the conduct of business of the Company or for the sale of any materials or things for the time being at the disposal of the Company for sale.



- (67) Subject to the provisions of the Companies Act, 1956, to lend or deposit money belonging to or entrusted to or placed at the disposal of the Company to any person or Company and in particular to customers and others having dealings with the Company or with or without security, upon such terms as may be thought proper and guarantee the performance of contracts of such person or Company but not to do the business of banking as defined in Banking Regulation Act, 1949.
- (68) To make advances upon or for the purpose of purchase of materials, goods, machinery, stores and other articles or services required for the purpose of the Company.
- (69) Subject to the provisions of the Companies Act, 1956, and the Constitution of India to subscribe or contribute or otherwise to guarantee money to charitable, benevolent, religious, scientific, educational or other institutions or any public, general or useful objects.
- (70) To distribute any of the properties of the Company amongst the members in specie or in kind consequent upon the winding up of the Company.
- (71) To undertake research and development and for that purpose establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops and to undertake and carry on directly or in collaboration with other agencies scientific and technical research experiments and tests of all kinds and to process, improve and invent new products and their techniques of manufacture and to promote, encourage, reward in every manner studies and research, scientific and technical investigations and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economies or any business which the company is authorised to carry on.
- (72) To participate in seminars, expositions and exhibitions and attend meetings of the technical, planning, financial, maintenance, management and administrative committee of national and international organisations of repute.
- (73) To undertake and execute any trust the undertaking whereof may seem desirable either gratuitously or otherwise.
- (74) To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any property, rights and liabilities of the Company or any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of, under-write, subscribe for or otherwise acquire all or any part of the shares, debentures or their securities of such other company.
- (75) To collect revenue from Central / State Government, Public Sector Undertaking(s) or from any other source(s) as may be required from time to time directly, or through some designated agency, or in an escrow account and to apportion, share, distribute revenues and profits derived from such funds.

**(C) OTHER OBJECTS:**

1. To purchase or otherwise acquire and to hold, own, invest, trade and deal in, mortgage, pledge, assign, sell, transfer or otherwise dispose of goods, equipment, machinery, wares, merchandise and personal property of every class and description and to transport the same in any manner.
2. To carry on the business of a store keeper in ail its branches and in particular, to buy, sell and deal in goods, stores, consumable articles, chattels and effects of ail kinds, both wholesale and retail.
3. To mobilise funds and other necessary resources from the Financial Institutions, Banks and other persons and agencies, by different means either secured or unsecured such as loans, both long term and short term, leases both domestic and cross-border, securitization of debts, receivables and other instruments, deposits either with or without security or by mortgage or other security charged on the undertaking of all or any of the assets of the Company by a trust deed, or any other deed or assurance and or on such terms and conditions as may be deemed fit.
4. To do the business of running holiday homes, hotels, rest houses, restaurants, milk bars, soda fountains and providing accommodation in any form.
5. To build, take on lease, purchase, exchange or acquire in any manner and deal in any manner and deal in any apartments, flats, rooms, houses, offices or any other accommodation for any use and to let or dispose of the same in whole or in parts on installment basis, repurchase basis or by outright sale and promoting cooperative societies or flats and houses.
6. To carry on the business of purchase, sale, storage, dealing in any commodity whatsoever including agricultural produce, food stuffs, eatables, capital or consumer goods and packaging.
7. To manufacture and / or deal in automobile parts, spare parts, and components or machineries thereof. To carry on the business of machinists, manufacturers of pressed bowls, marine engineers, iron founders, brass founders, iron and steel converters, metallurgists, smiths, iron masters, steel masters, blast furnace proprietors, consulting engineers, asbestos manufacturers, japanners, anteaters, enamellers, electric and chromium platters, polishers, painters, tinsmiths, locksmiths, ironmongers, wire weavers and to buy, sell, manufacture, repair, alter, convert, let on hire, and deal in plant, machinery, tools, implements, utensils.
8. To carry on the business of manufacturers of and dealers in all types of celluloid, bakelite, industrial rollers, sheets, belting, tyres, tubes, scientific, industrial and surgical instruments and agricultural equipment.
9. To undertake or promote research in economic, fiscal, commercial, financial technical and scientific problems.

10. To carry on business of manufacturers of and dealers in all kinds of electrical machinery and electrical apparatus for any purpose and to manufacture, sell, supply and deal in accumulators, lamps, meters, engines, dynamos, batteries, telephonic or telegraphic apparatus of any kind and manufacturers of and dealers in scientific instruments of any kind.
11. To carry on the business of fabricators and re-rollers of all types of ferrous and non-ferrous metals, manufacturers of steel strips, steel pressed sections tubes, pipes and nuts and bolts, hinges, dewdrops, tower nuts and bolts, roofing nails, pad bolts, door shutters, nuts, buckets, karais, gata channels, sanitary fittings, wires, wire-knitting, wire ropes, hardware, fittings of all kinds, cutting and hand tools.
12. To carry on the business of water works' engineers and manufacturers and suppliers of atomic power and gas generators.
13. To build bus bodies and to manufacture railway wagons, passenger coaches (Railways or Roadways), tramways and their components, jigs and fixtures, precision instruments, gas welding plants, paper and cement plants, general purpose and tool room machinery, hardening, annealing and tempering furnaces, motor boats,- cables and conductors.
14. To carry on Research and Development to manufacture, buy, sell, import and export, to act as distributing agents, developers, processors, consultants, repairers and dealers in the field of all kinds and sources of energy such as mechanical, electrical, heat, sound and light derived from natural and other sources including in particular from the use of oil, gas, coal, water and other sources of energy such as solar, geothermal wind, tides, biogas, gobar-gas, wastes and other residual products thereof and to supply, use, purchase, acquire, distribute and apply the same for industrial, commercial, and domestic or such other purpose for providing motive power, electric power, thermal power and other types of power for lighting, heating, cooling, refrigeration, drying, seasoning, evaporation, distilling and to develop processes, equipment, instruments, apparatuses, appliances and accessories for conversion of one type of energy to another and in connection with all the aforementioned objects, to acquire, construct, manufacture, erect, lay down, alter, work, all equipment, instruments, apparatuses, appliances and other plant and machinery and to supply all such materials, products and things as may be necessary or convenient in connection with the production, use, storage, regulation, measurement, supply and distribution and/or relocation of such products by the Company.
15. To carry on the business of manufacturers, merchants, importers, exporters, maintainers, hirers, processors, engineers, consultants, dealers and agents in all kinds of electrical, electronic, mechanical and optical appliances and apparatuses of every description such as lighting, radio, television, telecommunication requisites, radars, computers, business machines and their components including but not limited to valves, transistors, resistors, condensers, coils, motors, generators and their requisites, components and stores of all kinds and descriptions.

16. To buy, sell, process, improve, alter, exchange, or let on hire, import, export and deal in all kinds of metallic alloys, iron, steel, ingots, billets, rods wires, ferrous and non-ferrous metals.
17. To carry on the business as manufacturers of and dealers in building components such as lightweight cellular reinforced autoclaved concrete slabs and blocks for floors, walls and roofs and precast, reinforced concrete building components and any other such materials related thereto.
18. To carry on the businesses of quarry proprietors or operators, stone, ballast and granite merchants or masons, dealers, exporters and contractors and to search for, mine, win, raise, make marketable, use, sell and dispose of granite stone, ballast, coal, minerals and mineral substances and products and to prepare and manufacture cement paving blocks and / or bricks, wax and bituminous road materials.
19. To carry on the business of hotel, restaurant, cafe, tavern, beer house, restaurant room and house-keeper, licensed victuallers, purveyors, caterers for public and private amusement entertainment generally, proprietors of clubs, dressing rooms, laundries, grounds and places of amusements, recreations, sports, tennis courts, swimming pools, entertainment parks and institutions of all kinds tobacco and cigar merchants.
20. To manufacture, produce, compress, liquefy, supply, purchase, sell, trade, import, export distribute as agents of all types of industrial, domestic, medical and commercial gases such as oxygen, hydrogen, acetylene, nitrogen, argon, carbon dioxide, fern, dissolved acetylene, fern carbonic acid in gas and liquid form.
21. To buy, sell, manufacture, fabricate, repair, alter, convert, recondition, improve, exchange, barter, import, export, let on hire and deal in all types of gas cylinders, bottles, containers, receivers, corks, valves, scales, liberators, gas masks, regulators, compressors, engines, machines, laboratory equipment, tools and such other appliances, equipment, apparatus, conveniences and accessories connected therewith.
22. To act as consulting engineers and management consultants and to prepare project reports and plan layouts and provide technical advice, guidance supervision in the erection, installation, commissioning of any project industrial or otherwise.
23. To carry on the business of steel furniture, iron safes, rolling shutters, office equipment and such other steel structural products of all kinds.
24. To carry on the business of advertising agents both outdoor and through newspapers, magazines, books, periodicals directories, screens, walls, buses, railway carriages, or through any such other media of advertisement of all types as the Company may determine.
25. To carry on the business of stock and share brokers and to deal (purchase and sale) in shares, securities, debentures of private and public sector

companies registered under the Companies Act, 1956 and to deal in Government Securities and all other such types of securities and actionable claims and to hold them as investments for earning profits.

26. To acquire, take up and hold shares, stocks, debentures, debentures-stocks, bonds, obligations and securities issued or guaranteed by any company, corporation or authority constituted for carrying on business in India or in any foreign country and debentures, debenture-stocks, bonds, obligations and securities issued or guaranteed by any Government, Sovereign Ruler, Commissioner, Public Body or Authority, Supreme, Municipal, Local Body or otherwise, whether in India or in any foreign country.
27. To carry on the business of hire purchase, land to finance all types of vehicles, building and estates, commercial and household items, industrial units of all types, subject always to the approval of Reserve Bank of India under Reserve Bank of India Act, 1934 as amended by Reserve Bank of India (Amendment) Act, 1997.
28. To carry on the business of contractors, builders, housing financiers, brokers, dealers and estate agents, subject always to the approval of the Reserve Bank of India under Reserve Bank of India Act, 1934 as amended by Reserve Bank of India (Amendment) Act 1997.

**IV. THE LIABILITY OF THE MEMBERS IS LIMITED.**

- V. **The authorized Share Capital of the Company is Rs. 80,00,00,00,000 (Rupees Eight Thousand Crore only) divided into 8,00,00,000 (Eight Crore) Equity Shares of Rs. 1,000/- (Rupees One Thousand) each.<sup>2</sup>**

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**2-The Authorized Share Capital increased from Rs.4000 Crores to Rs. 8000 Crores vide ordinary resolution passed at 1<sup>st</sup> EGM held on 14.06.2013 and took effect from 07.08.2013, the date of approval of The President of India.**

We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of the 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 and Address, Occupation, Description of Subscriber	No. of Equity Shares taken by each subscriber	Signature of Subscribers	Signature of witness with address, description and occupation
1. Jai Prakash Batra S/o Late Shri Wishan Dass Batra R/o RB Bunglow No. 1, Hospital Road, Moti Bagh-1, New Delhi-110021 On behalf of President of India Govt. Service, Aged 59 years	19,994 (Nineteen thousand nine hundred & Ninety-four only)	Sd/-	We witness the signatures of all the subscribers, who have signed before us :-  Sd/-  (1) Sanjeev Kumar Ajmani Company Secretary Indian Railway Finance Corporation Limited U.G. Floor, East Tower, NBCC Place, Lodhi Road, New Delhi-110003 Service FCS 4236  Sd/-  (2) Navneet Arora Company Secretary JE-9/104, Malviya Nagar New Delhi-110017 FCS 3214, CP 3005
2. Shri Prakash S/o Shri Krishna Srivastava R/o 255/5B, Railway Officers Flats, PUNCHKUAN ROAD, New Delhi-110001 Govt. Service, Aged 57 years	1 (One) Equity	Sd/-	
3. Girish Pillai S/o Late Shri Narayanan Lekshmanan Pillay R/o C-24, Pushpanjali Apartments, Plot 10, Sector IV, Dwarka, New Delhi-110075 Govt. Service, Aged 47 years	1 (One) Equity	Sd/-	
4. Pradeep Kumar Sanghi S/o Shri Prem Chand Sanghi R/o I D, Railway Board Flats, Sarojini Nagar, New Delhi-110023 Govt. Service, 49 years	1 (One) Equity	Sd/-	
5. Sushant Kumar Mishra S/o Shri Narayan Mishra R/o 3B, Railway Board Officers Flats, Sarojini Nagar, New Delhi-110023 Govt. Service, Aged 45 years	1 (One) Equity	Sd/-	
6. Shakeel Ahmed S/o Shri Mohd. Junaid R/o R.No. 206, Rail Niwas, State Entry Road, New Delhi-110001 Govt. Service, Aged 54 years	1 (One) Equity	Sd/-	
7. Anjali Goyal D/o Late Shri Shanti Sagar	1 (One) Equity	Sd/-	

Goyal R/o 20-C, Railway Officers Colony, Sardar Patel Marg, New Delhi-110021 Govt. Service, Age 43 years			
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Place: New Delhi, Dated: 23.10.2006

(THE COMPANIES ACT, 1956)

(PUBLIC COMPANY LIMITED BY SHARES)

## ARTICLES OF ASSOCIATION

OF

### DEDICATED FREIGHT CORRIDOR CORPORATION OF INDIA LIMITED

<i>Interpretation Clauses</i>	Article 1 - In the Interpretation of the Memorandum of Association and these Articles, the following expression shall have the following meanings, unless repugnant to the subject or context:
<i>The Act / or the said Act</i>	(a) "The Act" or "the said Act" means "The Companies Act, 1956", for the time being in force.
<i>These Articles</i>	(b) "These Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.
<i>The Auditors</i>	(c) "Auditors" means and includes those persons appointed as such for the time being by the Comptroller and Auditor General of India
<i>The Board</i>	(d) "The Board" or the "Board of Directors" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a resolution by Circulation in accordance with the Act.
<i>The Capital</i>	(e) "Capital" means the Share Capital for the time being raised or authorized to be raised for the purpose of the Company.
<i>The Chairman</i>	(f) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.
<i>The Company</i>	(g) "The Company or this Company means Dedicated Freight Corridor Corporation of India Limited, and at all times be deemed to be a Railway Administration as defined under The Railways Act, 1989 as amended from time to time or equivalent definition of Railway Administration in the new or amended Act which may come into force. <sup>1</sup>
<i>Debenture</i>	(h) "Debenture" includes debenture-stock.

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1. Clause amended vide special resolution passed in the 2<sup>nd</sup> AGM held on 21.07.2008.



<i>Depository Act, 1996</i>	(i) "Depositories Act, 1996" includes any statutory modification or re-enactment thereof for the time being in force.
<i>Depository</i>	(j) "Depository" has the same meaning as in the Depository Act, 1996.
<i>The Directors</i>	(k) "The Directors" mean the Directors for the time being of the Company and includes persons occupying the position of Directors by whatever name called.
<i>Dividend</i>	(l) "Dividend" includes bonus shares.
<i>Expression in the Act to bear same meaning in Articles</i>	(m) Subject as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.
<i>Gender</i>	(n) Words imparting masculine gender shall also include the feminine gender and vice versa.
<i>Government</i>	(o) "Government" means the "Central Government" or any Ministry or Department thereunder.
<i>Government Company</i>	(p) "Government Company" means a Government Company within the meaning of Section 617 of the Companies Act, 1956.
<i>The Managing Director</i>	(q) "The Managing Director" includes one or more persons appointed as such or any of such persons or Directors for the time being be the Managing Director of the Company.
<i>Marginal Note</i>	(r) The marginal notes hereto shall not affect the construction of the Articles.
<i>"Meeting" or "General Meeting"</i>	(s) "Meeting" or "General Meeting" means a meeting of Members.
<i>Annual General Meeting/ Extra-Ordinary General Meeting</i>	(t) "Annual General Meeting" means a general meeting of the members held in accordance with the provisions of the Section 166 of the Act and adjourned holding thereof, as provided under section 169 of the Companies Act, 1955. 'Extra-Ordinary General Meeting' means an Extra-Ordinary General Meeting or Members duly called and constituted and any adjourned holding thereof.
<i>Month</i>	(u) "Month" means a calendar month.
<i>The Office</i>	(v) "The Office" means the Registered Office for the time

being of the Company.

Ordinary Resolution and Special Resolution	(w) 'Ordinary Resolution' and 'Special Resolution' shall have the meaning assigned thereto by Section 189 of the Act.
Persons	(x) Words imparting persons include corporations and firms as well as individuals.
Plural Number	(y) Words imparting the singular number also include the plural number and vice versa
The President	(z) "The President" means the President of India, or his nominee(s) or representative(s).
<i>Proxy</i>	(aa) "Proxy" includes Attorney duly constituted under a Power-of-Attorney.
<i>Register</i>	(ab) "Register" means the Register of the Members of the Company required to be kept pursuant to the Act.
<i>The Registrar</i>	(ac) "The Registrar" means the Registrar of Companies of the State where the Registered Office of the Company is situated.
<i>Seal</i>	(ad) "Seal" means the common seal for the time being of the Company.
<i>State Government</i>	(ae) "State Government" means the Government of any State under the Union and Constitution, of India.
<i>In writing</i>	(af) "in Writing" and "written" shall include printing, lithography and other modes of representing or reproducing words in a visible form.
Table "A" not to apply	Article 2 - The Regulations contained in Table "A" in the First Schedule to the Act shall not apply to the Company except in so far as they are embodied in the following Articles which shall be Regulations for the Management of the Company.
<i>Company to be governed by these Articles</i>	Articles 3 - The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed or permitted by the Act, be such as are contained in these Articles.
<i>Company's shares not to be purchased</i>	Article 4 - No part of the funds of the Company shall be employed directly or indirectly in the purchase of or in loans upon the security of the Company's Shares.

## CAPITAL AND SHARES

*Share Capital*

Article 5 - **The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company, as amended from time to time.<sup>2</sup>**

*Power to increase Share Capital*

Article 6 –

- a. Subject to the approval of the President, the Board may from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
- b. Subject to the approval of the President, the Company shall have the power to issue Shares with Differential Rights so as dividend, voting or hybrid securities or any other marketable securities or otherwise to the extent permissible under the provisions of the Companies Act, 1956 or any Rules thereunder.
- c. Subject to the approval of the President, the Company shall have the power to go for disinvestment of shares / issue of fresh shares to Public, employees under 'Employees Stock Option Scheme', Private Placement to Financial Institutions, Banks, Mutual Fund, Venture Capital Investors and such other investors both in India and abroad and on such terms and conditions and subject to such guidelines as issued by Securities & Exchange Board of India and by such other authorities as applicable on time to time.

*Commission & Brokerage*

Article 7 –

- a. The Company may, at any time, pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture stock or Bonds of the Company or procuring or agreeing to procure subscription (whether absolute or conditional) for any shares, debenture stock of the Company but so that if the commission in respect of shares shall be paid or be payable out of capital the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed 5% on the price of shares and 2-1/2% on the price of debentures or debenture stock, or Bonds in each case subscribed or to be subscribed. The commission may be paid or satisfied in cash or in

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2. Clause altered vide special resolution passed at 1<sup>st</sup> EGM held on 14.06.2013 and took effect from 07.08.2013, the date of approval of The President of India.

- b. The Company may pay a reasonable sum for brokerage.

*On what condition new shares may be issued*

Article 8 - Subject to such directions as may be issued by the President in this shares may be issued behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given, as the Board shall determine.

*How far new shares to rank with existing shares*

Article 9 - 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 Installments, transfer and transmission, lien, voting, surrender and otherwise.

*Redeemable Preference Shares*

Article 10- Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Snares which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribed the manner, terms and conditions of redemption.

*Provisions to apply on issue of Redeemable Preference Shares*

Article 11 - On the issue of Redeemable Preference Shares under the provisions of Article 8 hereof, the following provisions shall take effect:

- (a) No such shares shall be redeemed except out of the profit of the Company, which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- (b) No such shares shall be redeemed unless they are fully paid.
- (c) The premium, if any. payable on redemption must have been provided for out of the profits of the Company or out of the Company's Share Premium Account before the shares are redeemed.
- (d) Where any such share is redeemed otherwise than out of the proceeds of a fresh issue there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account," a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the

Capital Redemption Reserve Account were paid-up share capital of the Company.

<i>Reduction of Capital</i>	Article 12 - Subject to the provisions of Section 78, 80, 100 to 105 of the Act and to such directions as may be issued by the President in this behalf, the Company may, from time to time, by special resolution reduce its capital by paying off capital or canceling capital which has been lost or is unrepresented by available assets, or is superfluous by reducing the liability on the shares or otherwise as may be expedient, and capital may be paid off upon the footing that it may be called up again or otherwise; and the Board may, subject to the provisions of the Act, accept surrender of shares.
<i>Sub-division and consolidation of Shares</i>	Article 13 - Subject to the approval of the President, the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.
<i>Power to modify</i>	Article 14 - If at any time, the Capital of the Company by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights attached to the shares of each class may, subject to the provisions of Section 106 and 107 of the Act be varied with the consent in writing of the holders of at least three fourth of the issued shares of that class or with the sanction of the special resolution passed at a separate meeting of the holders of the issued shares of that class and all the provisions hereinafter contained as to general meeting shall, mutatis mutandis, apply to every such meeting.
<i>Register and Index of Members</i>	Article 15- The Company shall cause to keep a Register and Index of Members in accordance with Section 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a Foreign Register of Members resident, in that State or Country.
<i>Shares to be numbered progressively and no shares to be sub-divided</i>	Article 16- The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner herein above mentioned no share shall be subdivided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished.
<i>Allotment of Shares</i>	Article 17 - Subject to the provisions of these Articles, the shares shall be under the control of the Board of Directors who may allot or dispose of the same, or any of them, to such persons, upon such terms and conditions, at such times, and

upon such consideration as the Board may think fit.

- Installments of shares to be duly paid* Article 18 - If by the conditions of allotment of any share, the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- Liability of joint-holders of shares* Article 19 - The joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.
- Who may be registered* Article 20 - Shares may be registered in the name of any person, company or other body corporate. Not more than three persons shall be registered as joint-holders of any share.
- Share Certificate* Article 21 -
- (a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment, if any, or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issues of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of the issue.
- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them.

<i>Issue of new shares certificate in place of worn out, defaced, lost or destroyed</i>	Article 22 - If a share certificate is worn out, defaced, lost or destroyed it may be renewed in accordance with the Issue of Share Certificate Rules under the Act on Payment of a fee as may be prescribed under the Act and, on such terms, it may, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board may think fit.
<i>Dematerialization/ Re-materialization of Securities</i>	Article 23- Notwithstanding anything contained in these Articles, the Company shall entitled to offer securities in a dematerialized form pursuant to the Depositories Act, 1996 and shall also be entitled to rematerialize its securities issued in physical form which were issued in dematerialized form.
<i>Options for investors</i>	<p>Article 24-</p> <p>(a) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at anytime opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.</p> <p>(b) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p>
<i>Securities in depositories to be in fungible form</i>	Article 25- All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153,153A and 153B of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
<i>Right of depositories and Beneficial owners</i>	<p>Article 26 -</p> <p>(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p>

- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company.

<i>Service of documents</i>	Article 27- Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
<i>Transfer of Securities</i>	Article 28- Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
<i>Allotment of securities dealt with in a depository</i>	Article 29- Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details hereof to the depository immediately on allotment of such securities.
<i>Distinctive number of Securities held in depository</i>	Article 30- Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.
<i>Register and Index of Beneficial Owners</i>	Article 31- The Register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles
<i>Interest out of Capital</i>	Article 32- Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work of building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.
<i>Funds of Company may not be applied in purchase of shares of the Company</i>	Article 33- (a) None of the Funds of the Company shall be applied in the purchase of any shares of the Company and it shall not give any financial assistance for/or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.



- (b) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or other securities as it may think proper subject to such limits, upon such terms & conditions and subject to such approval as may be provided by Section 77A, 77AA & 77B of the Act.

### CALL ON SHARES

*Board of Directors to make calls* Article 34 –

- (1) The Board of Directors, may from time to time, by a resolution passed by a meeting of the Board (and not by a resolution by circulation) make such call(s) as it thinks fit upon the members in respect of moneys unpaid on the share held by them respectively, by giving not less than 15 days notice for payment and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board of Directors. A call may be made payable by installments. The Board may, at their discretion, extend the time for payment of such calls.

*Calls to carry interest*

- (2) If any member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment, at such rate as shall from time to time be fixed by the Board of Directors but nothing in this Article shall render it compulsory for the Board of Directors to demand or recover any interest from any such member.

*Sums payable on allotment or at fixed date to be paid on due dates*

Article 35 –

- (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

*Voluntary advance(s) of uncalled share capital*

- (2) (a) The Board may, if it thinks fit, receive from any member willing to advance the same,

all or any part of the moneys uncalled and unpaid upon any shares held by him but this advance of calls may carry interest but shall not in respect thereof have a right to dividend or to participate in profit.

- (b) Upon all or any of the money so advanced may, until the same would, but for such advance become presently payable, pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, six percent per annum as may be agreed upon between the Board and the member paying the sum in advance and the Board of Directors may, at any time, repay the amount so advanced upon giving to such members three months notice in writing. Provided further that such advance received by the Company will not be entitled to any dividend or participate in profits of the Company.

*Call to date from resolution*

Article 36 - A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board of Directors.

*Forfeiture of Shares*

Article 37

- (1) If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued.
- (2) The Notice aforesaid shall:
  - (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

- (3) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- (4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (5) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms it thinks fit.

*Liability to pay money owing at the time of forfeiture*

Article 38 –

- (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture, were presently payable by him to the Company in respect of the share.
- (2) The liability of such persons shall cease if and when Company shall have received payment in full of all such money in respect of the shares.

*Declaration of forfeiture*

Article 39 –

- (1) A duly verified declaration in writing that the declarant is a 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 facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The transferee shall thereupon be registered as the holder of the share.
- (4) 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 or disposal of the share.

*Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time.*

Article 40 - The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of share, becomes payable at a fixed time, whether on account of the nominal value of the shares or by way of premium, as if the same had been payable by virtue of a call duly made and noticed.

*Company's lien on shares*

Article 41 - The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not called or payable at a fixed time) in respect of that share and the Company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of single person, for all moneys presently payable by him or his estate to the Company, but the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividend payable thereon.

*Enforcement of lien of sale*

Article 42 - The Company may sell, in such manner as the Board thinks 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 not until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of amount in respect of which lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or insolvency.

*Application of proceeds of sales*

Article 43 - 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 lien exists as is presently payable and the residue 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 share and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

*Transfer and transmission of shares*

Article 44 - Subject to the provisions of Companies Act, 1956, the right of members to transfer their shares shall be restricted as follows :

- (a) A share may be transferred by a member or other persons entitled to transfer to a person approved by the President.
- (b) Subject to the Act and subject as aforesaid, the Board may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.
- (c) If the Board refuse to register transfer of any shares the Board shall within two months of the date on which the instrument of transfer is delivered to the Company, send to the transferee and the transferor notice of the refusal. But the Board shall not refuse to register transfer of any share on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account, whatsoever.
- (d) Subject to the provisions of the Act and save as herein otherwise provided, the Board shall be entitled to treat the persons 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 order by court of competent jurisdiction or as by law required) be bound to recognize any benami, trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

*Transmission by operation of law*

- (e) Nothing contained in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any share in the Company has been transmitted by operation of law.

*Execution of transfer*

Article 45 - The instrument of transfer of any share in the Company shall be executed both by Transferor and Transferee and the Transferor shall be deemed to remain holder of the share until the name of the Transferee is entered in the register of members in respect thereof.

*Register of transfers*

Article 46 - The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

*Instrument of transfer to be left*

Article 47 - Every instrument of transfer shall be delivered

<i>at office</i>	to the Company at the office for registration accompanied by any certificate of the shares to be transferred and such evidence as the Company may require proving the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall on demand be returned to the person depositing the same.
<i>Form of transfer</i>	Article 48 - Shares in the Company shall be transferred in the form prescribed by the Companies (Central Government's) General Rules and Forms 1956 or in such other form as may be prescribed by Government from time to time in this behalf.
<i>Closing of Registers of Members and Debenture holders/Record date</i>	Article 49 - The Register of Members or the Register of Bond / Debenture-holders may be closed for any period or periods not exceeding 45 days in each year but not exceeding 30 (thirty) days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated or record date may be fixed by giving intimation to the Depository(s) or and Stock Exchange(s) or on Company's website.
<i>Fee for Transfer</i>	Article 50- No fee will be charged for transfer/transmission of shares and/or bonds.
<i>Board's right to refuse registration</i>	Article 51 - The Board shall have the right to refuse to register a person entitled by transmission to any shares or his nominees, as if he were the transferee named in an ordinary transfer presented for registration.
<i>How far new shares to rank with shares in original capital</i>	Article 52 - Except so far as otherwise provided by the conditions of issue, or by these Articles, any capita! raised by the creation of any shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.
<i>New Shares to be offered to Members</i>	Article 53 - The new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such 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 Board may

dispose of the same in such manner as they think most beneficial to the Company.

### **COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS**

*Copies of Memorandum and  
Articles of Association to be  
Sent to Members*

Article 54 - Copies of Memorandum and Articles of Association of the Company and other documents referred to Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee One of each copy.

### **BORROWING POWERS**

*Power of borrowing*

Article 55 -

(1) Subject to the provision of Sections 58A, 292 and 293 of the Companies Act, 1956 the Directors shall have the power from time to time at their discretion to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or bonds of the Company or by mortgage charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

*Conditions on which money may  
be borrowed*

(2) The Board may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures, or debenture stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

*How debentures etc. shall be  
transferred*

(3) Debentures, bonds, etc. of the Company shall be transferred or transmitted in accordance with the procedure prescribed for shares in Section 108 of the Companies Act and the prevailing rules made thereunder by Central Government from time to time, unless different provisions are made specifically in the terms of issue governing such debentures, bonds etc.

*Securities may be assignable free from equities*

Article 56 - 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 of discount etc. with special privileges*

Article 57-Subject to Sections 79 and 117 of the Act, any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise.

*Inviting/accepting deposits*

Article 58 - Subject to the provisions of Section 58A, 292 and 293 of the Companies Act and the rules made thereunder from time to time, the Board of Directors may, from time to time, invite and/or accept deposits from the members of the public and/or employees of the Company/or otherwise at such interest rates as may be decided by the Board. Board may also pay commission to any person for subscribing or agreeing to subscribe or procure or agreeing to procure these deposits.

#### **GENERAL MEETINGS**

*Notice of General Meeting*

Article 59 -

- (1) A general meeting of the Company may be called by giving not less than twenty one days notice in writing.
- (2) A general meeting may be called after giving shorter notice than that specified in clause (1) of this Article if consent is accorded thereto :
  - (i) In the case of an annual general meeting, by all the members entitled to vote thereat, and
  - (ii) In the case of any other meeting subject to the provisions of Section 171 of the Act, by members of the Company holding not less than ninety five percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting.

*Business of Annual General Meeting*

Article 60 - The business of an annual general meeting shall be to receive, consider and adopt the profit and loss account, the balance sheet, and the report of the Board of Directors and of the Auditors, to declare



dividends, confirmation of interim dividend(s) and or ratification of interim dividend(s) declared by the Company from time to time. All other business transacted at such meeting shall be deemed special.

### *Quorum*

#### Article 61

- (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) Save as herein otherwise provided, five members present, one of whom will be a representative of the President, in person shall be quorum for a general meeting of the Company.

### *General Meeting*

Article 62 - The first annual general meeting of the Company shall be held within eighteen months of its incorporation and thereafter, the annual general meeting shall held within six months after the expiry of each financial year, except in the case when for any special reason time for holding any annual general meeting (not being the first annual general meeting) is extended by the Registrar under Section 166 of the Act, no greater interval than fifteen months shall be allowed to elapse between the date of one annual general meeting and that of the next. Every annual general meeting shall be held during business hours on a day other than a public holiday either at the registered office of the Company or at some other place as the Central Government may direct, and the notice calling the meeting shall specify it as the annual general meeting. All other meetings of the Company shall be called "Extra-ordinary General Meeting".

### *When Extraordinary General Meeting to be called*

Article 63 - The Board 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 upon which all calls or other sums then due have been paid, as at the date carry the right of voting in regard to that matter or forthwith proceed to convene an extraordinary general meeting of the Company, and in the case of such requisition, the following provisions shall have effect :-

- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents, in like-form

- each signed by one or more requisitionists.
- (2) If the Board of Directors of the Company do not proceed within twenty one days from the date of the requisition being so deposited to cause meeting to be called on a day not later than 45 days from the date of deposit of the requisition, the requisitionists or a 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 deposits of the requisition.
  - (3) 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 Board. If after, a requisition has been received, it is not possible for a sufficient number of Directors to meet in 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 Board.

*Omission to give notice*

Article 64 - The accidental omission to give any such notice or the non-receipt of any such notice by any member shall not invalidate the proceeding at any meeting.

*Chairman of general meeting*

Article 65 - The Chairman of the Board shall be entitled to take the Chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such •meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if the Directors present decline to take the chair then, the members present shall choose one of their members to be the Chairman.

*When, if quorum not present, meetings to be dissolved and when to be adjourned*

Article 66 - If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present, those members who are present shall be quorum and may transact the business for which the meeting was called.

*Right of President to appoint any persons as his representative* Article 67

- (1) The President, so long as he is a shareholder 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 him at all or any meeting of the Company.
- (2) Anyone of the persons appointed under sub clause (1) of this Article shall be deemed to be a member of the Company and shall be entitled to vote and be present in person and exercise the same rights and powers (including the right to vote by proxy) as the President could exercise as a member of the Company.
- (3) The President may, from time to time, cancel any appointment made under sub clause (1) of this Article and make fresh appointment.
- (4) The production at the meeting of an order of the President evidenced as provided in the Constitution shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

*Adjournment of Meeting by the Chairman* Article 68

- (1) The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and place to place.

*Business at adjourned meeting* (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

*Notice of adjourned meeting* (3) When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as was given in the case of an original meeting.

- (4) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at adjourned meeting.

*How questions to be decided at a Meeting* Article 69

- (1) Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled, as a member.
- Evidence of a resolution where poll not demanded* (2) At any general meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy, or by duly authorized representative, and unless a poll is so demanded, a declaration by the Chairman that 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 book 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.
- Resolution to be passed by postal ballot* (3) Company, in the case of resolution relating to such business as the Central Government may by notification declare to be conducted only by postal ballot, shall get resolution passed by means of postal ballot instead of transacting the business in general meeting of the Company in accordance with Section 192A of the Companies Act 1358 and The Companies (Passing of the Resolution by Postal Ballot) Rules 2001 including any amendment thereof on time to time.
- Poll* (4) If a poll is duly demanded, it shall be taken in such manner and 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 a poll may be withdrawn.
- Poll demanded to be taken at the meeting* (5) 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 question or adjournment shall be taken at the meeting and without adjournment.

<i>Business may proceed notwithstanding demand of poll</i>	(6) 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.
<i>Chairman's decision conclusive</i>	(7) 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.
<i>Objection to vote</i>	(8) No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all other purposes.
<i>Chairman to judge validity</i>	(9) Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
<i>Vote of Members</i>	Article 70 - Upon a show of hands even/ member present in person or by proxy, or by duly authorized representative shall have one vote and upon a poll every share held by him.
<i>Vote in respect of deceased and bankrupt members.</i>	Article 71 - Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Board of Directors of his right to such shares, unless the Board of Directors shall have previously admitted his right to such shares of his right to vote at such meeting in respect thereof.
<i>Joint Holders</i>	Article 72 - Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, then one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

*Votes in respect of shares of members of unsound mind.*

Article 73 - 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 a poll, vote by proxy.

*No member entitled to vote etc. while call due to the Company*

Article 74 - No member shall be entitled to be present or to vote on any question either personally or by proxy at any general meeting or upon a poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such members.

*Instrument appointing proxy to be in writing.*

Article 75 - A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend meeting and vote on show of hand or on a poll. No member shall appoint more than one proxy to attend on the same occasion. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.

*Form of proxy*

Article 76 - An instrument appointing proxy shall be in either of the form in Schedule IX to the Act or a form as near thereto as circumstances admit.

*Instrument appointing proxy to be deposited at the Registered Office*

Article 77 - The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of the power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

*When vote by proxy valid though authority revoked.*

Article 78 - A note given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the Proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer or transmission shall have been received at the office of the Company

before the commencement of the meeting or adjourned meeting at which the proxy is used.

## BOARD OF DIRECTORS

*Board of Directors*

Article 79 - The Business of the Company shall be managed by the Board of Directors.

*Number of Directors*

Articles 80 -

- (a) Subject to the provisions of Sec. 252 of the Act, the President shall, from time to time, determine, in writing, the number of Directors of the Company which shall not be less than 6 (six) and not more than 12 (Twelve) including independent directors. The Directors shall not be required to hold any qualification shares and their remuneration, if any, shall be determined by the President.

For the purpose of this clause the expression 'independent directors' means directors who apart from receiving director's remuneration, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in judgment of the Board may affect independence of judgment of the director. Institutional directors on the boards of companies should be considered as independent directors whether the institution is an investing institution or a lending institution.

- (b) The following shall be the first Directors of the Company:
1. Shri Shri Prakash
  2. Shri Rakesh Chopra
  3. Shri R. Ashok

*Appointment of Chairman, Chairman-cum-Managing Director, Directors and their terms of Office*

Article 81-

- (1) The President shall have powers to appoint:
- (a) Full time Chairman or, Part time Chairman, full time Managing Director(s) or a full time Chairman-cum-Managing Director and other full time Directors.
- (b) The Directors representing the Government of India and / or any State

Government; and

- (c) Other Directors including independent Directors in consultation with the Chairman.

The Directors appointed by the President shall hold office until removed by him or until their resignation, retirement, death or otherwise.

*Remuneration of Directors*

- (2) (a) The Directors so appointed shall be paid such fee, salary and/or allowance as the President may, from to time, determine. Subject to the provisions of the Act, such reasonable additional remuneration as may be determined by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.
- (b) Subject to the provisions of the Act, the fee payable to a Director including Independent Director (excluding Managing or Whole-time Director, if any) for attending a meeting of the Board or Committees thereof shall be such sum as may be decided by the Board which would be within the ceiling as the Central Government may prescribe from time to time under the Act.
- (c) The remuneration of independent director shall be limited to only sitting fee payable for attending meetings of the Board or Committee(s) thereof.
- (d) The President may allow and pay to any Director who is not a bonafitie resident of the place where the meeting of the Board are held and who shall come to such place for the purpose of attending any meeting, such sum as the President may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such Meeting as above specified and any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be paid



and reimbursed any travelling or other expenses incurred in connection with business of the Company.

*Removal of Directors* (3) The President shall have the power to remove any Director including the Chairman, Managing Director, and the Chairman-cum-Managing Director, if any, from office at any time in his absolute discretion.

*Filling of vacancies of Directors* (4) The President shall have the right to fill any vacancy in the office of Chairman, Chairman-cum-Managing Director, Managing Director or Director(s) caused by removal, resignation, death or otherwise, as provided in the Article 81(1).

*Retirement of Directors* (5) The Chairman or Chairman-cum-Managing Director, the Managing Director(s) and whole time Directors shall retire on their ceasing to hold office of the Chairman or Chairman-cum-Managing Director, the Managing Director(s) and whole time Directors respectively or on their attaining the age of superannuation unless extended by President. Non-official part-time Director(s) shall retire on the expiry of the term of their appointment/or on nomination of new incumbent(s) or on attainment of age of superannuation. A Director representing a Ministry of the Government of India or a State Government shall retire on his ceasing to be an official of that Ministry or State Government, as the case may be. A retiring Director shall be eligible for reappointment.

*General powers of the Company vested in the Board of Directors* Article 82 - Subject to the provisions of the Act and the directives or instructions, if any the President may issue from time to time, the business of the Company shall be managed by the Directors who may pay or cause to pay all expenses incurred in setting up and registering the Company and who may exercise all such powers and all such acts and things as the Company is authorized to exercise and do. Provided that the Directors shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other act or by the Memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Directors shall be subject to the provisions contained in that behalf in the Act or any

other statute, or in the Memorandum or Articles of the Company, or in any regulations made by the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

*Delegation of powers*

Article 83

- (1) Subject to the provisions of the Act the Board may from time to time, delegate such of its powers as it may think fit to the Chairman, Chairman-cum-Managing Director and/or Managing Director(s), whole time Director subject to such terms & conditions and restrictions as it may deem necessary to impose and may, from time to time, revoke, amend or vary all or any of the powers so delegated.
- (2) The Chairman, the Chairman-cum-Managing Director and/or Managing Director(s) whole time Director may sub-delegate any of the powers, delegated to him by the Board to any officer or other employees of the Company, subject to conditions that every such sub-delegation of his powers will be reported to the Board.

*Powers of Chairman*

Article 84

- (1) The Chairman shall reserve for decisions of the President any proposals or decisions of the Board of Directors or any matter brought before the Board which raises in the opinion of the Chairman, any important issue and which is on that account is fit to be reserved for the decision of the President and no decision on such an important issue shall be taken in the absence of the Chairman appointed by the President.

*Prior approval of President to be obtained in respect of*

- (2) Notwithstanding any of the provisions contained in the other Articles, prior approval of the President shall be obtained in respect of :-
  - (a) Appointment of any foreign national to any post in the Company.
  - (b) Undertaking or incurring any capital expenditure, in excess of Rs. 50 crores,

on any scheme or project or programme, including purchases and contracts, other than any such amount specifically included in the existing sanction of the Government. However, in regard to the sanction of expenditure on township, residential quarters etc. this limit shall be Rs. 20 Crores only.

- (c) Issue of Share Capital, preference share capital, debentures, Bonds, preference Share Capital etc.
- (d) Winding up of the Company.
- (e) Sell, lease, or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.
- (f) The formation of a subsidiary Company.
- (g) Company's Five Year and Annual Plans for Development and Capital Budgets.
- (h) Revenue Budget of the Company in case there is an element of deficit which is proposed to be met by obtaining funds from Central Government.
- (i) Agreement involving foreign collaboration proposed to be entered into by the Company.
- (j) Withdrawal of an existing service
- (k) Fixation, modification, increase or reduction in tariff for services provided by the Company to the user.

*Power of President to issue directives*

Article 85 - Notwithstanding anything contained in all these Articles but subject to the provisions of the Act the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the conduct of business and affairs of the Company and in like manner may vary and annul any such directive or instruction. The Board of Directors shall give immediate effect to the directives or instructions so issued. In particular, the President will have the powers :-

- (i) To give directives to the Company as to the

exercise and performance of its functions in matters involving national security or substantial public interest.

- (ii) To call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time.
- (iii) To provide wholly or partly owned Company (ies) or subsidiary (ies) including participations in their share capital irrespective of the sources from which the operations of such companies are to be financed.
- (iv) To determine in consultation with the Board annual, short and long-term financial and economic objectives of the Company. Provided that all directives issued by the President shall be in writing addressed to Chairman. The Board shall, except where the President considers that the interest of national security requires, otherwise, incorporate the contents of directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company.
- (v) To take decisions regarding entering into partnership and/or regarding arrangements for sharing profits.

*No Action in respect of any decision of Board requiring approval of President until such approval is obtained*

Article 86 - No action shall be taken by the Company in respect of any proposal or decision of the Board reserved for the approval of the President until his approval to the same has been obtained. The President shall have the power to modify such proposals or decision of the Board.

*Specific powers of the Board of Directors*

Article 87 - Without prejudice to the general powers conferred by these Articles, but subject to the provisions of Sections 292, 293-A and 294 of the Act, the Board of Directors shall have the following powers, that is to say power: -

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

- (2) To authorize without reference to the Central Government, the undertaking of works of a capital nature within the limits stated in Articles 84 (2) (b) above.
- To pay for property, debentures, etc.* (3) To pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid up thereof as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- To secure contracts by mortgage* (4) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
- To appoint officers, etc.* (5) To create posts, to appoint persons thereto, and at their discretion remove or suspend such as general managers, CEOs, Executive Directors, Regional Managers, Managers, secretaries, officers, clerks, agents and servants engaged for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments, allowances and require security in such instances and to such amounts as they think fit.
- To appoint trustees* (6) To appoint any person or persons (whether incorporated or not) or to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- To bring and defend action* (7) To institute, conduct, defend, compound or abandon, any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or

against the Company.

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| <i>To refer to arbitration</i>              | (8)  | To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.   |
| <i>To give receipt</i>                      | (9)  | To make and give receipts, release, and other discharges for money payable to the Company, and for the claims and demands of Company.   |
| <i>To authorize acceptance, etc.</i>        | (10) | To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptance, endorsements, cheques, releases, contracts and documents.   |
| <i>To appoint attorney</i>                  | (11) | From time to time to provide for the management of the affairs of the Company outside the areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit. |
| <i>To invest moneys</i>                     | (12) | To invest in Reserve Bank/State Bank of India/any bank or in such securities as may be approved by the President and deal with any of the moneys of the Company upon such investments authorized by the Memorandum of Association of the Company (not being shares in this company) and in such manner as they think fit and from time to time to vary or realize such investments.                   |
| <i>To give security by way of indemnity</i> | (13) | To execute in the name and on behalf of the Company in favour of any Director or other persons who may incur or be about to incur any personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.     |
| <i>To give percentage</i>                   | (14) | Subject to the approval of the President to give to any person employed by the Company a commission on the profits of any particular business, transaction or a share in the general profits of the Company, and such commission or share of profit shall be treated as part of the   |

working expenses of the Company.

- To make bye-laws* (15) From time to time make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.
- To give bonus* (16) To give award, or allow any bonus, pension, ex-gratia, gratuity, incentive, performance linked or other wise, or compensation to any employee of the Company or his widow, children or dependents, that may appear to the Board of Directors just or proper whether such employee, his widow, children or dependents have or have not a legal claim upon the Company.
- To create Provident Fund* (17) Before declaring any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident, superannuation, Medical or benefit fund in such manner as the Board of Directors may deem fit.
- To establish Managing Committee* (18) From time to time and at any time to establish any Managing Committee for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any person to be member of such Managing Committee and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authority and discretion for the time being vested in the Board of Directors other than their power to make call; and to authorize the members for the time being for any such Managing Committee or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made in such terms and subject to such conditions as the Board of Directors may think fit and the Board of Directors may at any time remove any person so appointed and may annul or vary any such delegation.
- To make contract* (19) To enter into ail such negotiations and contracts and rescind and vary all such contracts, contracts, execute and do ail such acts, deeds and things in the name and on behalf of the Company as they may consider

expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

*To establish institution, society, etc.* (20) To establish, maintain, support and subscribe to any charitable, benevolent, public or generally useful objects of any institution, society, or club or local Boards or fund which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on its business or elsewhere or any object in which the Company may be Interested.

*To borrow or raise or secure the payment of money, subject to the approval of the President* (21) Subject to the approval of the President to borrow or raise or secure the payment of money in such manner as the Company shall think fit and particular by executing mortgages and the issue of bonds, debentures or debenture-stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future) including its uncalled capital and to buy-back, purchase, redeem, or pay off any such securities.

*To pay for preliminary expenses incurred* (22) To pay, reimburse the expenses cost, charges, honorarium, and consultancy connected and related to preliminary expenses in connection with the promotion, formation, establishment and registration of the Company.

*To fix terms and conditions, for providing, maintaining & operating services* (23) To fix terms, conditions and consideration for providing maintaining and operating services provided to the customers.

*Common Seal* Article 88 - The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Board may appoint for the purpose; and the said Director or the person aforesaid shall sign every Instrument to which the seal of the Company is so affixed in his presence.

*Meeting of the Board* Article 89 - A meeting of the Board of Directors shall be held for the despatch of the business of the Company at least once in every three months and at least four such meetings shall be held in every year.

*Directors may summon meeting* Article 90 - A Director in consultation with and under the authority of the Chairman may at any time convene a meeting of the Board of Directors.



Questions arising at any meeting shall be decided by majority of votes. The Chairman shall have a second or casting vote.

*Notice of meeting*

Article 91 - Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India. An accidental omission to give notice of any such meeting to a Director(s) shall not invalidate the meeting.

*Quorum of meetings*

Article 92 - The quorum for a meeting of the Company shall be one-third of its total strength (total strength as determined by the Act and any fraction in that one-third being rounded off as one) or 2 Directors, whichever is higher.

*Chairman of Board's meeting*

Article 93 - The President 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 members to be the Chairman of the meeting.

*Powers of Quorum*

Article 94 - A meeting of the Board of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretion by or under the Articles of Company for the time being vested in or exercisable by the Board of Directors generally.

*Delegation of powers to committees*

Article 95 - The Board may, subject to the restrictions laid down in Section 292 of the Act, delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and may from time to time, revoke such delegation. Any Committee so formed shall in the exercise of the power so delegated, conform to any regulation that may, from time to time, be imposed upon it by the Board of Directors. The proceedings of such a Committee shall be placed before their Board of Directors at its next meeting.

*Chairman at meeting of Committee*

Article 96 -A Committee of Directors may elect a Chairman of their meetings, if no such Chairman is elected or if at any meeting the Chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of the members to be the Chairman of the

meeting.

*When acts of Directors or Committee thereof in case their appointment is later found to be defective*

Article 97 - All acts done by Directors in any meeting of the Board of Directors, or of a Committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been fully appointed and was qualified to be Director. Provided that nothing in these Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

*Resolution without Board Meeting valid*

Article 98 - Subject to the provisions of Section 292 of the Act, resolutions of the Board can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the Board of Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members at their usual address in India, and has been approved by such of the Directors as are then in India or by a majority of such of them, as are entitled to vote on the resolution.

## **RESERVES AND DIVIDENDS**

*Reserve fund*

Article 99 - Subject to Section 205 of the Act, the Board may, before recommending any dividend, set apart out of the profits of the Company such sums as they think proper as a reserve fund to meet 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 Board of Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments, (other than shares of the Company) as they may think fit from time to time to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve funds into such special

funds, as they think fit and employ the reserve funds or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

*Net Profits*

Article 100 - The declaration of the Directors as to the amount of net profits of the Company shall be conclusive.

*Dividend*

Article 101 - The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these presents as to the reserve funds and amortization of capital, shall, with the approval of the President, be divisible among the members in proportion to the amount of capital paid up by them respectively, provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

*Interim dividend*

Article 102 - The Board may, from time to time, pay to the members such interim dividends as in their judgment the financial position of the Company justifies.

*Capital paid up in advance*

Article 103 - Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to participate in profits.

*Declaration of dividends*

Article 104- The Company in general meeting may declare a dividend to be paid to the members and may also confirm interim dividend(s) declared from time to time, according to their rights and interests in the profits but no dividend including interim dividend(s) shall exceed the amount as recommended by the Board of Directors.

*Dividends out of profits only and not to carry interest*

Article 105 - No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived at after providing for the depreciation in accordance with the provisions of subsection (2) of Section 205 of the Act or out of profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both or out of money provided by the Government for the payment of

dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest against the Company.

*Debts may be deducted*

Article 106 - The Board may retain any dividends in respect of shares on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

*Dividends to the joint holders*

Article 107 - Any one of several persons, who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

*Dividends are to be paid in cash*

Article 108 - Subject to the provisions of Section 205 of the Act, no dividend shall be payable except in cash.

*Payment by post*

Article 109 - Unless otherwise directed any dividends may be paid by cheque or warrant sent by hand or through post to the registered address of the member or person entitled or in the case of joint holders, to the registered address of that one whose name stands first in the register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

*Notice of dividends*

Article 110 - Notice of the declaration of any dividends, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

## ACCOUNTS

*Accounts to be kept*

Article 111 - The Company shall cause to be kept proper books of accounts with respect to:-

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place
- (b) All sales and purchases made by the Company
- (c) The assets and liabilities of the Company

*Inspection of Accounts Books*

Article 112 - The books of accounts shall be kept at the Registered Office of the Company or at such other place in India as the Board of Directors shall think fit and shall be open to inspection by the Directors during business hours.

*Inspection by members*

Article 113 - The Board of Directors shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or

regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and 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 of Directors or by the Company in general meeting.

*Annual accounts & balance sheets*

Article 114 - Subject to Section 210(3) of the Act, at the First Annual General Meeting and subsequently at every Annual General Meeting, the Board shall lay before the Company, a Balance Sheet and Profit and Loss Account in the case of the first account since the incorporation of the Company, and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months and the extension so granted.

*Annual Report of the Board of Directors*

Article 115 - The Board shall make out and attach to every balance sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommended should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors authorized in that behalf by the Board, 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-section (1) and (2) of Section 215 of the Act.

*Content of Profit and Loss Account*

Article 116-Balance Sheet & Profit and Loss Account shall be in accordance with the provisions of Section 211 of the Act. The profit & loss account shall in addition to the matters referred to in Section 211 of the Act show, arranged under the most convenient head, the amount of gross income distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that just balance of profit and loss may be laid before the meeting, and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with addition of the reason why only a portion of such expenditure is charged against the income of the year.

*Balance sheet and Profit and Loss Account to be sent to members*

Article 117 - The Company shall send a copy of such Balance Sheet and Profit and Loss Account together with a copy of the Auditor's Report to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company.

*Directors to comply with Section 209 to 222 of the Act*

Article 118 - The Board shall in all respects comply with the provisions of Section 209 to 222 of the Act, or any statutory modification thereof for the time being in force as may be applicable to the Company.

### **AUDIT**

*Accounts to be audited annually*

Article 119 - Once at least in every financial year the accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet shall be certified by one or more auditors.

*Appointment of Auditors*

Article 120 - The Auditors of the Company shall be appointed or reappointed by the Comptroller and Auditor General of India and their remuneration, rights and duties shall be regulated by Section 224 to 233 of the Act.

*Powers of the Comptroller and Auditor General*

Article 121 - The Comptroller and Auditor General of India shall have the powers:

- (a) to direct the manner in which the Company's accounts shall be audited by the auditors appointed in pursuance of Article 120 hereof and to give such auditors instruction 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 or persons as he may authorize in this behalf, and for the purposes 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 or additional 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 may, by general or special order, direct.

*Comments upon or supplement*

Article 122 - The auditors aforesaid shall submit a

*to Audit Report by the Comptroller & Auditor General to be placed before the Annual General Meeting*

copy of his/her audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement to 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.

*Auditor's right to attend meeting*

Article 123 - The auditors of the Company shall be entitled to receive notice and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid down before the Company and may make any statement or explanation they desire with respect to the accounts.

*When accounts to be deemed finally settled*

Article 124 - Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the period, the account shall forthwith be corrected and thenceforth shall be conclusive.

*Audit Committee*

Article 125- The Company shall set up an independent Audit Committee as under:

- (a) The audit committee shall have minimum three directors and such number of other directors as the Board may determine of which two-third of the total number of members shall be directors, other than Managing or whole-time Directors.
- (b) Every Audit Committee shall act in accordance with terms of reference to be specified in writing by the Board.
- (c) The annual report of the Company shall disclose the composition of the Audit Committee.
- (d) The auditors, the internal auditor, if any, and the Director in charge of finance shall attend and participate at meetings of the Audit Committee but shall not have the right to vote.
- (e) The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including

the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.

- (f) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- (g) The recommendation of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.
- (h) If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons therefore and communicate such reasons to the shareholders.
- (i) The members of the Audit Committee shall elect a Chairman from amongst themselves.
- (j) The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to audit.
- (k) The Secretary of the Company shall be Secretary of the Audit Committee.

## NOTICE

*How notices to be served on members*

Article 126 - 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; if he has no registered address, to the address, if any, supplied by him to the Company for the giving of notice to him.

*In case of holder having no registered place of address*

Article 127 - A holder of registered shares who has no registered place of address, may, from time to time, notify in writing to the Company his address which shall be deemed his registered place of address within the meeting of the last preceding Article.

*How notice to be given to a deceased or bankrupt member*

Article 128 - A notice may be given by the Company to the person 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 him by name, or by the title or representative of the deceased, or assigned of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address 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*

Article 129 - Notice of every general meeting shall be given in the same manner hereinbefore authorized to (a) every member of the Company except those members who having no registered address have not supplied to the Company an address for giving of notice to them, and also to (b) every person entitled to a share in consequence of the death or insolvency, would be entitled to a share in consequence of the death or insolvency, would be entitled to receive notice of the meeting, provided the Company has been given due notice and (c) every Director of the Company.

*Transferees bound by prior notice*

Article 130 - Every person who by operation of the law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which previously to his name and address and title to the 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*

Article 131 - The signature to any notice to be given by the Company may be written or printed.

*How time to be counted*

Article 132 - Where a given number of days' notice or notices extending over any other period are required to be given, the day of service shall unless it is otherwise provided to be counted in such number or other period.

## **WINDING UP**

*Distribution of assets on winding up*

Article 133 - If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the 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 amongst 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 is to be without prejudice to the rights of the holders of share issued upon special terms and conditions.

## SECURITY

### *Secrecy*

Article 134 - Every Director, Secretary, Trustee, for the Company, its members, or debenture-holders member of a Committee, officer, servant, agent, accountant, or other person employed in or about the business of the Company shall, if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general 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 Articles.

### *Restriction on entry upon property*

Article 135 - No shareholder or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the trading of the Company or any matter which is or may be in the nature of trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to communicate.

The President shall, however, be exempt from the provision of this Article notwithstanding anything mentioned hereinbefore.

## INDEMNITY AND RESPONSIBILITY

### *Directors' and others' rights to indemnity*

Article 136 - Subject to the provisions of Section 201 of the Companies Act, every Director, Manager, Auditor, Secretary or other officer or employee of the

Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including traveling expenses) which such Director, Manager, Auditor, Secretary or the office or employee or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any other way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

Subject as aforesaid every Director, Manager or officer of the Company shall be indemnified against any liability incurred by him or them in defending any proceedings whether civil or criminal in which judgment is given in his or their favour or in which he is or they are acquitted or in connection with any application under Section 633 of the Act in which relief is given to him or them by the Court.

*Individual responsibility of  
Directors*

Article 137 - No Director or other officer of the Company shall be liable for the acts, receipts, neglect 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 property acquired by the order of the Board of Directors for or behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any persons with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.

Name and Address, Occupation, Description of Subscriber	Signature of Subscribers	Signature of witness with address, description and occupation
1. Jai Prakash Batra S/o Late Shri Wishan Dass Batra R/o RB Bunglow No. 1, Hospital Road, Moti Bagh-1, New Delhi-110021 On behalf of President of India Govt. Service, Aged 59 years	Sd/-	<p>We witness the signatures of all the subscribers, who have signed before us :-</p> <p>Sd/-</p> <p>(1) Sanjeev Kumar Ajmani Company Secretary Indian Railway Finance Corporation Limited U.G. Floor, East Tower, NBCC Place, Lodhi Road, New Delhi-110003 Service FCS 4236</p> <p>Sd/-</p> <p>(2) Navneet Arora Company Secretary JE-9/104, Malviya Nagar New Delhi-110017 FCS 3214, CP 3005</p>
2. Shri Prakash S/o Shri Krishna Srivastava R/o 255/5B, Railway Officers Flats, Punchkuian Road, New Delhi-110001 Govt. Service, Aged 57 years	Sd/-	
3. Girish Pillai S/o Late Shri Narayanan Lekshmanan Pillay R/o C-24, Pushpanjali Apartments, Plot 10, Sector IV, Dwarka, New Delhi-110075 Govt. Service, Aged 47 years	Sd/-	
4. Pradeep Kumar Sanghi S/o Shri Prem Chand Sanghi R/o I D, Railway Board Flats, Sarojini Nagar, New Delhi-110023 Govt. Service, 49 years	Sd/-	
5. Sushant Kumar Mishra S/o Shri Narayan Mishra R/o 3B, Railway Board Officers Flats, Sarojini Nagar, New Delhi-110023 Govt. Service, Aged 45 years	Sd/-	
6. Shakeel Ahmed S/o Shri Mohd. Junaid R/o R.No. 206, Rail Niwas, State Entry Road, New Delhi-110001 Govt. Service, Aged 54 years	Sd/-	
7. Anjali Goyal D/o Late Shri Shanti Sagar Goyal R/o 20-C, Railway Officers Colony, Sardar Patel Marg, New Delhi-110021 Govt. Service, Age 43 years	Sd/-	

Place: New Delhi, Dated: 23.10.2006

