


**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**GOA HANDICRAFTS, RURAL AND SMALL SCALE**



**GHRSSIDC**

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**GOA HANDICRAFTS, RURAL AND SMALL SCALE**  
**INDUSTRIAL DEVELOPMENT CORPORATION LIMITED**

1. The name of the Company is 'GOA HANDICRAFTS, RURAL AND SMALL SCALE INDUSTRIES DEVELOPMENT CORPORATION LIMITED'.
2. The registered Office of the Company will be situated in the Union Territory of Goa, Daman and Diu.
3. The Objects for which the Company is established are :-
  - (a) The main Objects of the Company to be pursued by the Company on its incorporation :-
    1. To acquire and take over as a going concern the business now carried on in the Union Territory of Goa, Daman and Diu under the name and style of 'Handicrafts Emporium', particularly to market and sell handicrafts, handloom, rural and village industries' products, presently managed by the Economic Development Corporation of Goa, Daman and Diu Limited with all the assets and liabilities of the business and to carry on the same business with its original objects and purposes and to extend the same and for that purpose to acquire by purchase, lease or otherwise any land, buildings, machinery or other properties in the Union Territory of Goa, Daman and Diu or elsewhere as the Company may from time to time determine and to sell or dispose of the same.
    2. To manufacture, sell the products of rural, cottage, handicrafts, village industries and handloom goods, sandalwood, ivory works, coir products, engravings, sculptures, bronzes, enamels, jewellery, gems, coins medals and other works of art and the like hitherto to be carried on by the Handicrafts Emporium and to continue the business for the objects and reasons for which they were originally established.
    3. To promote, develop, undertake, assist and maintain schemes, projects and programmes including schemes for individuals, artisans and entrepreneurs for the economic and social development of rural areas in the Union Territory of Goa, Daman and Diu.
4. To undertake, promote, develop, assist, maintain schemes, projects and programmes and to aid, counsel, finance the small scale industries in the Union Territory of Goa, Daman and Diu.
5. To promote, establish, execute, improve and undertake cottage industries including village, khadi and textile industries(hand spun and hand woven) and similar other industries in the Union Territory of Goa, Daman and Diu.
6. To organize, establish emporia, art galleries for the exhibition of all types of products of handicrafts, rural, small scale village, handloom, khadi, textile and cottage industries.
7. To promote, aid, establish, execute, improve, finance identify and undertake handicrafts, rural, small scale village, handloom, textile, khadi and cottage industries or projects(including individuals, artisans and entrepreneurs) in the Union Territory of Goa, Daman and Diu.
8. To encourage, procure and make available expert advice and guidance including technical and managerial services in the areas of handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries and to undertake and provide all sorts of marketing facilities including export market for the products of handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries.
9. To provide, assist, give training and expert advice in the areas of the products of handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries including technical advice and to other awards, scholarships and prizes for the same.
10. To manufacture, procure, produce, store, distribute, market and sell raw materials required for handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries.
11. To appoint stockists, selling agents, distributors, commission agents, salesman, for promoting sales of handicrafts, rural small scale handloom, khadi, textile, village and cottage industries products.
12. To enter into any contracts or arrangements with any Government including Central or State or

Authority, Municipalities, Local Boards or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or Authority any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, execute and comply with any such contacts, arrangements, rights, privilege and concessions.

13. To establish and maintain export houses to promote export trade and participate in export trade for the benefit of handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries.
14. To undertake procurement and distribution of various raw materials, whether imported or indigenous allocated by the Government of India to the Department of Industries, Goa Administration or any other agency for supply to the handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries
15. To manufacture, sell, buy, import, export, install and generally deal in any plant and machinery, substances, tools, materials, goods or things of any description which in the opinion of the Company may be conveniently dealt with by the Company in connection with handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries.
16. To aid, assist, initiate, promote, expedite and accelerate rapid and orderly development of handicrafts, rural, small scale handloom, khadi, textile, village and cottage industries in the Union Territory of Goa, Daman and Diu.
16. **(A)** To carry on the business of leasing, lease Hire-Purchase arrangements of all kinds of movable and immovable properties, including plant machinery, equipments Electrical, Mechanical, Telecommunications, Computers, Office Equipments of all kinds, Security Systems, Machinery and other Fixed Assets, requirements of small Scale industries, public address systems, cinema equipment, motor vehicles of all kinds.
- (B) The Incidental and ancillary objects**
17. To enter into any partnership for sharing profits, amalgamation, co-operation, joint ventures reciprocal concessions or other wise with any firm or company, so as to directly or indirectly benefit this Company.
18. To purchase or otherwise acquire the whole or any part of business, property, rights, assets and liabilities of any firm or company suitable for any of the purposes of this company.
19. To establish, provide, maintain and conduct or otherwise subsidize research laboratories and experimental workshops for scientific and technical research and experiments and to undertake and carry on all scientific and technical researchers, experiments and tests of all kinds and to promote studies and research, both scientific and technical, investigation and invention by providing subsidizing, endowing or assisting laboratories, workshops, libraries, lecturers, meetings and conferences and by providing the remuneration of scientific or technical professors or teachers and by providing for the award of exhibitions, scholarships, prizes, grants and bursaries to students or independent or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiment, tests and invention of any kind that may be considered likely to assist any of the businesses which the Company is authorized to carry on.
20. To carry on all or any of the business of lithographers, printers, publishers and stationers.
21. To issue, or guarantee the issue of, or the payment or interest on the shares, debentures, debenture stock, or other securities or obligations of any company or association and to pay or provide for brokerage, commission and underwriting in respect of any such issue.
22. To make, draw, accept, endorse, discount, execute, issue and negotiate, cheques, bills of exchange, promissory notes, debenture and other negotiable or transferable instruments.
23. To borrow or raise or secure the payment of money in such other manner as the Company

shall think fit and in particular by the issue of debentures, debenture bonds, or debenture stock, perpetual or otherwise, mortgage or any other securities charged or based upon the undertakings of the Company or any part of its property, both present and future, including the uncalled capital and the rights of the Company or without any such security and upon such terms as to terms as to priority or otherwise and generally to borrow money in such manner as the Company shall think fit

- 24 To receive grants, loans, advances or other moneys on deposit or otherwise from the Central Government or State Government, banks, Companies, Trusts or individuals with or without allowances of interest thereon, subject to the provisions of Sec.58A of the Companies Act, 1956.
- 25 To carry on any other trade, whether manufacturing or otherwise, which may seem to the Company capable of being carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights.
- 26 To transact and carry out on all kinds of agency business.
- 27 To amalgamate with any Company or companies.
- 28 To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debenture, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any person whomsoever, whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations.
- 29 To appoint trustees(whether individual or Corporation) to hold securities on behalf of and to protect the interest of the Company.
- 30 To enter into contract for exhibition of posters and advertising boards on and in the vehicles and premises of the Company and also for advertisement on tickets and other forms issued by the Company to the public.
- 31 To take suitable steps to enable the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or any other purpose which ay seem expedient.

**(C) Other Objects**

32. To undertake, carry out, promote and sponsor rural development including any programme of promoting the social and economic welfare of, or the uplift of the public in any rural areas and to incur any expenditure on any programme or rural development and to assist in the execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing programme of rural development shall also include any programme for promoting the social and economic welfare of,

or the uplift of the public in any rural area which the Directors consider likely to promote and assist rural development and words ' area' shall include such areas as may be regarded as rural areas under Section 35 CC of the Income Tax, 1961, or any other law for the time being in force or as may be regarded by the Directors as rural areas. The Directors may, at their discretion in order to implement any of the above consideration or at such fair or concessional value as the Directors may think fit and divest the company of the ownership of any of its property to or in favour of any public or local body or authority of Central or State Government or any public institutions or trusts or funds as the Directors may approve.

33. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of the national economy and for discharging what the Directors may consider to be the social and moral responsibilities of the Company to its workmen, consumer sand the public or

any section of the public as also any activity which the Directors consider likely to promote national welfare, social, economic or moral uplift of the workmen, consumers and the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors, may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for the publication of any books, periodicals or newspapers or for organizing lecturers or seminars likely to advance these objects or for giving merit awards, scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them to prosecute their studies or academic pursuits or researches and for establishing, conducting or assisting any institution, fund or trust having any one of the aforesaid objects as one of its objects, by giving donations, or otherwise in any other manner and the Directors may, at their discretion in order to implement any of the above mentioned objects or purposes, transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the Company of the ownership of any of its property to or in favour of any public or local body or authority or Central or State Government or any public institutions or trusts or funds as the Directors may approve.

34. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them in India or elsewhere in any other part of the world and as principal agents, contractors, trustees or otherwise and by or through trustees,

agents or otherwise either alone or in conjunction with others and so that the word 'Company' in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership, or other body or persons, whether incorporated or not incorporated and the intention is that the objects set forth in each of the several paragraphs of this Clause shall have the widest possible construction and shall be in no wise limited or restricted by reference or inference from the terms of any other paragraph of this Clause or the name of the Company.

35. To donate, present or otherwise dispose of either voluntarily with or without consideration or for value, any property of the Company deemed to be of national public or local interest, to any national trust, public body, museum, Corporation or authority or any trustees for on behalf of any of the same or of the public, subject to the provisions of Companies Act, 1956.

36. To provide for the value of employees or ex-employees of the Company and the wives and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or shawls or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

37. To enter into negotiations with Indian and foreign companies and other persons and acquire by grant, purchase, lease, barter, licence or other terms of formulae, process and other rights and benefits and to obtain financial and/or technical collaboration, technical information, know how and expert advice.

38. To take over and acquire the industrial licence, import licence, permit and other rights for carrying on any industry or payment incurred therefore and compensation for technical services rendered in connection therewith and to acquire partnership or individual and for that purpose to enter into necessary agreements, deeds and arrangements.

39. To carry on any other manufacturing activity, trade or business whatsoever which can, in the opinion of the Company, be advantageously or conveniently carried on by the Company by way of extension of

or in connection with any such business as aforesaid or is calculated directly or indirectly to develop any branch of the Company's business or to increase the value of or branch of the Company's business or to increase the value of or to turn to account any of the Company's assets, property or rights.

40. To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the

promotion of industry or trade.

- 41 To appropriate, use or lay out land belong to the Company for Streets, parts, pleasure grounds, allotments and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the Company thinks fit.
- 42 To subscribe or otherwise to assist, support, endow or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions, societies, clubs funds or objects, which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise
- 43 To distribute any of the properties or assets of the Company to its members in specie or kind
- 44 Nothing in this paragraph shall authorize the Company to do any business which may fall within the purview of Banking Regulations Act, 1949 or the Insurance Act, 1938.
- IV. The liability of the members is limited.
- V The Authorised Share Capital of the Company is Rs.4,00,000,000 (Rupees Four Crores only) divided into 4,00,000(Four lakhs) Equity Shares of Rs.100/- (Rupees One Hundred only) each, with the rights, privileges and conditions attached hereto as are provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Indian Companies Act, or provided by the Articles of Association of the Company for the time being

Sr. No.	Name, address, description and occupation of the Subscriber	Number of equity shares Taken by each subscriber	Signature of Subscriber	Name, address, description and occupation of witness and his signature
1.	Shri Vijay Kumar Bhaurao Lagu, Son of Bhaurao Yashwant Lagu, F3, Meghana Teachers Colony, Tonca-Caranzalem, Goa Service	1(One) Equity	Sd/	Sd/-
2	Shri Ramesh Chandra Raghuvir Borkar, Son of Shri Raghuvir S. Borkar, 6, Raj Mahal, Fontainhas, Panaji-Goa Service	1(One) Equity	Sd/-	SHRI ROLAND ALEMAO  Son of Shri Rui Alemao
3	Shri Jayendra Vishwanath Gaitonde, Son of Shri Vishwanath P. Gaitonde, II/2Vikas, Near Pharmacy College, Panaji Goa Service	1(One) Equity	Sd/-	Accountant,  Economic Development Corporation of Goa, Daman and Diu Ltd.
4	Shri Vijay Kumar Suriaji Hede, Son of Shri Suriaji Anant Hede, Flat No.15/a, Govt. Qrts., Ponte-de-Linhares, Panaji Goa Service	1(One) Equity	Sd/-	
5	Shri Sadanand Mahadeo Kudchadkar, Son of Shri Mahadeo Reghuvir Kudchadkar, 6, Ashvini, St. Inez Co-op. Hsg. Society Ltd., Panaji Goa Service	1(One) Equity	Sd/-	Panaji Goa

6	Shri Prasad Gajanan Prabhu Desai, Son of Shri Gajanan Vithal Prabhu Desai, 10, Sunshine, Bernard Guedes Road, Panaji Goa Service	1(One) Equity	Sd/-	
7	Shri Gopal Atmaram Desai, Son of Shri Atmaram Gopal Desai, Dattatraya Coop. Hsg. Society, III Floor, Santa Inez, Panaji Goa Service	1(One) Equity	Sd/-	

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**GOA HANDICRAFTS, RURAL AND SMALL SCALE**  
**INDUSTRIES DEVELOPMENT CORPORATION LIMITED**  
**TABLE 'A' TO APPLY**

- |   |  |                          |
|---|--|--------------------------|
| 1 | The regulations contained in Table 'A' in the first Schedule to the Companies Act, 1956, except in so far as they are inconsistent or have been specifically excluded by or under these Articles, shall apply. | Table 'A'<br>to<br>apply |
|---|--|--------------------------|

**INTERPRETATION**

- |    |  |                                 |
|----|--|---------------------------------|
| 2. | In the interpretation of these Articles the following expressions shall the following meanings, unless repugnant to the subject or context   | Interpretation Clause           |
|    | “The Act” or “the said Act” shall mean “The Companies Act, 1956” as amended upto date or any statutory modifications or reenactment thereof or any other Act or Acts for the time being in force in India governing companies. | ‘The Act’ or ‘the said Act’     |
|    | “Government shall mean Government of Goa.”   | Government                      |
|    | “Annual General Meeting” shall mean a general meeting of the members of the Company held by virtue of the provisions of Section 166 of the Companies Act, 1956.  | Annual General Meeting          |
|    | “Auditors” shall mean those persons appointed as such for the time being by the company.   | ‘Auditors’                      |
|    | “The Company” or “this Company” shall mean Goa Handicrafts, Rural and Small Scale Industries Development Corporation Limited. The Company shall be a public limited company.   | ‘The Company’ or ‘this Company’ |
|    | “Persons” shall include an individual, a Partnership Firm a Company, a corporate or an Association or body of Persons whether incorporated or not.   | ‘Persons’                       |

	“The Presents” or “Regulations” shall mean these Articles of Association as originally framed or altered from time of time and also includes the Memorandum where the context so requires.	“The Presents” or ‘Regulations’
	“Paid-up” shall include the capital credited as paid-up.	‘Paid-up’
	“Public Holiday” shall mean a public holiday within the meaning of the Negotiable Instrument Act, 1881 (26 of 1881)	‘Public Holiday’
	“Register of Members” shall mean the Register of Members to be maintained pursuant to the Act.	‘Register of Members’
	“ The Register” shall mean the Registrar of Companies or an Additional or a Joint, deputy or Assistant Registrar.	‘The Registrar’
	“Secretary” shall mean any individual possessing the prescribed qualifications appointed to perform the duties which maybe performed by a Secretary under the Act.	Secretary’
	“Seal” shall mean the Common Seal for the time being of the Company.	‘Seal’
	The words importing singular number shall include the plural number.	‘Singular’
	“In writing” and “written” shall include printing, type writing, lithography and any other mode or modes of representing or reproducing words in a visible form including telex and telegram.	‘In writing’ and ‘written’
	“Year” shall mean the calendar year.	Year
3.	The Articles 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 Articles by special resolution, as prescribed or permitted by the Act be such as are contained in these Articles.	Company to be governed by these Articles
Capital	4. The Authorised Share Capital of the Company is Rs.4,00,00,000/- (Rupees Four Crores only) divided into 8,00,000.00 (Rupees Eight Lakhs) Equity Shares of Rs.100/- (Rupees one hundred only) each.	
Company's shares not to be purchased	5. No part of the funds of the Company shall be employed in the purchase of or in giving loans upon the security of the Company's shares except to the extent permitted by the Act.	
Allotment of shares	6. Subject to the provisions of the Act and these Articles and to the directives of the Administrator, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions as it may think fit.	
Share certificate	7. Every person whose name is entered as a member in the Registrar of Members shall be entitled to reach within three months after allotment or within two months of the application for registration of transfer (or within such other period as the conditions of issue shall provide)	

- a) One certificate for all his shares without payments or
- b) Several certificates, each for one or more of his shares, upon payment of one rupees for every certificate after the first.

Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid thereon

Loss of Certificate

In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

- 8. If a share certificate is defaced, lost or destroyed, it may be renewed or a duplicate of a certificate may be issued if such certificate is proved to have been lost or destroyed or having been defeated or mutilated or torn is surrendered to the Company, on payment of a fee of fifty paise and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidences, as the Directors think fit.

9 The Company shall have a first and paramount lien Company's lien

- (a) On every share (not being fully paid share) for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) On all shares (not being fully paid shares) standing registered in the name of a single person, for all moneys presently payable to him or his estate to Company.

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

The Company's lien, if any, on a share shall extend to all dividends payable thereon.

10. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Sale of Shares

Provided that no sale shall be made

- a) Unless a sum in respect of which the lien exists is presently payable ; or
- b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. Transfer of Shares

The purchaser shall be registered as the holder of the shares comprised in any such

transfer.

The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. Sale proceeds

Commission for placing shares

The residue, if any, shall, subject to a like lien for sums not presently payable as existed prior to the shares before the sale, be paid to the person entitled to the shares at the date of sale.

13. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debenture or debenture-stock of the Company provided that, if the Commission in respect of shares is paid, the statutory conditions and requirements shall be observed and complied with and the amount of rate of commission in case shares shall not exceed 3 percent of the price at which the shares are issued and in case of debentures, 2 ½ per cent of the price at which the debentures are issued. The Commission may be paid or satisfied in cash or in shares, debentures or debenture-stock of the Company.

Call on shares

#### CALL ON SHARES

14. The Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Each member shall, subject to receiving at least fourteen days notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified the amount called on his shares.

Time of call

15. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorizing the call was passed and may be required to be paid by instalments.

Interest

16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at eighteen percent per annum or at such lower rate, if any, as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. 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. Any claim deemed to be a call.

In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board

- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the moneys so advanced, any (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, eighteen percent annum as may be agreed upon between the Board and the member paying the sum in advance.

### INCREASE, REDUCTION AND ALTERATION OF CAPITAL

- |                              |   |                               |
|------------------------------|---|-------------------------------|
| 19.                          | Subject to any directives from the Administrator, the meeting , increase the share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe.   | Alteration<br>of<br>capital   |
| 20.                          | Subject to the provisions of Section 81 of the Act and subject to such directives as may be issued by the Administrator in this behalf, new shares may be issued upon such terms and conditions and with such rights and privileges as the Board may determine from time to time.   | Issue of<br>new<br>shares     |
| 21.                          | 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 provisions herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise. | Rights<br>under new<br>shares |
| Alteration of<br>Memorandum. | 22. Subject to any directives by the Administrator, the Company may, i.e. General meeting, alter the conditions of its Memorandum as follows  |                               |
| Consolidation of shares.     | (a) Consolidate and divide the whole or any of its share capital into shares of larger amounts than its existing shares;  |                               |
| Sub-division of shares.      | (b) Sub-divide shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act, in that behalf;  |                               |
| Cancellation of shares       | (c) Cancel shares which, at the date of such general meeting, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.  |                               |
| Reduction of capital.        | 23. Subject to the provisions of Sections 100 to 104 of the Act and also subject to such directives as may be issued by the Administer in this behalf, the Company may, from time to time, with the approval of the Administrator,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 or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise and the Directors may, subject to the provisions of the Act, accept surrender of shares.

### TRANSFER AND TRANSMISSION OF SHARES

Transfer of shares. 24. An application for the registration of transfer of shares may be made either by the transferer or the transferee.

Board's powers to refuse to recognize transfers. Notwithstanding anything contained in these presents, the Board, subject to the right of appeal conferred by Section 111 of the Act, may, at any time in their absolute discretion and without specifying any grounds, decline to register the transfer of any shares whether fully paid up or not and whether the transferee (by transfer or transmission) is already a member of the Company or not.

Notice on refusal to transfer shares. 25. If the Directors refuse to register the transfer of any shares, they shall, within two months, send to the transferee and the transferor notice of the refusal.

26. Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof. Holder of shares recognized as absolute owner.

27. The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Instrument of transfer.

28. Shares in the Company shall be transferred in the form prescribed under the Act, and Rules made thereunder. Form of transfer

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

30. The transfer books and Register of Members may be closed for any time or time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time after giving not less than seven days notice in terms of Section 154 of the Act. Closure of transfer books and Register of Members.

31. Subject to the provisions of Section 111 of the Act, the Director shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he was the transferee named in an ordinary transfer presented for registration. Board's powers to refuse to recognize transmission of shares.

### FORFEITURE OF SHARES

32. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board of directors may, at any time thereafter during such time as any part of the call or installment remain 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 occurred. Notice for payment.

Terms of notice 33. The notice aforesaid shall  
(a) name of 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.

**Forfeiture** 34. 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.

**Liability to pay** 35. A person whose shares have been forfeited, shall cease to be 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, presently payable by him to the Company in respect of the shares.

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

**Declaration of forfeiture** 36. A duly verified declaration in writing that the declarant is a Director or the authorized officer 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.

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.

The transferee shall thereupon be registered as the holder of the share.

The transferee shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share .

## **BORROWING POWERS**

37. Subject to the provisions of Sections 292 and 293 of the Act and also subject to any directives that may be issued by the Administrator in that behalf, the Directors may, from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company. Borrowings

38. The Directors may, subject to any directives that may be issued by the Administrator, secure the payment 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 or bonds, perpetual or redeemable, debenture stock or any mortgages, 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. Security

39. 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.

40. Subject to the provisions of Sections 76 and 117 of the Act and subject to any directives that may be issued by the Administrator, any debentures, debenture-stock, bonds or other securities may be issued at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors or otherwise. Issue of Security

## GENERAL MEETINGS

- |  |     |   |                                    |
|--|-----|---|------------------------------------|
| 41.  |     | All General Meetings other than the Annual General Meeting are called Extra-ordinary General Meetings. The Annual General Meetings shall be held in accordance with Section 166 of the Act.   | Annual<br>General<br>Meetings      |
| 42.  |     | The Directors may, whenever they think fit, and shall, when required by the Administrator, call on Extra-ordinary General Meeting and Extra-ordinary General Meeting shall also be called on such requisition or in default, may be called by such requisitions, as provided by the Act.  | Extra -ordinary<br>General meeting |
| <p>(If, at any time, these are not within India sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company may call an Extra-ordinary General Meeting in the same manner as early as possible as that in which meetings may be called by the Directors.)</p> |     |   |                                    |
| Notice of Meeting.   | 43. | A General Meeting of the Company may be convened by giving not less than 21 days notice in writing.   |                                    |
| <p>Provided the Annual General Meeting and the Extra-ordinary General Meetings may be held with lesser notice if the members agree for the same in the manner provided under Section 171 of the Act.</p>   |     |   |                                    |
| Omission or non-receipt of Notice.   | 44. | The accidental omission to give any such notice to or thereon receipt of any such notice by any member shall not invalidate the proceedings at any meeting.   |                                    |
| Business at General Meetings.  | 45. | The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at an Annual General Meeting and all other business transacted at an Annual General Meeting and all business transacted at an Extra-ordinary General Meeting shall be special business within the meaning of Section 173 of the Act.   |                                    |
| Quorum.  | 46. | Five members present in person shall be the quorum for a General Meeting.   |                                    |
| Administrator to nominate his representative.  | 47. | The Administrator may, from time to time, appoint one or more persons(who need be a member of the Company) to represent him at all or any meetings of the Company.  |                                    |
| Chairman of the meeting.   | 48. | The Chairman of the Directors shall be entitled to the chair at every general meeting, or if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such m meeting or is unwilling to act as Chairman, then the members present shall choose one of the Directors present and if one of the Directors are present or are unwilling to act as Chairman, then the members shall choose one of them to be Chairman.  |                                    |
| Want of quorum.  |     | If, within half an hour after the time appointed for the holding of a General Meeting a quorum be not present, the meeting, if convened on the requisition of shareholders, shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Directors may, by notice to the shareholders, appoint. If, at such adjourned meeting, a quorum be not present, those members present shall be quorum and may transact the business for which the meeting was called. |                                    |

- 50. The Chairman of a General Meeting may, with the consent of the meeting, and shall when directed by that meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Adjournment.
- 51. 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 a question of adjournment, shall be taken at the meeting and without adjournment. No adjournment of poll in certain case.
- 52. 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. Decision on votes
- 53. 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 wither at once or after an interval or adjournment or otherwise, Poll

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.

- 54. The demand of a poll shall not prevent the continuance of a meeting nor the transaction of any business other than the question on which the poll has been demanded. Demand of poll not to prevent continuance of other business.
- 55. 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 time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. Validity of vote.
- 56. The Board of Directors may appoint a Vice-Chairman who may, in the absence of the Chairman, preside over the meetings of the Board and General Meetings and exercises all the powers of the Chairman described in the presents. Vice-Chairman

### V O T E O F M E M B E R S

- 57. Upon a show of hands, every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorized representative shall have his voting right in proportion of his share in the paid up capital of the Company. Voting.

Vote of member company. 58 Any member who is a company present by a representative duly authorized by a resolution of the Directors of such Company in accordance with the provisions of Section 187 of the Act, may vote on a show of hands as if he was member of the Company. The production at the meeting of a copy of such resolution duly signed by one Director of such company and certified by him as being a true copy of the resolution shall at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

Vote of proxy. 59. A member entitled to attend and vote at a meeting, may appoint another person(whether a member or not) as his proxy, to attend a meeting and vote on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing of if the appointer is a body corporate be under its seal or be signed by an officer or an attorney duly authorized by it.

The instrument appointing a proxy and the power of Attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposed to vote and in default the instrument shall not be treated as valid.

Appointment of proxy. 60. The instrument appointing a proxy and the power of Attorney or other authority, if any, under which it is signed or executed or a notarially certified copy of that power of authority, shall be deposited at the registered office of the Company not less than 48 hours before the time 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 the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Proxy form. 61. An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit.

Validity of vote by proxy in case of death. 62. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under 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 shall have been

Received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## BOARD OF DIRECTORS

63. Until otherwise determined by the Company in General Meeting, the number of Directors shall not be less than three and not more than twelve. Number of Directors.

The directors are not required to hold any qualification shares.

64. The following persons shall be the first Directors of the Company Directors

- |    |                  |                   |
|----|------------------|-------------------|
| 1. | Dr. J.C. Almeida | Chairman          |
| 2. | Shri .K. Mathur  | Director          |
| 3. | Dr. P.Deshpande  | Director          |
| 4. | Shri N.N. Padte  | Managing Director |

65. All the Directors shall be appointed by the Government. These Directors shall not be liable to retire by rotation. The Government shall have the right to remove any or all the Directors appointed by it and fill in any vacancy in the office of a Director caused by removal, resignation or death or otherwise. The Government shall also have the right to reconstitute the Board of Directors of the Corporation and to decide the period of their appointment. Appointment of Directors

- (A) Notwithstanding anything to the contrary contained in these Articles Industrial Development Bank of India, shall, have a right to appoint one director on the Board of Directors of the Company such director is hereinafter referred to as 'the Nominee Director'. The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation. IDBI may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by IDBI and shall be delivered to the Company at its registered office.

The Board of Directors of the Company shall have no power to remove the Nominee Director from office. Such Nominee Director shall be entitled to attend all general meetings. Board Meetings and Meetings of the Committee of which he is a member, and he and IDBI shall also be entitled to receive notices of all such meetings. The Nominee Director shall be paid normal fees and expenses to which other Directors are entitled.

Provided that if the Nominee director is an officer of the IDBI, unless IDBI otherwise directs, no sitting fees shall be payable to him but the Company shall reimburse IDBI the amounts paid or payable under its rules to such Nominee Director on account of traveling and halting allowances and any other expenses for attending any general meeting or any meeting of the Board or Committee.

2. The Company shall provide all facilities to IDBI to inspect from time to time through its officials or other agents the books, accounts, records, papers, documents and other material at the Registered Office of the Company or any of its office/branches and the Company shall also furnish all such information and particulars as may be required by IDBI and its officials and agents.
  3. The Company shall keep and maintain such books, accounts and other records as may be required by the IDBI in respect of its business affairs and operations showing all such particulars as may be specified by the IDBI. The Company shall furnish to IDBI all such information as the IDBI may require from time to time.
  4. The Company shall observe and abide by all such guidelines as may be issued by the IDBI from time to time on matters of policy. The decisions of the IDBI on the question whether a particular matter is policy or not shall be final and binding on the company.
66. The members of the Board of Directors, shall be entitled to such sittings fees for attending a meeting of the Board of Directors or a Committee or sub-committee thereof, as may be fixed by the Board of Directors, not exceeding rupees fifty per meeting.

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all traveling, hotel and other expenses properly incurred by them

- a) in attending and returning from meeting of the Board of Directors or any committee thereof or General meeting of the Company; or
- b) in connection with the business of the Company.

67 Notwithstanding anything contained in Article 69, if a Member of the State Legislature or of Parliament is appointed as the Chairman or other Director, he shall not be paid any salary, but he shall be paid traveling allowance and such other allowances which maybe payable to him for the purpose of meeting the personal expenditure incurred by him in attending the meeting of the Board or its committees or in performing any other functions as the Chairman or other Director as the case may be.

## POWERS OF DIRECTORS

68. Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorized to exercise and do; provided that the Board shall not exercise any power or do any act or things which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles 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 at or things, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting

General  
powers  
of the  
Directors

No regulations made the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

69. Without prejudice to the general powers conferred by the articles herein before and hereinafter, it is hereby expressly declared that the Directors shall, subject to any directives of the Administrator and also subject t the provisions of those articles and of the Act, have the following powers, that is to say powers

- (i) To pay costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company
- (ii) To purchase or otherwise acquire for the company any 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.
- (iii) At their discretion, to pay for any property rights or privileges acquired by, or services rendered to, the company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged.
- (iv) To secure fulfillment of any contracts or agreements entered into by the Company, by mortgage entered into by the Company, by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.
- (v) To appoint and at their discretion, remove or suspend such managers, secretary, officers, clerks, agents and servants for permanent, temporary or special services, as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and for such amounts as they fit.
- (vi) To appoint any person or persons, whether incorporated or not, to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or any other purposes and to execute and to do all such deeds and things as may be requisite in relation to

any such trust, and to provide for the remuneration of such trusts or trustees.

- (vii) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company, or its officer or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debit due, and of any claims or demands by or against the Company
- (viii) To refer any claims or demands by or against the Company, to arbitration and perform the award.
- (ix) To make and give receipts, release and other discharges for money payable to the Company, and for the claims and demands of the Company.
- (x) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, and other documents.
- (xi) From time to time to provide for the management of the affairs of the Company abroad in such manner as they deem fit, and in particular to appoint any persons to be the attorneys or agents of the Company with such powers including power to sub-delegate and upon such terms as may be thought fit.
- (xii) To invest and deal with any of the moneys of the Company not immediately required for the purposes of the Company upon such securities not being shares in this Company in such manner as they may think fit, and from time to time to vary or realize such investments.
- (xiii) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property, present and future, with such covenants and provisions as shall be agreed upon or otherwise indemnify by paying him from the funds of the Company or by sale to him of the assets of the Company.
- (xiv) From time to time to make, vary and repeal byelaw or the regulations of the business of the Company, its officers and servants.
- (xv) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- (xvi) To delegate all or any of the powers, authorities and discretions for the time being vested in the Board of Directors. Subject, however, to the ultimate control and authority being retained by it.

#### **MANAGING DIRECTORS**

70. The Administrator may appoint any one or more of the Directors of the Board to be the Managing Director(s) or Jt. Managing Director(s), Whole Time Director(s) for such period and upon such terms as he may think fit, for the conduct or management of the business of the Company subject to the control and supervision of the Board of Directors. Director or the Managing Director(s) so appointed, may be authorized by the Board to exercise such of the powers and discretions in relation to the affairs of the Company as are specifically delegated to him/them by the Board and are not required to be done by the Board of Directors of the Company or at the General Meeting under the Act.

Appointment of Managing Directors.

The Managing Director(s), Jt. Managing Director(s), Whole-time Director(s) shall be paid such salary and allowances as may be fixed by the administrator.

In the absence of the Managing Director(s), Jt. Managing Director(s), Whole-time Director(s), on leave or otherwise, the Board may, with the previous approval of the Administrator empower any other Director or any Officer of the Company to perform all or any of his functions and duties.

Provided that where such absence dis not likely to exceed three months, the previous approval of the Administrator shall not be necessary.

## PROCEEDINGS OF BOARD OF DIRECTORS

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|---|--|--|
| <p>Managing Directors may summon meeting. How questions to be decided</p> | <p>71. The Managing Director or in his absence the Secretary 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 second or casting vote.</p>  |  |
| <p>72.</p>  | <p>A meeting of the Board of Directors shall be held for the dispatch of the business of the Company at least once in three calendar months. 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 to every other Director.</p>   | <p>Meeting of the Board and their notice.</p>                          |
| <p>73.</p>  | <p>The quorum for a meeting of the Board of Directors of the company shall be one-third of its(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, provided that where at any time, the number of interested Director exceeds or its equal to two-thirds of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not interested not being less than two shall be quorum during such time.</p> | <p>Quorum for Meeting.</p>   |
| <p>74.</p>  | <p>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 discretions by or under the Articles of the Company for the time being vested in or exercisable by the Board of Directors generally.</p>   | <p>Power of Quorum.</p>  |
| <p>75.</p>  | <p>The Administrator may from among the Directors, nominate one as Chairman and another as Vice-Chairman of the Board of Directors' meetings and determine the period for which they are to hold office. If at any meeting the Chairman is not present, the Vice Chairman shall preside over the meeting. If at any meeting both the Chairman and the Vice-Chairman are not present within 30 minutes after the time of holding the same, the Directors present may choose one of their members to be Chairman of the meeting.</p>     | <p>Chairman and Vice-Chairman of the Board of Director's meetings.</p> |
| <p>76.</p>  | <p>The Board of Directors may, subject to the provisions of Section 292 of the Act, delegate any of the powers to a Committee consisting of such member or members of their body as they think fit, any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board, proceedings of such Committee shall be placed before the Board of Directors at the next meeting.</p>   | <p>Delegation of powers to Committees</p>                              |
| <p>77.</p>  | <p>A Committee may elect a Chairman of their meetings; if no such Chairman is elected, or, it at any meeting the Chairman is not present within 30 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairman of the meeting.</p>   | <p>Chairman of meetings of Committees</p>                              |

When acts of Directors of Committee valid notwithstanding defective appointment, etc.	78.	All acts done by any meeting of the Board, or 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 duly appointed and was qualified to be Director, provided that nothing in this Article 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.	79.	A resolution in writing signed by all the Directors shall, subject to section 289 of the Act, be as valid and effectual, as if it has been passed at a meeting of the Board of Directors duly called and constituted.
Minutes.	80.	Proper minutes to be made of all the General Meetings of the Company as well as of the Board of Directors and Committees and also of all appointments of Officers; and of attendance thereat, and all business transacted at such meetings, in accordance with the provisions of Section 193 of the Act, and any such minutes of General Meeting, if purporting to be signed within 14 days from the conclusion of such general Meeting by the Chairman of such meeting, or in accordance with the provisions of sub-section 1A(B) of Section 193 of the Act and in case of minutes of the Board of Directors or Committee of Directors by the Chairman of the meeting or Chairman of the succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.

#### **THE SEAL**

The Seal.	81.	The Board shall provide for the safe custody of the seal.
		The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least one Director; and such Director shall sign every instrument to which the seal of the Company is affixed in his presence.

#### **DISQUALIFICATION OF DIRECTORS**

82.	The Office of a Director shall be vacated if	Disqualification of Directors.
	a)	he is found to be of unsound mind by a court of competent jurisdiction
	b)	he applies to be adjudicated an insolvent
	c)	he is adjudged an insolvent
	d)	he is convicted by a Court in India of any offence and is sentenced in respect thereof imprisonment for not less than six months
	e)	he fails to pay call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment for the call
	f)	he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board

- g) he or any firm in which he is a partner or any private company of which he is a director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act.
- h) he fails to disclose the nature of his concern or interest in any contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company as required under Section 299 of the Act.
- i) he becomes disqualified by an order to Court under Section 203 of the Act
- j) he is removed in pursuance of Section 284 of the Act
- k) he is concerned or participates in the profits of any contract with the Company; provided, however, no Director shall vacate his office by reason of his becoming a member of any company which has entered into contract with or done any work for the Company of which he is Director but Director shall not vote in respect of any such contract or work, and if he does so his vote shall not be counted.

Disqualification referred to in Sub-clause(c), (d) and (i) above shall not take effect

- a) for thirty days from the date of adjudication, sentence or order
- b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days seven days from the date on which such appeal or petition is disposed of; from the date on which such appeal or petition is disposed of; or
- c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, is allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

#### **A C C O U N T S**

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|----------------------|-----|--|
| Accounts to be kept. | 83. | The Company shall cause to be kept proper books of account with respect to -   |
|                      |     | <ul style="list-style-type: none"> <li>a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.</li> <li>b) All sales and purchases of goods by the Company.</li> <li>c) The assets and liabilities of the Company.</li> </ul> |

Inspection of Accounts Books.	84. The books of account shall be kept at the Registered Office of the Company or at such other place as the Board shall think fit and shall be open to inspection by the Directors during business hours.	
Inspection by Member.	85. The Board shall, from time to time, determined whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members(not being Directors) 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 or by a resolution of the Company in General Meeting.	
86	Subject to the provisions of Section 210 of the Act, the Board shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every financial year, lay before the Company in Annual General Meeting 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 upto a date not earlier than the date of the meeting by moiré than six months.	Annual Account and Balance Sheet.
87.	Subject to the provisions of Section 217 of the Act, 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 it recommends should be paid by way of dividend and the amount, if any, which it proposes to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet.	Annual Report of the Board.
88.	The profit and loss account shall, subject to the provisions of Section 211 of the Act and to the Schedule VI referred to therein, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenditures of the establishment, salaries and other like matters. Every item of expenditure, fairly chargeable against the year's income, shall be brought into account so that a juts 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 the addition of the reason why only a portion of such expenditure is charged against the income of the year.	Contents of Profit and Loss Account
89	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 four days before the meeting at which it is to be laid before the members of the Company.	Balance Sheet and Profit and Loss Account to be sent to members.
90.	The Board shall in all respects comply with the provisions of Sections 209 to 222 of the Act or any statutory modifications thereof for the time being in force.	Boards to comply with Sections 209 to 222 of the Act.

#### A U D I T

Accounts to be audited.	91.	At the end of every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors.
Appointment of Auditors and their remuneration	92.	The Auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India.

Auditor's right to attend meetings. 93. The Auditors of the Company shall be entitled to receive notice of and to attend any General Meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and make any statement or explanation they desire with respect to the accounts.

Power of the Comptroller and Auditor General

94. The Comptroller and Auditor General of India shall have power

a) To direct the manner in which the Company's accounts shall be audited by the Auditor/Auditors appointed in pursuance of Article 93 hereof and to give such Auditor/Auditors instructions in regard to any matter relating to the performance of his/her functions as such

Comments upon or supplement to audit report by the Comptroller and Auditor General to be placed before General Meeting.

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 purpose of such audit, to have access at all reasonable times, to all Accounts, Account Books, Vouchers, Documents and other papers of the Company and to require Information or additional information to be furnished to any person or persons so authorized, on such matter, by such person or persons and in such form as the comptroller, and Auditor General may, by general or special order, direct.

95. The Auditor/Auditors aforesaid shall submit a copy of his/her audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to , the audit report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.

96. 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 henceforth shall be conclusive. When accounts deemed finally settled

#### NOTICES

97. A notice may be given by the Company to any member either personally or any sending it by post to him to his registered address, or(if he has no registered address) to the address, if any, supplied by him to the Company for the giving of notice to him. How notice to be served on members

98. A holder of registered share who has no registered place of address, may from time to time, to notify in writing to the Company an address which shall be deemed to be his registered place of address, within the meaning of the last preceding Article. Notification of address by a holder of registered shares have no registered place of address

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

100. A notice may be given by the Company to the persons entitled to a share How notice

in consequence of the death or insolvency of a member by sending it through the post in a pre-paid letter addressed to them by name or by the title of representatives of the deceased, or assignee of the insolvent or by any hike 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 any manner in which the same might have been given if the death or insolvency had not occurred.

to be given to representatives of a deceased or bankrupt member.

101. 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 have 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 whom notice of General Meeting be given.

to a share in consequence of the death or insolvency of a member who, but for his death or insolvency would be entitled to receive notice of the meeting, provided the Company has due to notice.

How notice to be signed

102. The signature of any notice to be given by the Company may be written or printed.

103. Every person who, by operation of law, transfer or other means: whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address and title to the share being notified to the company shall be duly given to the person from whom he derives his title to such share.

Period of notice how calculated

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

#### CAPITALIZATION OF PROFITS

105. The Company in General Meeting may on the recommendation of the Board resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company reserve account or to the credit of the profit and loss account or otherwise available for distribution.

The Board shall give effect to resolution passed by the Company in General Meeting in pursuance of this Article.

#### DIVIDENDS AND RESERVE

Dividend. 106. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Interim dividend. 107. The Board may, from time to time, pay to the members such interim dividends as appear to it to be justified by the Company.

Utilization of profits. 108. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied,

including provisions for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be invested in such investments(other than shares of the Company) as the Board may,

from time to time think fit.

The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

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| 109. | All dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. | Payment of dividend |
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No amount paid or credited as paid on a share in advance of calls, shall be treated for the purposes of this regulation as paid on the share.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from, particular date such share shall rank for dividend accordingly.

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| 110. | The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. | Deductions from dividend. |
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| 111. | Any General Meeting declaring a dividend or bonus, may direct payment of such dividend or bonus wholly or partly, by the distribution of specific assets; and the Board shall give effect to the resolution of the meeting. | Dividend or bonus through distribution of assets |
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Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.

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| Dividend or interest by cheque or warrant. | 112. | Any dividend, interest or other moneys payable in cash in respect of shares, may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. |
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Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

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| Receipt from joint holders | 113. | Any one or two or more, joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in receipt of such share. |
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| Notice of dividend | 114. | Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. |
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115. No dividend shall bear interest against the Company.

## ANNUAL RETURNS

116. The Company shall make the requisite Annual Returns by virtue of the provisions of Sections 159 and 161 of the Act and shall file with the Registrar three copies of Balance Sheet and profit and loss Account as required by section 220 of the Act.

## THE SECRETARY

- Secretary. 117. The Directors may from time to time appoint, and at their discretion remove, any individual possessing the qualifications prescribed under the Act to perform any functions which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors.

## WINDING UP

- Distribution of assets on winding up. 118. 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 that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up; or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively.

And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

## SECRETARY CLAUSE

119. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the members of the Company to communicate to the public. Secretary Clause

## INDEMNITY

120. Subject to the provisions of section 201 of the Act, every Director, Manager, Auditor, Secretary and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Board, to pay out of the funds of company all costs, losses and expenses which any such officer or servant may properly incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, for which such indemnity is provided shall immediately attach as a lien on the Company, and have priority as between the members over all other claims. Indemnity.
121. No Director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer of the Company or for joining in any receipt of other act for conformity, or for any loss or expense happening to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement 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 Individual responsibility of Directors

gross negligence, will default, serious misfeasance, deliberate breach of duty or breach of trust.

We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of these Articles of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.				
<b>Dated this 31st day of October, 1980</b>				
Sr. No.	Name, address, description and occupation of the Subscriber	Number of equity shares Taken by each sub-scriber	Signa - ture of Sub-scriber	Name, address, description and occupation of witness and his signature
1.	Shri Vijay Kumar Bhaurao Lagu, Son of Bhaurao Yashwant Lagu, F3, Meghana Teachers Colony, Tonca-Caranzalem, Goa - Service	1(One) Equity	Sd/	Sd/- SHRI ROLAND ALEMAO Son of Shri Rui Alemao Accountant, Economic Development Corporation of Goa, Daman And Diu Ltd. Panaji Goa
2.	Shri Ramesh Chandra Raghuvir Borkar, Son of Shri Raghuvir S. Borkar, 6, Raj Mahal, Fountainhas, Panaji-Goa -Service	1(One) Equity	Sd/	
3.	Shri Jayendra Vishwanath Gaitonde, Son of Shri Vishwanath P. Gaitonde, II/2Vikas, Near Pharmacy College, Panaji Goa - Service	1(One) Equity	Sd/	
4.	Shri Vijay Kumar Suriaji Hede, Son of Shri Suriaji Anant Hede, Flat No.15/a, Govt. Qrts., Ponte-de-Linhares, Panaji Goa - Service	1(One) Equity	Sd/	
5.	Shri Sadanand Mahadeo Kudchadkar, Son of Shri Mahadeo Reghuvir Kudchadkar, 6, Ashvini, St. Inez Co-op. Hsg. Society Ltd. Panaji Goa - Service	1(One) Equity	Sd/	
6.	Shri Prasad Gajanan Prabhu Desai, Son of Shri Gajanan Vithal Prabhu Desai, 10, Sunshine, Bernard Guedes Road, Panaji Goa - Service	1(One) Equity	Sd/	
7.	Shri Gopal Atmaram Desai, Son of Shri Atmaram Gopal Desai, Dattatraya Coop. Hsg. Society, III Floor, Santa Inez, Panaji Goa - Service	1(One) Equity	Sd/	