

**THE COMPANIES ACT, 1956**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HARYANA STATE ROADS & BRIDGES DEVELOPMENT**  
**CORPORATION LIMITED**

**1. INTERPRETATION**

In these Articles unless there be anything repugnant to the subject or context the following words shall have the meaning written against them :

"The Company" means **HARYANA STATE ROADS & BRIDGES DEVELOPMENT CORPORATION LIMITED**

"The Act" or "the said Act" means the Companies Act(I of 1956) or the Act or Acts for the time being in force concerning Joint Stock Companies and affecting the Company.

"The Office" means the Registered Office for the time being of the Company.

"The Register" means the register of members to be kept in pursuance of the provisions of the Act.

"In writing " and "written" include printing lithography and any other modes representing or reproducing words in a visible form.

"Government" means the Government of State of Haryana in the Union of India.

"Managing Director" means a director who by virtue of an agreement with the Company or of a resolution passed by the Company in General Meeting or its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management.

"Joint Managing Director" means a director to whom powers are delegated by the Managing Director for the management of the whole or substantially the whole , of the affairs of the Company.

"Secretary" means a Company Secretary within the meaning of section 2(1) (c) of the Company Secretaries Act, 1980 and includes any individual possessing the prescribed qualifications and appointed as Secretary

of the Company to perform the duties of a Company Secretary.

"The Directors" mean the Directors for the time being of the Company.

"Executors" or "Administrators" means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent court.

"Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.

"Shares" means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.

"Board" means the Board of Directors for the time being of the Company.

"Board Meeting" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at the Board meeting.

"General Meeting" means the Annual General Meeting of the members held in accordance with the provisions of section 167 of the Act and the adjourned holding thereof.

"Persons" include corporations, companies, firms and individuals.

"Seal" means the common seal for the time being of the Company.

"Regulations of the Company" means the regulations for the time being in force for the management of the Company.

"Financial Year" means the period in respect of which any profit or loss account of the company laid before it in Annual General Meeting is made up whether that period is a year or not.

Words importing a single number only, include the plural number and the vice-versa.

Words importing the masculine gender only, include the feminine gender.

Save as aforesaid, words and expressions not specifically defined in these Articles shall, except where the subject or context forbids, have the same meaning as assigned to them in the Act.

The Company shall be a Public Limited Company.

#### **TABLE "A" TO APPLY EXCEPT OR OTHERWISE PROVIDED**

3. The regulations contained in the Table "A" in the First Schedule to the Act, shall apply except in so far as they have been specifically excluded by/ or under these Articles.

#### **COMPANY TO BE GOVERNED BY THESE ARTICLES**

4. 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 alterations of or addition to its Articles by special resolution, as prescribed or permitted by the Act be such as are contained in these articles.

5. The Authorised Share Capital of the company is Rs. 125,00,00,000 ( Rs. One Hundred & Twenty Five Crores ) divided into 125000000 (Twelve Crores Fifty Lacs) Equity Shares of Rs. 10/- ( Rs. Ten only) each with the rights and privileges and conditions attaching thereto with powers to increase or reduce the capital of the company and to divide and subdivide the shares in the capital for the time being, original or increased, into several classes and to attach thereto respectively such preferential deferred, postponed, qualified or special rights, privileges and condition as to conversion of preferential into equity shares and otherwise as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such right, privileges or conditions in such manner as may for the time being, be provided by the regulations of the Company and to consolidate or subdivide, the shares and issue shares of higher or lower denominations.

#### **INCREASE, REDUCTION AND ALTERATION OF CAPITAL**

6. The Company may from time to time increase, reduce and alter it's share capital.

#### **ON WHAT CONDITIONS NEW SHARES MAY BE ISSUED**

7. The new shares (except such of them as shall be unclassified shares subject to the provisions of Article 14) shall subject to the provisions of the Act and these presents be issued upon such terms and conditions and with such rights and privileges annexed thereto and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of the assets of the Company. Any Preference Shares so issued shall be redeemable within such period as may be prescribed.

#### **FURTHER ISSUE OF CAPITAL**

8. The new shares (resulting from an increase of capital as aforesaid) may subject to the provisions of the Act and these presents be issued or disposed of by the Company in General Meeting or by the Directors.

#### **UNCLASSIFIED SHARES**

9. Any unclassified shares (whether forming part of the original capital or any increased capital of the Company) may subject to the provisions of the Act and these presents, be issued either with the sanction of the Company in General Meeting or by the Directors and upon such terms and conditions and with such rights and privileges annexed thereto as by the General Meeting sanctioning the issue of such shares be directed and, if no such direction be given, and in all other cases, as the Director shall determine; and in particular such shares may be issued with a preferential or qualified right to

dividends and in distribution of the assets of the Company and any preference shares may be issued on the terms that they at the option of the Company are liable to be redeemed, provided however that :

- (i) no shares shall be issued pursuant to this Article without the sanction of the Company in the General Meeting unless they shall, subject to the provisions of section 81 of the Act, be offered to the persons who are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the amount paid up on those equity shares on that date and
- (ii) no unclassified shares shall, without the sanction of the Company in General Meeting, be issued as preference shares if the aggregate nominal amount of the issued preference shares would thereby exceed the aggregate nominal amount of the issued equity share of the Company.

#### **POWER TO ISSUE REDEEMABLE PREFERENCE SHARES**

10. Subject to provisions of section 80 (I) of the Act, the Company shall have the power to issue Preference Shares which are or at the option of the Company are, liable to be redeemed : provided that :-

- (i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be viable for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (ii) no such shares shall be redeemed unless they are fully paid;
- (iii) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the Shares are redeemed;
- (iv) where any such Shares are 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 nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the Share Capital of the Company shall, apply as if the "Capital Redemption Reserve Account were paid up share capital. Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the equity to the amount paid-up or credited as paid-up on such equity shares respectively at the commencement of the winding up.

## SHARES AT THE DISPOSAL OF BOARD OF DIRECTORS

11. Subject to the provision of the Act and these presents the shares in the capital of the Company for the time being (including any shares forming part of any increase capital of the Company) shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of section 79 of the Act) and at such times as they may from time to time think fit and proper.
12. The Company may issue at a discount shares in the Company of a class already :
- (i) The issue of a shares at a discount is authorised by a Resolution passed by the Company in General Meeting and sanctioned by the Company Law Board;
  - (ii) The Resolution specifies the maximum rate of discount at which the shares are to be issued.
  - (iii) not less than one year has at the date of the issue elapsed since the date on which the Company was entitled to commence business; and
  - (iv) The shares to be issued at a discount are issued within two months after the date on which issue is sanctioned.

## CALLS ON SHARES

13. (a) The option or right to call on shares shall not be given to any person except with the sanction of the Company in General Meeting.
- (b) Any amount paid-up in advance of calls on any shares may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

## LIEN

14. The fully paid up shares shall be free from any lien and in case of partly paid-up shares the Company lien shall be restricted to moneys liable to be called or payable at a fixed time in respect of such shares.

## TRANSFER OF SHARES

- 15 (a) An application of transfer of shares shall be in the form, as may be prescribed under the Act and the Rules made thereunder.

## BOARD OF DIRECTORS MAY REFUSE TO REGISTER TRANSFER

- (b) Notwithstanding anything contained in the Articles but subject to the provisions of section 111 of the Act and subject to the provisions of the Securities Contracts (Regulations) Act,

1956 and the Rules and Regulations made thereunder and other applicable laws, the Directors may at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of the shares upon which the company has the lien whilst any moneys in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a member.

Provided that registration of any transfer shall not be refused on a ground of the transferee being either alone or jointly with any other persons indebted to the Company on any account whatsoever.

- (c) Without prejudice to the foregoing provisions and without limiting in any manner the generality of the above provision the directors of the Company may at their absolute and uncontrolled discretion refuse to register the transfer of any shares or other securities of the Company being share or securities issued by the Company in favour of any transferee whether individual or firm, group, constituent of a group or a body corporate or under the same management or otherwise and whether in his or its own name or in the name of any other person, if the total nominal value of the shares or other securities intended to be so transferred, exceeds, together with the total nominal value of any shares of securities already held in the Company by such individual, firm, group, constituent of a group or a body corporate or under the same management or otherwise will exceed 1% of the paid up share capital of the Company or if the Board of Directors is satisfied that as a result of the proposed transfer of shares or securities or block of shares or securities of the Company under section 617 of the Act or change in the composition of the Board of Directors or change in the controlling interests of the Company is likely to take place and that such change will be prejudicial to the Company or to the public interest for the purpose of this article the Board of Director of the Company shall be entitled inter alia to rely upon this article to form their own opinion as to whether such registration of transfer of any of its Shares or other securities exceeding 1% of the paid up shares capital should be refused or not.

#### **NOTICE OF REFUSAL TO TRANSFEREE AND TRANSFEROR**

- (d) If the Company refuses to register the transfer of any shares it shall within one month from the date on which the instrument of transfer is delivered to the Company send to the transferee and transferor notice of the refusal.

#### **THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER**

- (e) The Company shall incur no liability or responsibility whatsoever in consequence of their registering or giving affect to any transfer of shares made or purporting to be made by the

apparent legal owner thereof (as shown or appearing in the Register of Members ) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

### **BORROWING POWERS**

16. Subject to the section 292 and 293 of the Act, Board of Directors may from time to time by a resolution passed at meeting of the Board accept deposits or borrow money or secure the repayment of any sum or sums of money for the purpose of business of the Company at such times, and on such terms and conditions in all respects as they think fit and proper and in particular, by promissory notes or by opening current accounts or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present & future) including its uncalled capital, for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company or by such other means as may seem expedient to them.

### **PROVISO**

Provided Debentures/Bonds, Debenture-Stock Bonds or other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting.

### **GENERAL MEETINGS**

17. Not less than twenty one days notice of every General Meeting shall be given in writing, provided a shorter notice may be given if consent is accorded thereto in accordance with section 171 of the Act.
18. (a) The Government so long as it is a share-holder of the Company , may from time to time, appoint such persons as it thinks fit (who need not be a member) to represent it at all or any meetings of the Company.
- (b) A person appointed under sub-clause (a) of this article shall, for the purposes of the Act, be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) as the Government could exercise as a member of

- the Company.
- (c) The Government may, from time to time, cancel any appointment made under sub-clause (a) of this Articles and make fresh appointment.
  - (d) The production at the meeting of an order of the Government shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
  - (e) Any person appointed by the Government under this Article may appoint a proxy whether specially or generally.
  - (f) On a poll, votes, may be given either personally or by proxy or by duly authorised representative.
  - (g) On a show of hands every member present in person or proxy shall have one vote and upon a poll every member present in person or by proxy shall have one vote.

### **BOARD OF DIRECTORS**

19. The number of Directors of Company shall not be less than three (3) and not more than twelve (12) excluding the alternate Directors. The Directors shall not be required to hold any qualification shares.
20. (a) Subject to the provisions of the Act ,the Management of the Corporation shall vest in the Board of Directors which would initially be as under:
- |    |  |             |
|----|--|-------------|
| 1. | Sh. R.S.Verma<br>Chief Secretary to Govt. Haryana  | Chairperson |
| 2. | Mrs. Urvashi Gulati, Comissioner and<br>Secretary to Government Haryana,<br>Public Works (B&R), Chandigarh | Director    |
| 3. | Sh. M.M.Seth, Chief Engineer-HHUP,<br>Haryana PWD (B&R), Chandigarh.                                       | Director    |
| 4. | Sh.K.B.Lal Singal, Engineer-inChief<br>Haryana PWD (B&R) Chandigarh  | Director    |
- (b) The Directors including the Chairman & Managing Director shall be appointed by the Government and the Government will determine the period for which Chairman, Managing



Director and other Directors are to hold their respective offices.

- (c) The Government will nominate Financial Commissioner & Secretary to Government Haryana, Finance Department as one of the Directors at later stage. The Government will also nominate two representatives from Financial Institutions and one representatives from National Highway Authority of India NHAI) as Director at later stage. The Government shall have right to fill any vacancy in office of Directors caused by removal, resignation, death or otherwise.
- (d) Government shall have the powers to remove any Director including Chairman and Managing Director.

#### SITTING FEES

21. The non official members of Board of Directors shall be entitled to such sitting fee for attending a meeting of the Board of Directors or a committee or sub-committee thereof, as may be fixed by the Boards of Directors, not exceeding One thousand rupees per meeting. In addition to the remuneration payable to them in pursuance of the Act, the non-official Directors may be paid all travelling, stay and other expenses incurred by them for attending and returning from meetings of the Board of Directors or any Committee thereof or general meeting of the Company or in connection with the business of the Company.

#### NOMINEE DIRECTOR

22. (a) Subject to the provisions of the Companies Act, 1956 and not with standing anything to the contrary contained in these Articles the Financial Company, Body Corporate, Bank, Insurance Corporation, Mutual Fund or Institution (hereinafter referred to as "the Institution") shall have a right to appoint, remove, re-appoint, substitute from time to time it's nominee as a Director (herein after owing to them or any of them by the Company, out of any financial assistance granted by them or any of them to the Company by the way of loan and/ or holding debentures and/ or shares in the Company and/ or as a result of underwriting of direct subscription and/ or liability of the Company arising out of the guarantee furnished by the Institution on the behalf of the Company remains outstanding or in terms of any Agreement made between the Institution and the Company.
- (b) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Institution appointing him/them as Director/s.

#### QUALIFICATION OF DIRECTORS

23. Directors need not hold any shares or qualification shares of the Company to qualify him for the office of a Director of the Company.

## REMUNERATION OF MANAGING DIRECTOR/ WHOLE TIME DIRECTORS

24. The Managing Director and other Whole-time Directors shall be paid such salary and allowances as may be fixed by the Government.

## POWERS AND DUTIES OF MANAGING DIRECTOR

25. (a) The Board may from time to time, entrust to and confer upon a Managing Director for the time being, such of the powers exercisable under these Articles by the Directors / Board as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with, or to the exclusion of, and in substitution for, allot any of the powers of the Directors in this behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- (b) The Managing Director will be the Chief Executive of the Company and subject to the provisions of the Act and these articles shall be entitled to the management of the whole affairs of the Company and he shall exercise his powers as Managing Director subject to the Superintendence, control and direction of the Board of Directors of the Company.
- (c) The Managing Director may be authorised by the Board to sub-delegate such of his powers as he may think fit to other officers of the Company subordinate to him and such sub-delegation of powers made by the Managing Directors shall be reported at the meeting of the Board immediately following the date of each sub-delegation.

## CASUAL VACANCY

26. (a) If the office of the Director is vacated before his terms of office expires in the normal course, the resulting casual vacancy, may be filled by the Government and the Director so appointed shall hold office only up to the date upto which the Director in whose place he is appointed would have held office if it had not been vacated.
- (b) Subject to the provisions of the Act, the continuing Directors may act notwithstanding any vacancy in their body, but if their number falls below the minimum number fixed by the Directors shall not, except in emergencies or for the purpose of filling up vacancies or for summoning a General Meeting of the Company, act so long as the number is below the minimum and they may so act notwithstanding the absence of necessary quorum.

## ALTERNATE DIRECTORS

27. The Government may appoint any alternate Director to act for Director (hereinafter called the "Original Director") during his absence for a period of not less than three months from the State of Haryana in which the meetings of the Board are ordinarily held. Every such alternate Director, shall, subject to his giving to the Company an address in India at which notice may be served on him, be

entitled to the notice of meeting of Board and to attend and vote as a Director and be counted for the purposes of quorum and generally at such meeting to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director so appointed shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to the State of Haryana. If the term of the office of the original Directors is determined before he returns to the State of the Haryana any provision in the Act or in these Articles for the automatic reappointment of the retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

### QUORUM

- 28 (a) The quorum for a meeting of the Board of Directors 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 three Directors, whichever is higher provided that the quorum shall not be regarded as constituted unless at least half of the official Directors are present; In case the number of interested Directors exceeds or is equal to the 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 three shall form quorum during such time.
- (b) A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the board generally.

### GENERAL POWERS OF THE COMPANY VESTED IN THE BOARD OF DIRECTORS

29. Subject to the provisions of the Act, the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do. Provided that the Board shall not exercise any power to do any act or thing which is directed or required, by any provisions of the Act or by the Memorandum or Articles of the Company or otherwise to be exercised or to be done by the Company in general meeting, provided that in exercising any such power or doing any act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in Memorandum or Articles of the Company, or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

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

### CERTAIN POWERS TO BE EXERCISED BY THE BOARD AT MEETING ONLY

30. The Board shall exercise the following powers on the behalf of the Company, and it shall do so only

by means of resolutions passed at its meetings;

- (a) the power to make calls on shareholders in respect of money unpaid on shares;
- (b) the power to issue debentures;
- (c) the power to borrow money otherwise than on debentures;
- (d) the power to invest the funds of the Company; and
- (e) the power to make loans;

Provided that the Board may, by a resolution passed at a meeting delegate to any committee of Directors, the Managing Director, Joint Managing Director or any other Principal Officer of the Company or in the case of branch office of Company the Principal Officer of the branch office the powers specified in clause (c), (d) and (e) to the extent specified in section 292 of the Act.

#### **CONSENT OF COMPANY NECESSARY FOR EXERCISE OF CERTAIN POWERS**

31. The Board shall not except with the consent of the Company in General Meeting:
- (a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole, of any such undertaking;
  - (b) remit or give time for the repayment of any debt due by the Director;
  - (c) invest, otherwise than in trust securities, the sale proceeds resulting from the acquisition, without the consent of the Company, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;
  - (d) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company, (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeds the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; or
  - (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its Employees, any amounts the aggregate of which will, in any financial year, exceed Rs.50,000/- (Rupees Fifty thousand only) or five percent of its average net profits as determined in accordance with the Act during the three financial years immediately preceding, whichever is greater.

## SPECIFIC POWERS GIVEN TO BOARD OF DIRECTORS

32. Without prejudice to the general powers conferred on the Board and the other powers conferred by these presents but subjects however to the provisions of the Act, it is hereby expressly declared that the Board of Directors shall have the following powers :-
- (a) To pay the costs, charges and expenses of and incidental to the promotion establishment and registration of any company;
  - (b) To have an official seal for use.
  - (c) To purchase or otherwise acquire for the Company any property rights or privileges which the Company is authorised to acquire at such prices and generally on such terms and conditions as they think fit.
  - (d) At their discretion to pay any property or rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash, or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock to other security may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
  - (e) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, Machinery, goods stores, produce and other movable property of the Company either separately or conjointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance affected in pursuance of this power.
  - (f) To open accounts with any bank or bankers or with any company, firm or individual and to pay money into and draw money from time to time as the Directors may think fit.
  - (g) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge on all or any of the property of the Company and its unpaid capital for the time being or in such other manner as they think it.
  - (h) To attach to any shares to be issued as the consideration or part of the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions as to the transfer as they think fit.
  - (i) To accept from any Member on such terms and conditions as shall be agreed to a surrender of his shares or stocks or any part thereof.
  - (j) To appoint any person or persons (whether incorporated or not) to accept and hold in trust

for the Company any property belonging to the Company or in which it is interested, or for any other purpose and to execute and do all such acts and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees.

- (k) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debt due or of any claims or demands by or against the Company.
- (l) To refer any claim or demand by or against the Company to arbitration and observe and perform the awards.
- (m) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- (n) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (o) To determine from time to time who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptance, endorsement, Cheque, dividend warrants, releases, contracts and documents.
- (p) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities and in such manners as they think fit and from time to time to vary or realise such investments.
- (q) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any mortgage may contain a power of sale and such other powers, covenants and provisions as the Directors may think fit.
- (r) To give to any Director, Officer or other employee of the Company and interest in any particular business of transactions either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits shall be treated as a part of the working expenses of the Company; provided that the shares of general profits of the Company payable to the Directors or to the officers of the Company shall not exceed in the aggregate a sum equivalent to three percent of the net profits of the Company as determined in accordance with the provisions of section 349 and 350 of the Act; provided further that this limitation or restriction on the percentage of net profits shall not be applicable to any distribution of a general bonus to employees of the Company.
- (s) To provide for the welfare of the employees or ex-employees of the Company and their

wives, and families or the dependants or connection or such persons, by building or contributing to the building of houses or dwelling or by grants of money pension, allowances, bonus or other payment or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trust and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit.

- (t) To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful objects or for any exhibition or to any institution club society or fund.
- (u) The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they may think proper for Depreciation or to a Depreciation fund or as Reserve or to a Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay redeemable preference Shares or debentures or for payment of dividends or for equalising dividends or for repairing, improving extending and maintaining any part of the property of the Company, or for such other part of the property of the Company, or for such other purpose as the Directors in their absolute discretion think conducive to the interest of the Company and the Directors may invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restriction imposed by the Act) as the Directors may think fit; and from time to time deal with and vary such investments and to impose, apply and expend all or any sums therefrom for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and the Directors may divide the reserve or any fund into such special funds and transfer any sum from one fund to another as the Directors may think fit, and may employ the assets constituting all or any of the above funds, including the deprecation funds in the business if the Company or in purchase or repayment of redeemable Preference Shares or Debentures and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with powers & to keep the same separately from other assets, and without being bound to pay interest on same, with powers however to the Directors at their discretion to pay or allow to the credit of such fund interest at such rate as the Directors may think proper not exceeding five percent per annum.
- (v) To appoint and at their discretion remove or suspend such committee or committees of experts, technicians or advisers or such Managers, Officers and employees and agents 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 and emoluments and require security

in such instances as to such amounts as they may think fit, and also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India in such manner as they think fit and the provisions contained in following sub-articles shall be without prejudice to the general powers conferred by this sub-article.

- (w) To comply with the requirements of any local law which in their opinion shall in the interest of the Company be necessary or expedient to comply with.
- (x) From time to time and at any time to establish any Local Board/ Committee for managing any of the affairs of the Company in any specified locality in India or elsewhere or for any specific purpose and to appoint any persons to be members of any Local Board or Committees and to fix their remuneration. And from time to time and any time, but subject to provisions of section 292 of the Act to delegate to any persons so appointed any of the powers, authorities, and discretion for the time being vested in the Directors and to authorise the members for the time being of any such Local Boards & Committees, or any of the powers, authorities and discretion for the time being vested in the Directors and to authorise the members for the time being of any such Local Board or Committees, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the directors may at any time annual or vary any such delegation. Any such delegates may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- (y) At any time and from time to time but subject to the provisions of section 292 of the Act by Power of Attorney appoint any persons or person to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding to those vested in or exercisable by the Directors under these presents) and for such periods and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors think fit) may be made in favour of the members or any of the members of any Local Board or Committee established or constituted as aforesaid or in favour of any company of the members, Directors, nominees or members of any company or firm or otherwise in favour of any fluctuating body or persons whether nominated directly or indirectly by the Directors, and any such powers for the protection or conveniences of persons dealing with such attorneys as the Directors may think fit.
- (z) Generally subject to the provisions of the Act and these articles to delegate their powers, authorities and discretion vested in the Directors to any persons, firm, company or fluctuating body of persons as aforesaid.
- (aa) Any such delegate or attorney as aforesaid may be authorised by the Directors to sub-



delegate all or any of the powers, authorities and discretion for the time being vested in him.

- (bb) 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 matter aforesaid or otherwise for the purpose of the Company.

#### COMMON SEAL

33. The Directors shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or the Committee of Directors and in the presence of one Director at least, who shall sign every instrument to which the seal is affixed; provided that certificates of shares may be under the signatures of such persons as provided by Companies (Issue of Share Certificates) Rules and any documents or proceedings requiring authentication by the Company and may be signed by a Director, or the Secretary or the constituted Attorney or any other officer authorised in that behalf by the Board and need not be under its seal.

#### DIVIDENDS

34. (a) The profits of the Company, subject to the provision of the Act, the Memorandum and these presents, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
- (b) Where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.
- (c) Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may-
- (i) pay interest on so much of that share capital as is for the time being paid up, for the period and subject to the conditions and restrictions provided in the sub-sections (2) to (7) of Section 208 of the Act; and
- (ii) charge the sum so paid by way of interest, to capital as part of the cost of construction of the works or buildings, or the provisions of plant.
- (d) The Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interest in the profits and may fix the time for payment.
- (e) No larger dividend shall be declared than is recommended by the Directors but the Company

in General Meeting may declare a smaller dividend. Subject to the provisions of section 205 of the Act, no dividend shall be payable except out of the profits of the year or any other undistributed profits and no dividend shall carry interest. The declaration of Directors as to the amount of the net profits of the Company shall be conclusive.

- (f) The Directors may, from time to time, pay to members such interim dividends as in their judgement the position of the Company justifies. Such interim dividend may be declared at any time and shall be set off against the final dividend for the relevant period.
- (g) The Directors may retain the dividends payable upon shares in respect of which any person is, under the transmission clause, entitled to become a Member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.
- (h) Subject to the provision of the Act no member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
- (i) There shall be no forfeiture of unclaimed dividend before the claim becomes barred by the law.

#### CAPITALISATION

- 35. (a) Any General Meeting may resolve that subject to the provisions of the Act and/ or other applicable laws in force from time to time any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law from the appreciation in value of any capital assets of the Company) standing to the credit of the Reserve or Reserve Fund or any other fund of the Company or in hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium account be capitalises.
  - (i) by the issue and distribution as fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company, or
  - (ii) by crediting shares of the Company which may have been issued to and are not fully paid up with whole or any part of the sum remaining unpaid thereon.
- (a) Such issues and distribution under (i) above and such payment to the credit of unpaid share capital under (ii) above shall be made to, among and in favour of the members or any class of

them if any of them entitled thereto and in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively; in respect of which such distribution under (i) or payment under (ii) above shall be made on the footing that such members become entitled thereto as capital.

- (b) The Directors shall give effect to any such resolution and apply such portion of the profits or Reserve Fund or any other fund on account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stock, bonds or other obligations of the Company so distributed under (a) above or (as the case may be) for the purpose of paying in, whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (b) above: Provided that no such distribution of payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest and in the said capitalised sum. For the purpose of giving effect to any such resolutions the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine the cash payment to be made to any member on the footing of the value so fixed and may vest any such cash shares, debentures, debentures-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may deem expedient to the Directors and generally make such arrangements for the acceptance, allotment and sales of shares, debentures, debenture-stocks, bonds or other obligations or fractional certificate or otherwise as they may think fit. Subject to the provisions of the Act and these presents in cases where some of the shares of the Company are fully paid and others are partly paid only such capitalisation may be effected by the distribution of further shares and in the extinguishment of shares shall be so applied pro-rata in proportionate to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively. When deemed requisite proper contract shall be filed in accordance with the Act.

#### ACCOUNTS & AUDIT

36. The Directors shall cause true account to be kept of (a) all sums of money received and expended by the Company and matters in respect of which such receipt and expenditure take place; (b) all sales and purchases of goods by the Company; (c) the assets, credits and liabilities of the Company and whether commercial, financial and other affairs, transactions and engagements and of all other matters, necessary for showing the true financial state and conditions of the Company, and the account shall be kept in such manner as the Directors may deem fit; and the books of accounts shall be kept at the registered office or such other place or places in India as the Directors think fit, and shall be open to inspection by the Directors and such other persons authorised under the Act

during Business hours. The Auditor of the Company will be appointed by the Comptroller & Auditor General, Central Government subject to the provisions of Section 619 of Companies Act, 1956.

#### **WINDING UP**

37. If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and other sanction required by the Act divide amongst the members in specie or kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not.
38. For the purpose aforesaid the liquidator may set such value as he deems fair to the Company property to be divided as aforesaid and may determine how such divisions shall be carried out as between the members or different classes of members.
39. The liquidator may with the like sanctions vest the whole or any part of such assets in trustees upon such trust for the benefit or the contributions as the liquidator with the like sanction, shall think fit so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **SECRECY CALUSE**

40. Every Director, Manager, Auditor, Member of a Committee, Officers Servants, agents, accountants or other persons employed in the business of the Company shall observe a strict secrecy respecting all transactions of Company with the customers and the state of accounts with individuals and in the matter relating thereto, and shall not recall any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any meeting or by a court of law or by persons to whom such matters relates and except so far as may be necessary in order to comply with any of the provisions in these presents contain.

#### **INDEMNITY**

41. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 in which relief is granted to him by the court.

#### **SPECIAL PROVISIONS**

42. Without prejudice to the generality of the above provisions and subject to the provisions of the Act, the Directors shall reserve for the decision of the Government of Haryana, all matters pertaining to:
  - (i) sale, lease or disposal substantially the whole of the undertaking of the Company;
  - (ii) formation of subsidiary Company;
  - (iii) division of Capital in different classes of shares;

- (iv) increasing or reducing the issued capital of the Company;
- (v) winding up of the company;
- (vi) creation of posts, appointments and pay scales of employees and officers.

#### **RIGHTS OF THE GOVERNMENT**

43. Notwithstanding anything contained in any of the Articles, the Government may, from time to time, issue such directives as they may consider necessary in matters of board policy and in like manner may vary and annul any such directive. The Company shall give immediate effect to directives so issued.
-

| S. No. | Name, Address, Description and Occupation of Subscriber   | Signature of Subscriber                     | Witness and Signatures with Address, Description and Occupation  |
|--------|---|---|--|
| 1.     | <p>On and behalf of<br/>Govt. of Haryana (Governor of Haryana)</p> <p><b>Sh. VIRENDRA NATH</b><br/>S/o Sh. Indrajit Gupta<br/>Financial Commisioner PWD (PH) Deptt.<br/>(Govt. Service)<br/>House No. 1023, Sector 24,<br/>Chandigarh.</p>  | <p>Sd/-<br/>(VIRENDRA<br/>NATH)</p>         | <p>Witness to all :-</p> <p>Sd/-</p> <p>Sumeet Singh<br/>Dhir,<br/>Chartered<br/>Accountant,<br/>SCO 18, 2nd<br/>Floor, Sector 17-<br/>E, Chandigarh</p> |
| 2.     | <p>On and behalf of<br/>Govt. of Haryana (Governor of Haryana)</p> <p><b>MRS. URVASHI GULATI</b><br/>W/o Sh. Naresh Gulati<br/>Commissioner &amp; Secretary to Govt. of<br/>Haryana Public<br/>Works B&amp;R Deptt. (Govt. Service)<br/>House No. 56, Sector 7-A,<br/>Chandigarh- 160 019</p> | <p>Sd/-<br/>(URVASHI<br/>GULATI)</p>        |  |
| 3.     | <p>On and behalf of<br/>Govt. of Haryana (Governor of Haryana)</p> <p><b>Sh. AJIT MOHAN SHARAN</b><br/>S/o Sh. Krishan Mohan Sharan<br/>Comissioner &amp; Secretary Town<br/>&amp; Country Planning Deptt. Haryana<br/>(Govt. Service)<br/>House No. 693, Sector 7,<br/>Chandigarh.</p>       | <p>Sd/-<br/>(AJIT<br/>MOHAN<br/>SHARAN)</p> |  |

| S. No. | Name, Address, Description and Occupation of Subscriber  | Signature of Subscriber               | Witness and Signatures with Address, Description and Occupation  |
|--------|--|---------------------------------------|--|
| 4.     | On and behalf of<br>Govt. of Haryana (Governor of Haryana)<br><b>Sh. KUNJ BEHARI LAL SINGAL</b><br>S/o Sh. Harbans Rai<br>Engineer-in-Chief<br>Haryana PWD B&R<br>Chandigarh<br>(Govt. Service)<br>House No. : 625, Sector 6,<br>Panchkula - 134 109 | Sd/-<br>(KUNJ<br>BEHARILAL<br>SINGAL) |  |
| 5.     | On and behalf of<br>Govt. of Haryana (Governor of Haryana)<br><b>Sh. AMIT JHA</b><br>S.o Sh. Balbir Jha<br>Joint Secretary to (Finance)<br>Govt. of Haryana<br>(Govt. Service)<br>House No. 1404, Sector 19-B,<br>Chandigarh- 160 019                | Sd/-<br>(AMIT<br>JHA)                 | Witness to all :-<br><br>Sd/-<br><br>Sumeet Singh<br>Dhir,<br>Chartered<br>Accountant,<br>SCO 18, 2nd<br>Floor, Sector 17<br>E, Chandigarh |
| 6.     | On and behalf of<br>Govt. of Haryana (Governor of Haryana)<br><b>Sh. MADAN MOHAN SETH</b><br>S/o Sh. Thakar Das<br>Chief Engineer<br>Haryana PWD B&R<br>Chandigarh<br>(Govt. Service)<br>House NO. 1033, Sector 11-B,<br>Chandigarh.                 | Sd/-<br>(MADAN<br>MOHAN<br>SETH)      |  |
| 7.     | On and behalf of<br>Govt. of Haryana (Governor of Haryana)<br><b>Sh. BHART SINGH</b><br>S/o Sh. Simru Ram<br>Under Secretary,<br>(Govt. Service)<br>House No. 1323, Sector 11,<br>Panchkula.   | Sd/-<br>(BHART<br>SINGH)              |  |

Dated : 15th April 1999 at Chandigarh