

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
BHARUCH DAHEJ RAILWAY COMPANY LIMITED

1. The Regulations contained in this Article shall apply to the Company.
Subject to anything to the contrary hereinafter provided, the Regulations contained in Table F in the First Schedule to the Act and Provision of the Act shall apply to the Company.

Applicability

Unless the context otherwise requires, words or expressions contained in these regulation shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulation become binding on the company

Interpretation

The marginal notes hereto shall not affect the construction hereof.

2. In these regulations—

“**Act**” means the Companies Act, 2013, and includes any statutory modification or re-enactment thereof for the time being in force in India.

“**Articles**” means these Articles of Association as originally framed or as altered from time to time by in accordance with the applicable provisions of the Act.

“**Auditors**” means and includes those persons appointed as such by the Company for the time being and/ or by the office of Comptroller and Auditor General of India from time to time.

“**Associate Company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

“**BDRCL**” **Bharuch Dahej Railway Company Limited**, a company incorporated under provisions of the Companies Act, 1956 (hereinafter referred to as “BDRCL.” or “the Company”) which expression shall, unless repugnant to or inconsistent with the context, mean and include the successors and permitted assigns);

“**Beneficial Owner**” means the beneficial owner as defined in clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.

“**Board**” or “**Board of Directors**” or “**Directors**” means the Board of Directors of the Company.

“**Books of account**” includes records maintained in respect of:

- (i) all sums of money received and expended by a company and matters in relation to



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which the receipts and expenditure take place,
(ii) all sales and purchases of goods and services by the company,
(iii) the assets and liabilities of the company and
(iv) The items of cost as may be prescribed under section 148 of the Act in the case of a company which belongs to any class of companies specified under that section

“Charge” means an interest or lien created on the property or assets of a company or any of its undertaking or both as security and includes a mortgage.

“Company secretary” or “Secretary” means a company secretary as defined in clause(c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.

“Depository” shall mean a depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

“Dividend” includes bonus unless otherwise stated.

“Financial Statement” in relation to a company includes-

- (i) a balance sheet as at the end of the financial year.
- (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year.
- (iii) cash flow statement for the financial year.
- (iv) a statement of changes in equity, if applicable, and
- (v) any explanatory note annexed to, or forming part of, any document referred to in sub- clause(i) to sub-clause (iv).

“Financial Year” in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up.

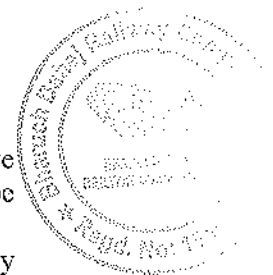
“Independent director” means an independent director referred to in sub-section (6) of section 149 of the Act.

“Key Managerial personnel”, in relation to a company, means

- (i) the Chief Executive Officer or the managing director or the manager
- (ii) the Company secretary
- (iii) the whole-time director
- (iv) the Chief Financial Officer
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- (vi) such other officer as may be prescribed.

“Member” in relation to a company , means

- (i) the subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members.
- (ii) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company.



- (iii) Every person holding shares of the company and whose name is entered as a beneficial owner in the records of a depository.

“Office” means the Registered Office for the time being of the Company.

“Proxy” means an instrument whereby any person is authorized to vote for a Shareholder at a general meeting on a poll.

“Public Company” means a company which

(a) is not a private company

(b) has a minimum paid up share capital, as may be prescribed

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles

“RVNL” means Rail Vikas Nigam Limited, a company incorporated under Companies Act, 1956 (which expression and shall unless repugnant to or inconsistent with the context, mean and include the successors and permitted assigns)

“RBI” means the Reserve Bank of India.

“Seal” means the Common Seal for the time being of the Company.

“Special Resolution” and “Ordinary Resolution” shall have the meanings assigned thereto respectively by Section 114 of the Act.

“Super Majority Resolution” in relation to a Fundamental Issue refers to a special resolution as defined in the Act in the case of a general meeting of the Company along with an affirmative vote by RVNL. In case of a meeting of the Board, a resolution on which two third of those directors present and being entitled to vote on such matter, vote in favour of the resolution with respect to such Fundamental issue, along with an affirmative vote of RVNL.

Interpretation

- i. “In writing” or “written” include words printed, lithographed, typewritten, represented or reproduced in any mode in visible form.
- ii. Words importing masculine gender also include the feminine gender and words importing the singular number include where context admits or requires the plural number and vice versa.
- iii. Words importing persons shall include the Central or State Government, Corporations, Corporate Bodies, Firms, Individuals, societies and other bodies whether incorporated or not

Subject as aforesaid, any words or expressions defined in the Act except where it is repugnant to the subject or context shall bear the same meaning in the articles.



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3. Copies of the Memorandum and Articles of Association of the Company shall be furnished by the Company to every Member at his request, within the period and on payment of such sum as may be prescribed by the Act. *Copies of the Memorandum and Articles of Association of the Company to be given to the Shareholder*

CAPITAL

4. The Authorised share capital of the Company is Rs. 165,00,00,000 (Rupees One Hundred Sixty Five Crore only) divided into 16,50,00,000 (Sixteen Crore Fifty Lakh) equity shares of Rs. 10.00 each with the power to increase or reduce the said capital and to issue any part of its capital original or increased with or without any priority or special privilege subject to the restrictions, if any, as may be determined by or in accordance with the Articles and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may for the time being permitted by the Articles or the legislature provisions for the time being in force in that behalf. The Minimum paid-up capital of the Company will be Rs. Five Lakhs. *Capital*

The parties herein below shall subscribe to the initial issued equity shares of the Company so that the initial shareholding pattern of the Company is as under:

(i) Rail Vikas Nigam Limited and permitted assigns	50%
(ii) Adani Petronet (Dahej) Port Private Limited and permitted assigns	50%

However the interested companies may become partners in the Company by subscribing to the equity shares of the Company.

5. The Company may, from time to time, by passing ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. *Power to increase capital*
6. Subject to the provisions of Section 43 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges as the Company in general meeting shall prescribe, and in particular, such shares may be issued with a special or qualified right to dividend and in the distribution of assets of the Company. *Conditions regarding new issue of shares*
7. Except in so far as otherwise provided by the conditions of issue or by the Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise *New shares to rank pari passu with shares in existing capital*



8. Subject to the provision of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution determine. ***Issue of preference shares***
9. Subject to provisions of the Act, the right and privileges of Preference shareholders shall be decided by the Board at the time of issue of Preference shares. ***Rights and privileges of preference shareholders***
10. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,-
 (a) its share capital;
 (b) any capital redemption reserve account; or
 (c) any share premium account ***Reduction of capital***
11. Subject to provision of Section 61 of the Act, Company in general meeting may by Ordinary Resolution:
 (a) Consolidate and divide all or any of its share capital into shares of large amount than its existing shares;
 (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.
 (c) Sub- divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum
 (d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. ***Subdivision and consolidation of capital***

MODIFICATION OF CLASS RIGHTS

12. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. ***Class Rights***
- (ii) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.



- (iii) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.

SHARES

13. (i) Where at any time, a company having a share capital proposes to increase the subscribed capital of the Company by issue of further shares, such further shares are first offered to the existing shareholders, in proportion to their shareholding on the date of such issue and allotment. Such offer to the existing shareholders shall be in accordance with the provisions of Section 62 of the Act. *Shares*
- (ii) The new shares above referred shall be offered to the existing equity shareholders, in proportion, to the capital paid-up on those shares at that date by sending a letter of offer and such offer shall be made by a notice specifying the number of shares offered in accordance with Section 62 of the Act. The offer aforesaid shall be deemed to include right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in Section 62 of the Act shall contain a statement of this right. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that declines to accept the shares offered, the Board may dispose of them in such manner as think, most beneficial to the Company in accordance with the provision hereof.
- (iii) Notwithstanding anything herein contained, and subject to clause (i) above referred hereof, the new shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the equity shares of the Company, in any manner whatsoever if it is authorised by a Special Resolution.



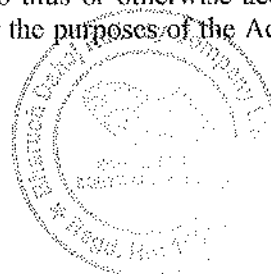
- (iv) Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares of the Company, or provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

- (v) Notwithstanding anything contained in (iv) above where any debentures have been issued or loan has been obtained from any Government by a Company and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or raising of such loans do not include a term for providing for an option for such conversion provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deem fit.



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14. (i) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a "securities premium account" and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this section, apply as if the securities premium account were the paid-up share capital of the company. *Power to issue shares at a premium*
- (ii) Notwithstanding anything contained in sub-section (1) of Section 52 of the Act, the securities premium account may be applied by the company—
- towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
 - in writing off the preliminary expenses of the company;
 - in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
 - in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
 - for the purchase of its own shares or other securities under section 68 of the Act.
- (iii) The securities premium account may, notwithstanding anything contained in (i) and (ii) above, be applied by such class of companies, as may be prescribed and whose financial statement comply with the accounting standards prescribed for such class of companies under section 133,—
- in paying up unissued equity shares of the company to be issued to members of the company as fully paid bonus shares; or
 - in writing off the expenses of or the commission paid or discount allowed on any issue of equity shares of the company; or
 - for the purchase of its own shares or other securities under section 68 of Act. *Power to issue sweat equity shares*
15. Subject to the provisions of Section 54 of the Act, the Company may issue sweat equity shares of a class of shares already issued. *Power to Buy-Back shares*
16. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. *Shares under control of directors*
17. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the directors who may issue, 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 and at such time as they may from time to time think fit. *Acceptance of shares*
18. Any application signed by, the applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of the shares by him within the meaning of the Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of the Act and the Articles, be a Member of the Company.



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19. The money (if any) which the Board of Directors shall, on the allotment any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by them accordingly. *Deposit and call etc. to be a debt payable immediately*
20. Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereof, in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Articles, require or fix for the payment thereof. *Liability of Members*
21. The Company shall keep and maintain Register of members, Register of debenture-holders, and Register of Security Holders and index of the Name thereof in accordance with Section 88 of the Act. The register and index of beneficial owner maintained by a depository under section 11 of the Depository Act, 1996 shall be deemed to be the Register of member and Index thereof for the purpose of this Act. A company may if so authorised by its Articles keep in any country outside India Foreign Register containing the names and particulars of the members, debenture holder, other security holder or beneficial owner residing outside India in accordance with the provision of Section 88 of the Act. *Registers of Members, Debenture holders & Index thereof*
22. The registers required to be kept and maintained by the company under Section 88 and copies of the annual return prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act shall, except when they are closed under the provisions of Act, be open for inspection by any member, debenture-holder, other security holder or beneficial owner, during business hour without payment of any fees and by any other person on payment of such sum as may be prescribed by the Act. Any such Member, debenture holder or other person may take extracts there from without fee or additional fee as the case may be or require a copy of such register, index or copy or of any part thereof on payment of such sum as may be prescribed by the Act. *Inspection of Registers*
23. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such shares on the part of any other person whether or not it shall have express or implied notice thereof. *Not to recognise any benami trust*

SHARE CERTIFICATES

24. The certificates of title to shares shall be issued under the Common Seal of the Company, if any which shall be affixed in the presence of and shall be signed by
- (i) two directors duly authorised by the Board of Directors of the Company for the purpose or the committee of the Board, if so authorised by the *Certificate of shares*



- Board ; and
- (ii) the Secretary or any person authorised by the Board for the Purpose provided that in a case company does not have a common seal, the share certificate shall be signed by two directors or by a director and the company Secretary provided further that if the composition of the Board permits of it, at least one of the aforesaid two directors shall be a person other than a Managing director or a Whole time director.
 - (iii) A director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography.

Provided that notwithstanding anything contained in this article the certificates of title to shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder as may be in force for the time being and from time to time.

- 25. The Company shall be entitled to dematerialize its shares and securities pursuant to the Depositories Act, 1996 and to offer its shares, debentures and other securities for subscription in a dematerialized form. The Company shall further be entitled to maintain the Register with the details of Members holding shares both in material and dematerialized form in any media including any form of electronic media. *Company entitled to dematerialize its shares*
 - 26. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided *Members right to certificates*
 - (a) One certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
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.
- 27. Share certificates shall be generally issued in marketable lots and where share certificates are issued in lots other than marketable lots, subdivision/consolidation of share certificates into marketable lots shall be done by the Company free of charge.
 - 28. The Company may issue such fractional certificates as the Board may approve in respect of any of the shares of the Company on such terms as the Board of Directors think fit including the term relating to the period within which the fractional certificates are to be converted into share certificates. *Fractional Certificates*
 - 29. Every certificate shall specify the name of the person in whose favour it is issued, and shares to which it relates and the amount paid up thereon. Every share shall be *Contents of*



- distinguished by its appropriate number. *Certificate*
30. Unless the conditions of issue of the shares provide otherwise, such certificates shall be delivered to the shareholders, within two months after the allotment of any shares, and within One months after the application for the registration of the transfer of any such shares has been lodged with the Company. *Time and delivery of share Certificates*
31. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. *Replacement of certificates*
- (ii) The provisions of Articles 26, 29 and 33 shall mutatis mutandis apply to debentures of the company.
32. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends, or cash bonus, or service of notice, or any other matter connected with the Company except voting at meetings and transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the repayment of all installments or calls and other payments due in respect of such shares. *The first named of joint holders deemed to be sole holder*
33. The share certificate registered in the names of two or more persons shall be delivered to the person first named in the Register. *Certificate to be delivered to first holder*
34. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder
35. No Member, who shall change his name, or who being a female shall marry, shall be entitled to receive any dividend or to vote in the name other than the one registered with the Company, until notice of the change of name or of marriage, as the case may be is given to the Company in order that the same be registered after production of satisfactory evidence. *Notice of change of name or of marriage of Shareholder*



CALLS

36. The Board may from time to time by a resolution passed at a meeting of the Board make Cash Calls as they think fit upon the Shareholders in accordance with duly approved Annual Budget . The Board while authorizing the person specify: *Calls*

- (i) the amount to be subscribed to by the Shareholder for shares in order to fund that Cash Call.
- (ii) the date (Cash Call Payment Date) by which that Shareholder shall be obliged to make payments (An Advance) to the Company as subscription monies for such shares. The Cash Call Payment Date shall be not less than thirty (30) days after the date of delivery of the Cash Call Notice.
- (iii) The amount shall be paid in full without any deduction or withholding whatsoever whether in respect of counter claim duties , charges, taxes or otherwise.

37. (a) The Cash Calls shall be deemed to have been made from the time when the resolution of Directors authorizing such call was passed and may be made payable by Members on such date or at the discretion of the directors on such subsequent date as shall be fixed by the directors.

(b) The directors may from time to time, at their discretion extend the time fixed for the payment of any call by such Member(s) for such cause as the directors may deemed fit, but no Member shall be entitled to such extension save as a matter of grace and favor.

(c) If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof the holder for the time being or the allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate as the directors shall fix from time to time from the last day appointed for the payment thereof to the date of actual payment, but the directors may in their absolute discretion waive payment of such interest wholly or in part.

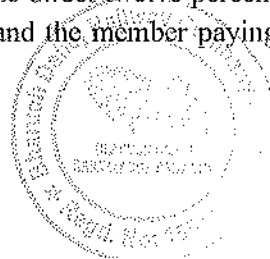
(d) No member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any person, together with interest and expenses, if any

38. The Board

(a) May, if it think fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

Payments in anticipation of call may carry interest

(b) Upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct twelve percent per annum, as may be agreed upon between the Board and the member paying the



sum in advance

UNDERWRITING AND BROKERAGE

39. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

FORFEITURE, LIEN AND SURRENDER

40. If any Member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter while the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued. *Commission may be paid*
41. The notice aforesaid shall
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited. *If money payable on share not paid, notice to be given to Member*
42. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter and before payment of all calls or installments, interest and expenses due in respect thereof be forfeited by a resolution of the Board of Directors to that effect.
43. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register. *Terms of Notice*
44. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board think fit.
45. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such term as it think fit. *In default of payment share to be forfeited*
46. Any Member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company, on demand, all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. *Notice of forfeiture to a Members*



The liability of such person shall cease if and when the company shall have receive payment in full of all such monies in respect of the shares.

Forfeited share may be sold, re-allotted or disposed of

47. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

Powers of annual forfeiture

(ii) 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.

Members liable to pay money owning at time of forfeiture and interest

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

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

48. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by the Articles are expressly saved.

Effect of forfeiture

49. The company shall have a first and paramount lien

(a) on every share (not being a fully paid share), for all monies (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 monies presently payable by him or his estate to the company

Company's Lien on shares

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 and bonuses declared from time to time in respect of such shares.

50. The company may sell in such manner as the Board think fit, any shares on which the Company has a lien 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 the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Enforcement of Lien by shares

51. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such Member or the person (if any) entitled by transmission of shares shall not exceed the amount received by the Company from such Member or person towards such shares.

Application of proceeds of sale



52. (i) To give effect to any such sale, the Board may authorize some person to transfer the share sold to the Purchaser thereof
 (ii) The Purchaser shall be registered as the holder of the shares comprised in any such transfer.
 (iii) 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.

*Validity of sale
after forfeiture*

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

53. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment for satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any money shall preclude the forfeiture of such shares as herein provided.
54. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
55. The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a share becomes payable at a fixed time, whether on account of the amount of the share or by way of premium as if the same has been payable by virtue of a call duly made and notified.
56. The Directors may, subject to the provisions of the Act, accept a surrender of any shares from or by any Member desirous of surrendering on such terms as the directors may think fit.

*Application of
forfeiture*

TRANSFER AND TRANSMISSION OF SHARES

57. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.
58. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee
 (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
59. The Board may decline to recognise any instrument of transfer unless
 (a) The instrument of transfer is in the form as prescribed in rules made under sub section (1) of Section 56 of the Act ;

*Depository Act,
1996 to apply*

*Execution and
registration of
transfer etc.*

*Form of
Transfer*



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- (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) The instrument of transfer is in respect of only one class of shares.
60. The Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register *Director's right to decline to register transfer*
- (a) The transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) Any transfer of shares on which the company has a lien.
61. Subject to Article 62, None of the parties shall transfer any part of the shares acquired by them for a period commencing from Commercial Operations Date till four years to any third party. *Lock-In-Period*
62. Party shall have the right at any time to transfer any of the Shares held by them to any one or more of its Affiliates who is capable of undertaking the obligations of the transferor. Provided that the Shareholder transferring its shares shall prior to such transfer deliver to each party:

- (i) A Deed of Adherence duly executed by the transferee;
- (ii) A written agreement of the transferee that in the event the transferee shall cease to be an Affiliate of the Shareholder transferring the shares to it the transferee shall prior to such event transfer back all Shares held by it in the Company to the Shareholder transferring the shares to it; and

An Affiliate of any Shareholder, who is the transferee of any Shares pursuant to this provision, shall also have the right to transfer any of the Shares held by it to another Affiliate of the same Shareholder (Relevant Party), who is capable of undertaking the obligations of the transferor herein. Provided that such transfer shall be permitted only once during the Lock-in period. Provided further that the transferor shall have prior to such transfer obtained-

- (i) A Deed of Adherence duly executed by the transferee, and
- (ii) A written agreement of the transferee that in the event the transferee shall cease to be an Affiliate of the same Party, it shall prior to such event transfer all Shares held by it in the Company to the Same Party, or to another Affiliate(s) of Same Party

For the purpose of above article : Deed of Adherence shall mean an Agreement forming part of Shareholders Agreement for equity participation in this company.

For the purpose of above article: Commercial Operation Date (COD) shall mean the date on which the Safety Certificate has been issued by Chief Manager, Western Railway (WR) to the Company for freight operations.

63. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer, which the Board of Directors may decline to register, shall be returned to the person



lodging the same.

64. No fee shall be charged for registration of transfer or for effecting transmission or for registering any probates, letters of administration and other similar documents.
65. On giving not less than seven days previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine

*No fee on
Transfer,
Transmission etc*

*Transfer books
when closed.*

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

66. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

*Board may
require evidence
of transmission*

67. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

*Company not
liable disregard
of notice
prohibiting
registration of a
transfer*

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with

68. The Board may in its absolute discretion refuse applications for the subdivision of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such subdivision is required to be made to comply with a statutory provision or an order of a competent court of law.
69. The provisions of the Articles shall mutatis mutandis apply to the transfer of debentures and other securities of the Company or transmission thereof by operation of law.

*Transfer of
Debentures*



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CONVERSION OF SHARES INTO STOCK

70. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

JOINT HOLDERS

71. (a) Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefits of survivorship .

(b) The Company shall be entitled to decline to register more than 3 persons as the joint holders of any share.

(c) The joint holder, of any shall be liable severally as well as jointly for and in respect of all calls and other payments , which ought to be made in respect of such respect of such share

BORROWING POWERS

72. Subject to section 73, 179 and 180 of the Act, and Regulations made thereunder and directions issued by the RBI, the directors may, from time to time, raise or borrow any sums of money for and on behalf of the Company from the member or other persons, companies or banks or they may themselves advance money to the company on such interest as may be approved by the Directors.

The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any

Power to Borrow



[Signature]

other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

73. Subject to the provisions of the Act and the Articles, the directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future). Provided however that the Company shall not create a charge upon any unpaid capital of the Company.
74. (i) Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be as per provision of Section 71 of the Act and rules made thereunder
 (ii) The Company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting. Debentures issued shall not carry any voting rights. Secured debentures may be issued by a company subject to such terms and conditions as may be prescribed in Section 71 of the Act and rules made thereunder.
75. Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
76. 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.
77. If the directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the directors or person so becoming liable as aforesaid from any loss in respect of such liability.
78. Company shall keep at its registered office a register of charges in such form and in such manner as may be prescribed in accordance with the provision of Section 85 of the Act and such register include therein all charges and floating charges affecting any property or assets of the company or of its undertaking, indicating in each case such particulars as may be prescribed

Terms of issue of debentures

Indemnity may be given

Register of Charges to be maintained

GENERAL MEETINGS

79. The annual general meeting shall be held in accordance with Section 96 of the Act and shall be called for a time during business hours, i.e. Between 9 a.m. to 6.p.m. on a day that is not a National holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town in which the Registered Office of the Company is situated, as the Board of Directors may determine and the notice calling the meeting shall specify it as the annual general

Annual general meetings



meeting.

80. Every Member of the Company shall be entitled to attend every general meeting either in person or by proxy; every director of the company and the Auditor of the Company shall have the right to attend and to be heard at any general meeting on any part of the business, which concerns him as Auditor. *Right to attend general meetings*
81. At every annual general meeting of the Company there shall be laid on the table the directors' reports and audited statement of accounts, auditors' report (if not already incorporated in the audited statement of accounts), the proxies lodged and the register of directors' holdings maintained under Section 88 of the Act. The auditors' report shall be read before the Company in general meeting and shall be open to inspection by any Member of the Company. *Reports, Statements and Registers to be laid on the table.*
82. All general meetings other than annual general meeting shall be called extraordinary general meetings.
83. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting. *Who may call on Extraordinary general meeting*
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
84. The Board of Directors of the Company shall on the requisition of such number of Members of the Company as is specified in sub-Section (2) of Section 100 of the Act, forthwith proceed duly to call an extraordinary general meeting of the Company, and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of Section 100 of the Act and of any statutory modification or re-enactment thereof for the time being shall apply. *Calling of Extraordinary general meeting on requisition*
85. A general meeting of the Company may be called by giving not less than clear 21 days' notice either in writing or by electronic mode in such manner as may be prescribed. *Notice of Meeting*
- Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety --five percent of the members entitled to vote at such meeting.
86. Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted at such meeting. No general meeting, annual or extraordinary shall be competent to enter upon, discuss or transact any business, which has not been specifically mentioned in the notice or notices convening the same. *Contents of Notice*
87. In the case of annual general meeting all business to be transacted at the meeting shall be deemed special, other than *Special business*
- (i) the consideration of the financial Statements , and the Reports of the Board of Directors and Auditors;



- (ii) the declaration of any Dividend;
- (iii) the appointment of directors in the place of those retiring; and
- (iv) the appointment of and fixing of the remuneration of the Auditors;

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

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two percent of the paid up share capital of that company, also be set out in the statement

Where any item of business to be transacted at any general meeting of the Company consists of according of approval to any document, the time and place where the document can be inspected shall be specified in the statement aforesaid

88. A document may be served on any member by sending it to him by post or registered post or speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed in Section 20 of the Act and rules made thereunder.
89. Notice of every meeting of the Company shall be given to
- (a) every member of the company, legal representative of any deceased member or assignee of an insolvent member; *Notice to be given to the Auditors*
 - (b) the auditor or auditors of the company;
 - (c) every director of the company
90. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any Shareholder or other persons to whom it should be given shall not invalidate the proceedings at the meeting. *Omission to give Notice not to invalidate Meeting*
91. Where by any provision contained in the Act or in the Articles, special notice is required of any resolution, notice in respect of the same shall be given to the Company and by the Company as provided in Section 115 of the Act. *Resolution requiring special Notice*

PROCEEDINGS OF GENERAL MEETINGS

92. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. *Quorum*
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be five members personally present.



If within an half hour from the time appointed for holding the meeting of the Company quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or such other date and such other time and place as the Board may determine. Provided that in case of an adjourned meeting or of change of day, time or place of meeting, the company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (One in English and one in Vernacular language) which is in circulation at the place where the registered office of the company is situated.

If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding meeting, the members present shall be the quorum.

93. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

*Chairman of
general meetings*

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting

If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with Section 104 of the Act and the Chairman elected on a show of hands shall continue to be the Chairman of the Meeting until some other person is elected as Chairman as a result of the Poll.

94. Every question submitted to a general meeting and every resolution put to the vote of a general meeting shall, unless a poll is demanded as hereinafter provided, be in the first instance decided by a show of hands.

*How questions to
be decided at
Meeting*

95. A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands under sub section (1) of section 107 of the Act, and an entry to that effect in the books containing the minutes of the meeting of the company shall be conclusive evidence of the fact of passing of such resolution or otherwise.

*Chairman's
declaration of
result of voting
by show of hands
to be conclusive*

96. (a) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on demand made in that behalf by the members present, in person or by proxy where allowed and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid up; and.

(b) The demand for a poll may be withdrawn at any time by the persons or persons who made the demand.

Demand for poll



97. (a) A poll demanded on question of adjournment of the meeting or appointment of Chairman of the meeting shall be taken forthwith.

*Time of taking
poll*

(b) A poll demanded on any other question (other than adjournment of meeting or appointment of Chairman) shall be taken at such time not being later than forty eight hours from the time when the demand was made as the Chairman of the meeting may direct.

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

*Power to adjourn
general meeting*

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

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

99. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

100. On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

*Right of Member
to use his votes
differently*

101. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of person, as deem necessary, to scrutinize the poll process and votes given on the poll and to report thereon to him in accordance with the provision of Section 109 of the Act and rules made thereunder

*Scrutineers at
poll*

102. (a) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting by show of hands.

*Chairman's decision
conclusive on vote on
poll*

(b) (i) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which the poll shall be taken.

(ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

(iii) The Chairman shall declare the result of voting on poll in accordance with the provision of Section 109 and rules made thereunder .



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103. Where a resolution is passed at an adjourned meeting of

- (a) The Company;
- (b) The holders of any class of shares in the Company
- (c) The Board of Directors of a Company

*Resolution
passed at
adjourned
Meeting*

The resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed at any earlier date.

104. A copy of every resolution or any agreement in respect of matters specified in sub-section (3) of Section 117 together with the explanatory statement under section 102, if any annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the registrar within thirty days of the passing or making thereof, be printed or typewritten and duly certified under the signature of an officer of the Company and filed with the Registrar:

*Registration of
certain
Resolutions and
Agreements*

- (a) Special Resolutions;
- (b) resolutions which have been agreed to by all the Members of the Company but which, if not so agreed to would not have been effective for their purpose unless they had been passed as Special Resolutions;
- (c) resolutions of the Board of directors of a Company or agreements executed by a Company relating to the appointment, re- appointment or the renewal of the appointment or variations of the terms of appointment of a managing director;
- (d) resolutions or agreements which have been agreed to by all the Members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority and all resolutions or agreements which effectively bind all the Members of any class of shareholders though not agreed to by all those Members;
- (e) resolutions passed by a company according consent to the exercise by its Board of Directors of any of the Powers under clause (a) and clause (c) of sub-section (1) of section 180;
- (f) resolutions requiring a Company to be wound up voluntarily passed in pursuance of provisions of Insolvency and Bankruptcy Code;
- (g) resolutions passed in pursuance of sub- section (3) of section 179
- (h) any other resolution or agreement as may be prescribed and placed in the Public domain



A copy of every Resolution which has the effect of altering the Articles of Association of the Company and a copy of every agreement referred to in the above sub-clauses (c), (d) and (f) shall be embodied in or annexed to every copy of the Articles issued after the passing of the Resolution or the making of the agreement

105. (a) The Company shall cause minutes of all the proceedings of every general meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. *Minutes of general meetings*
- (b) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days, or in the event of the death or inability of that Chairman, within that period by a director duly authorised by the Board for the purpose.
- (c) In no case the minutes or proceedings of a meeting shall be attached to any such book or aforesaid by pasting or otherwise.
- (d) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (e) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (f) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter whatsoever and in particular a matter which in the opinion of the Chairman of the meeting(s):
- (i) is or could reasonably be regarded as, defamatory of any person, or
- (ii) is irrelevant or immaterial to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds or otherwise.
- (g) Any such minutes shall be evidence of the proceedings recorded therein.
- (h) Minutes Book are maintained as per the provision of Section 118 of the Act and rules made thereunder.
106. The books containing the aforesaid minutes shall be kept at the Office of the Company and be open to the inspection of any Shareholder without charge between 11.00 a.m. and 1.00 p.m. on any working day and any Shareholder shall be furnished with a copy of any minutes referred to above in accordance with the provisions of the Act. *Inspection of Minutes Books of general meetings*



VOTES OF MEMBERS

107. Subject to the provisions of the Act and the Articles, votes may be given either personally or by an attorney or by proxy or, in the case of a body corporate, by a representative duly authorized under Section 113 of the Act. *Votes may be given by Proxy or Attorney*
- No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
108. Subject to any rights or restrictions for the time being attached to any class or classes of shares: *Number of votes to which Members entitled*
- (a) on a show of hands, every Shareholder present in person shall have one vote; and
- (b) on a poll, the voting rights of Shareholder shall be in proportion to his share in the paid-up equity share capital of the company.
109. No Member not personally present shall be entitled to vote on a show of hands unless such Shareholder is represented by an Attorney or unless such Shareholder is a body corporate present by a representative duly authorized under Section 113 of the Act in which case such Attorney or representative may vote on a show of hands as if he were a Shareholder of the Company.
110. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
111. A body corporate (whether a company within the meaning of the Act or not) may if it is a Member duly authorized by a resolution of its directors or other governing body, appoint a person to act as its representative at any meeting in accordance with the provisions of Section 113 of the Act. The production at the meeting of a copy of such resolution duly signed by one director of such body corporate or by a Shareholder of its governing body and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.
112. Any person entitled under the transmission clause (in the relevant Article herein) to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of Directors or any persons authorized by the Board of Directors in that behalf of his right to transfer such shares, or the directors



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shall have previously admitted his right to transfer such shares or his right to vote at such meeting in respect thereof.

113. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members

114. (a) Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a Member or not) as his proxy to attend and vote at the meeting on his behalf but a proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll.

(b) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or 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.

(c) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

(d) 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.

115. Every notice convening a general meeting of the Company shall state that a Shareholder entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Shareholder of the Company.

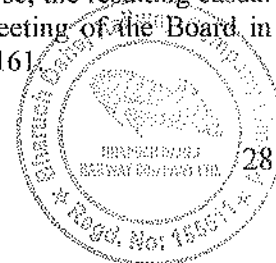
116. Every Member entitled to vote at a meeting of the Company or on any resolution to be moved thereat shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company



DIRECTORS

117. The Board of Directors shall consist of not less than 3 (three) or more than 12 (twelve), including all kinds of directors representing shareholders, nominated by lenders and whole-time directors.
118. The persons hereinafter named are the first directors of the Company:
- 1) Shri Rabindra Nath Kalita
 - 2) Shri Mohit Sinha
 - 3) Shri Mohinder Paul Shukla
119. If it is provided by any trust deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise, such power from time to time and appoint a director accordingly. Any director so appointed is herein referred to as a "debenture director". A debenture director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another director may be appointed in his place. A debenture director shall not be bound to hold any qualification shares nor shall he be liable to retire by rotation.
120. The Board may, appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company in accordance with the provision of Section 161 of the Act.
121. The Board of Directors of the Company may appoint a person to act as an alternate director for a director during his absence for a period of not less than three months from India provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provision of the Act. Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India.
122. The Board shall have power to appoint any person as an additional director who shall hold office upto the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier in accordance with the provision of sub section(1) of section 161

If the office of any director appointed by the company in general meeting is vacated before the term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board in accordance with the provision of sub section (4) of Section 161.



123. The persons who have the right to nominate and appoint the directors to the Board shall also have the right to remove and replace such directors.
124. Subject to the provisions of Sections 197 and 198 of the Act, the remuneration and travelling and other expenses payable to the directors of the Company may be as hereinafter provided *Remuneration of directors*
- (a) Each director shall be paid out of the funds of the Company a remuneration by way of fee, of such sum for each meeting of the Board of Directors or committee of the Board attended by him as may be determined by the Board from time to time within the limits prescribed by the Act or Central Government from time to time.
 - (b) In addition to the remuneration payable as above, the director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or general meetings of the Company.
 - (c) A director, including a part time chairman, who is neither in the whole time employment of the Company nor a managing director, if called upon and willing to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment or by way of commission, as may be determined by the Board, subject to the provisions of the Act, and such remuneration may be in addition to the remuneration payable under sub-clause (a) above.
 - (d) In addition to the remuneration payable under sub-clause (c) above, any director referred to therein shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses incurred by him in connection with the business of the Company.
125. The continuing directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing director or directors may act for the purpose of increasing the number of directors to that fixed for the quorum, or for summoning a general meeting of the Company, but for no other purpose. *Directors may act notwithstanding vacancy*
126. (1) Subject to the Provision of Section 164 and 167 of the Act, the office of a director shall become vacant in case *When office of director to be vacated*



- (a) he incurs any of the disqualification specified in section 164;
- (b) he absents himself from all the meetings of the Board of directors held during a period of twelve months with or without seeking leave of absence of the Board
- (c) he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (d) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184;
- (e) he becomes disqualified by an order of a court or the Tribunal;
- (f) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months;
- (g) he is removed in pursuance of the provisions of this Act;
- (h) he having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company

(2) Subject to the provisions of the Act and the Articles, a director may resign his office at any time by giving a notice in writing addressed to the Company or to the Board of Directors.

127. A Director of the Company may become a director of any company promoted by the company, or in which it may be interested subject to the provisions of any law in force and the Articles, and no such director shall be accountable for any such benefits received as director or Member of such company.

128. The Company shall observe the restrictions imposed in the matter of grant of loans to directors and other persons as provided in Section 185 of the Act.

Loans to directors

129. The provisions contained in Sections 179, 180, 184, 185, 186, 188 and 189 shall be complied with in regard to the matters referred to therein.

Provisions of certain sections to the Act to apply

130. (a) Subject to the provisions of Section 188 of the Act, no director shall be disqualified by reason of his office from contracting with the Company either as vendor, purchaser, agent or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any director shall be in any way interested be avoided nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised as a result of or in pursuance of any such contracts or arrangement by reason only of such director holding that office, or of the fiduciary relation thereby established.

(b) Every director who is in any way whether directly or indirectly concerned or interested in any contract or arrangement or proposed contract



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or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by Clause (d) of this Article.

(c) (i) In the case of a proposed contract or arrangement the disclosure required to be made by a director under clause (b) above, shall be made at a meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the director was not at the date of the meeting, concerned or interested in the proposed contract or arrangement at the first meeting of the Board held after he becomes so concerned or interested.

(ii) In the case of any other contract or arrangement that required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.

(d) every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board Meeting held after such change, disclose his concern or interest in any company or companies or bodies corporates, firms, or other association of individuals which shall include the shareholding, by giving a notice in writing in Form MBP-1.

(e) Nothing in Clauses (b), (c) and (d) of this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one of the directors of the Company or two or more of them together holds or hold not more than 2 percent of the paid-up share capital in the other company.

131. Every director of a company who is in any way, whether directly or indirectly , concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into- (a) with a body corporate in which such director or such director in association with any other director, holds more than two percent shareholding of that body corporate, or is a promoter, manager, chief executive officer of that body corporate ; or (b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be , shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is disclosed and shall not participate in such meeting .

Interested directors not to participate or vote in Boards Proceedings

A contract or arrangement entered into by the company without disclosure or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

Nothing in this clause

(a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;

(b) any contract or arrangement entered into or to be entered into between



two companies where any of the directors of the one company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company

ROTATION / TERM OF DIRECTORS

132. (a) Subject to the provisions of the Act, each director shall be eligible to serve consecutive terms if re-appointed. Any vacancy created by the retirement or removal of any director, being a Director representation of any Shareholders, shall be filled by a nominee of such Shareholders. The Directors nominated by RVNL, or any other Corporation owned or controlled by Central or State Government or nominee of any Central or State Governments will hold office till the attainment of superannuation or nomination of another incumbent, as the case may be
- Retirement of directors by rotation*
- (b) The remaining directors shall be appointed in accordance with the provisions of the Articles.
133. (a) Subject to the provisions of the Articles hereunder, at every general meeting of the Company one third of such of the directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office. The Chairman or any whole time directors, if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of directors to retire by rotation. In the Articles a 'retiring director' means a director retiring by rotation.
- Ascertainment of directors retiring or rotation and eligibility for re-appointment.*
- (b) directors to retire by rotation under the foregoing Article, at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who become directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. The retiring director shall be eligible for re-appointment
- Company to appoint successors*
134. Subject to Sections 160 and 169 of the Act, the Company at the annual general meeting at which a director retires in the manner aforesaid may fill up the vacancy by appointing the retiring director or some other person thereto.
135. (a) If the place of the retiring director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place.
- Provision in default of appointment*
- (b) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless
- (i) at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost;



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- (ii) the retiring director, has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment.
- (iv) a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or
- (v) Section 162 is applicable to the case.
136. At a general meeting of the Company, a motion shall not be made for the appointment of two or more persons as directors of the Company by a single resolution, and the provisions of Section 162 of the Act in this behalf shall apply in all respects. *Single Resolution for the appointment of several directors prohibited*
137. Subject to Sections 149 of the Act and the Articles, the Company may, by Special Resolution, from time to time increase or reduce the number of directors, within the limits fixed in that behalf by the Articles. *Company may increase or reduce the number of directors*
138. Subject to the provisions of Section 169 of the Act and the Articles, the Company may remove any director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office until the date up to which the director, in whose place he is appointed, would have held the same if he had not been removed. *Removal of directors*

PROCEEDINGS OF THE BOARD OF DIRECTORS

139. The Board shall meet at in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board in accordance with the section 173 of the Act. Board meeting shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company. *Meetings of directors*
140. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. *When Meeting to be convened.*
- (ii) A Company secretary on the requisition in writing from a director shall, at any time, summon a meeting of the Board.



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141. The quorum for a meeting of the Board shall be reckoned in accordance with the Act, provided that quorum shall be complete only when at least one of the Representative Director nominated by RVNL (which expression shall, where applicable, include their alternates), is present in the meeting. Subject to section 174 of the Act, the quorum for meeting of the Board of Directors shall be one-third of its total strength (excluding directors, if any, whose place may be vacant at that time and any fraction contained in that one-third being rounded-off as one), or two directors, whichever is higher provided that where at any time the number of interested directors exceeds or is equal to two-thirds of the total strength, the number of the remaining directors, that is to say, the number of directors who are not interested and present at the meeting being not less than two, shall be the quorum during such time. ***Quorum***
142. In case the quorum for meeting is not present, the meeting shall be adjourned to the same day in the following week or if such a day is a holiday, the next Business Day thereafter.
143. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all authority, powers and discretions which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board of Directors generally.
144. The directors may subject to the provisions of the Act, constitute such committee(s) as the Board may deem fit and delegate any of their powers to committees consisting of such member or members of their body as they think fit and they may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the directors. The members of any committee shall not decide the powers of such committee. The committees shall be subject to and be under the supervision of the Board. ***Delegation of powers by directors***
145. A committee may elect a Chairperson of its meetings. ***Meetings of committees***
- If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the Meeting
- A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall not have a second or casting vote.
146. No resolution shall be deemed to have been passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all the directors or to all the members of the committee, as the case may be, at their addresses registered with the company in India or by hand delivery or by post or by courier and other electronics means as may be prescribed and has been approved by majority of the directors or members, who are entitled to vote on the resolution. ***Resolution by circulation***



Provided that, where not less than one- third of the total number of directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution by circulation shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

147. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- Acts of Board or Committee valid notwithstanding appointment etc.***

Provided nothing in the 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 been terminated.

148. The Company shall cause minutes of the proceedings of every meeting of the Board of Directors and of every committee of the Board to be recorded in accordance with the relevant provisions of Section 118 of the Act, within thirty days of the conclusion of every such meeting and the minutes shall contain the matters specified in the said section.
- Minutes of proceedings of directors and Committees to be recorded***

149. The Company shall keep detailed minutes and other appropriate records of its meetings in English and in accordance with the Act. The minutes of all such meetings shall be signed by the Chairman of the respective meetings or by the Chairman of the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transactions or occurrences of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.
- Signing of minutes***

150. The Company shall maintain the following Registers, Books and Documents, namely :
- Registers, books and documents to be maintained by the Company***

- (a) Register of investments not held in the Company's name according to Section 187 of the Act.
- (b) Register of mortgages and charges according to Section 85 of the Act.
- (c) Register of Members and an Index of Shareholders according to Sections 88 of the Act.
- (d) Register of Contracts, Companies and Firms in which directors are interested according to Section 189 of the Act.



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- (c) Register and index of debenture holders according to Section 88 of the Act.
 - (f) Register of directors according to Section 170 of the Act.
 - (g) Register of directors' shareholdings according to Section 170 of the Act.
 - (h) Books of Account in accordance with the provisions of Section 128 of the Act.
 - (i) Copy of instruments creating any charge requiring registration according to Section 85 of the Act.
 - (j) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 92.
 - (k) Register of renewed and duplicate certificates according to Rule 6(3) of the Companies (Share Capital and Debentures) Rules, 2014.
 - (l) Foreign Register if applicable as required by Section 88 of the Act.
 - (m) Other registers or books if any as may be required to be maintained under any law in force in India or any order or direction issued by the Government of India.
151. The said registers, books and documents shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act on every working day during the hours between 11.00 a.m. and 1.00 p.m., consistent with the provisions of the Act in that behalf, and copies thereof and extracts there from may be furnished as provided in the Act.

Inspection of Registers etc.

POWERS OF DIRECTORS

152. The management and control of the business of the Company shall be vested in the Board of Directors who may exercise all such powers of the Company and do all such acts and things as are not by the Act or any statutory modification thereof for the time being in force or by any other Act or by the Memorandum or by the Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulation contained in the Articles and the provisions of the Act or any statutory modification thereof for the time being in force or any other Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Power of directors



153. Subject to provision of Sections 180 and 181 of the Act, Board of Directors 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) Invest, the amount of compensation received by it as a result of any merger or amalgamation;
 - (c) Borrow money, whether the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves apart from temporary loans obtained from the company's bankers in the ordinary course of business;
 - (d) Remit or give time for the repayment of any debt due from a director.
 - (e) Contribute to charitable and other funds, any amounts the aggregate of which will, in any financial year, exceed five percent of its average net profits for the three immediately preceding financial years.

Provided that in respect of the matters referred to in clauses (c) every resolution passed by the Company in general meeting shall specify the total amount upto which monies may be borrowed by the Board.

154. Notwithstanding anything contained in the Act or the Articles, neither the Company in general meeting nor the Board shall contribute any amount to any political party or for any political purpose, to any individual or body so long as such contribution is prohibited by law. ***Contribution to political parties***
155. Subject to the provision of section 179 the Board shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board namely:- ***Certain powers to be exercised only at Meetings of the Board***
- (a) to make calls on shareholders in respect of money unpaid on their shares;
 - (b) to authorize buy-back of securities under section 68;
 - (c) to issue securities, including debentures, whether in or outside India;
 - (d) to borrow monies
 - (e) to invest the funds of the Company;
 - (f) to grant loans or give guarantee or provide security in respect of loans;
 - (g) to approve financial statement and the Board's report;
 - (h) to diversify the business of the Company



- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) any other matter which may be prescribed

Provided that the Board may by resolution passed at a meeting delegate to any committee of directors or Chairman or to the Managing director or/and other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified in (d) to (f) on such conditions as the Board may prescribe.

156. Without prejudice to the general powers conferred by the preceding Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by the Articles but subject to the restrictions elsewhere contained in the preceding Articles, the directors shall have the following powers, that is to say, power :
- Specific powers of the Board*

- (a) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereat under the provisions of Section 40 of the Act.
- (b) Subject to Sections 179 and 188 of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as all the then prevailing circumstances of the case may justify in the interests of the Company.
- (c) To have an official seal for use abroad.
- (d) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or service rendered to the Company, either wholly or partly, in cash or in shares, bonds, debentures, mortgages, or other securities of the Company, and any such shares may be issued either as fully paid up and any such bonds, debentures, mortgages or securities may be either specifically charged upon all or any part of the property of the Company 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 moveable property of the Company either separately or jointly, and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.



- (f) To open accounts with any banks or financial institutions in India or abroad and to pay money into and draw money from any such account from time to time as the directors may think fit.
- (g) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company or in such manner as they may think fit.
- (h) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes and to execute and to do all such acts and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (i) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company and to refer any claims or demands by or against the Company or any differences to arbitration, and observe, perform, implement and enforce any awards made thereon.
- (j) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.
- (k) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claim and demands of the Company.
- (l) Subject to the provisions of Sections 179,180,185 and 186 of the Act, to invest and deal with any moneys of the Company upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time, to vary or realize such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (m) 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 whether as principal or surety, for the benefit of the Company, such guarantee or indemnity as they think fit;
- (n) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (o) To provide for the welfare of the directors or ex-directors or the employees or ex-employees of the Company and the wives, widows



and families of the dependents of such persons, by formulating schemes including the stock option scheme, by building or contributing to the building of houses, dwellings or chawls or by grants of money pensions, gratuities, allowances, bonus(es) 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 places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects or for any exhibition, or for any public, general or useful object, or purposes which in the opinion of the Board of Directors are likely to promote the interests of the business of the Company or to further its objects.

- (p) Subject to the provisions of Section 123 and 124 and other applicable provisions of the Act, and rules made there under from time to time, before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a depreciation fund, or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board of Directors may, in their absolute discretion think conducive to the interest of the Company; and to invest the several sums so set aside or so much thereof as required to be invested (other than in the shares of the Company) as they may think fit; and from time to time deal with and expend all or any part thereof, for the benefit of the Company, in such manner, and for such purpose as the Board of Directors, in their absolute discretion, think conducive to the interests of the Company, notwithstanding that the matters to which the Board of Directors shall apply or upon which they expend the same or any part thereof, may be matters to or upon which the capital of the Company might rightly be applied or expended; and to divide the reserve fund into such special fund, as the Board of Directors may think fit, and to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock and that without being bound to keep the same separate from the other assets and without being bound to pay any interest on the same, with power however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.
- (q) To appoint and, at their discretion, remove or suspend such managers, secretaries, officers, assistants, supervisors, 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, emoluments or remuneration and to require security in such instances and to such amount 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 or elsewhere in such manner as they think fit and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (r) From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be Shareholders of such local board or any managers or agents and to fix their remuneration.
- (s) Subject to the provisions of Section 179 of the Act and the relevant Articles herein from time to time, and at any time to delegate to any such local board, or any Shareholder or Shareholders thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the Shareholders for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation under clause (r) of this Article may be made on such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.
- (t) At any time and from time to time by Power of Attorney under the Seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as the Board of Directors may from time to time think fit.
- (u) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations, arrangements and contracts and rescind and vary all such arrangements or 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 purposes of the Company.
- (v) Generally subject to the provisions of the Act and the Articles, to delegate the powers, authorities and discretions vested in the directors to any person, firm, Company or fluctuating body or persons as aforesaid.
- (w) From time to time, to make, vary and repeal bylaws for the regulation of the business of the Company, its officers, and servants.



- (x) To pay costs, charges and expenses incurred, and/or to be incurred both preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (y) To acquire by purchase, lease or in exchange or otherwise lands, buildings, establishments, machinery, equipment, hereditaments, rights, privileges or properties, moveable or immoveable.
- (z) To erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, offices or other structure necessary or convenient for the purposes of the Company and to acquire the lands for the purposes of the Company.
- (aa) To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise as they think fit.
- (bb) To attach in respect of any shares to be issued as 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, subject to the provisions of the Act, as to the transfer thereof as they may think fit.
- (cc) To refer any claims or demands by or against the Company to arbitration observe and perform the awards.
- (dd) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is subsidiary of the Company or with any such subsidiary company or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and also establish and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company or of any such other company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
- (ee) Any such delegate or attorney as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or them.

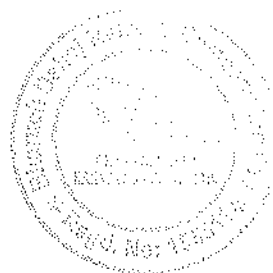


CHAIRMAN, MANAGING DIRECTOR OR WHOLE TIME DIRECTOR(S)

157. The whole time directors including the Managing Director shall be appointed by the Board in accordance with the provisions of the Act and Articles. The Company shall have a part time non-executive Chairman, who shall at all times be a nominee of Ministry of Railways. The Chairman shall hold office till his superannuation or any non-inaction of another incumbent vice him, as the case may be.

*Chairman/Managing Director***Managing Director**

158. There shall be Managing Director of the Company who shall subject to the provisions of the Act be the executive head of the Company. He shall be a member of the Board and shall function under over all superintendent control and directors of the Board. The shareholders shall ensure that the management team shall present to the Board of Directors, an annual plan for effective implementation of the project.
159. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.
160. Subject to the provisions of the Act and of the Articles, a whole-time director shall not, while he continues to hold that office, be subject to retirement by rotation under the Act or the Articles but he shall, subject to the provisions of any contracts between him and the Company, be subject to the same provisions as to resignation and removal as the other directors of the Company and he shall ipso facto immediately cease to be a managing director or whole time director if he ceases to hold the office of director for any cause, provided that if at any time the number of directors (including the whole-time director) as are not subject to retirement by rotation shall exceed one-third of the total number of directors for the time being, then such whole-time director or whole-time directors, as the directors, may from time to time select, shall be liable to retire by rotation to the intent that the directors so liable to retirement by rotation shall not exceed one-third of the total number of directors for the time being.
161. Subject to the superintendence, control and direction of the Board of Directors, the Board may from time to time entrust to and confer upon the Chairman or other whole time director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the directors 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 subject to the provisions of the Act and the Articles confer such powers, either collaterally with or to the exclusion of or in substitution for all or any of the powers of the directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Powers and duties of Managing or Whole time director(s)

162. Any advocate or chartered accountant or any professional, who may for the time being, be a director of the Company:

- (a) Shall be entitled to charge the Company professional remuneration for all work done by him or her on behalf of the Company at the rates agreed upon and on such terms and conditions as may be agreed upon;
- (b) Shall be entitled to vote on all resolutions on all matters in any way he thinks fit irrespective of the fact that he has advised upon or been concerned with any matters relating to the said resolution prior to the passing thereof or is likely to advise upon or may have to deal with matters relating to any resolution after the same has been passed;
- (c) Shall not be liable or responsible for the day to day or routine management and running of the Company and its affairs including setting aside, appropriations or payment of any statutory dues by or on behalf of the Company; and
- (d) Shall be indemnified by the Company in respect of any fines or penalties that may be imposed upon him as a director of the Company as a result of any act or omission of the Company and/or any of the officers in failing to comply with any requirements of the law whether with regard to any payments, to be made or otherwise howsoever, and also against all costs, charges and expenses that may be incurred by him in any proceeding against or relating to the said Professional director in his capacity as a director.

163. A director of the Company may be, or become a director of any company promoted by the Company, or in which it may be interested subject to the provisions of the Act and the Articles. No such director shall be accountable for any benefits received as a director or Shareholder of the company.

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY, OR
CHIEF FINANCIAL OFFICER**

164. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company Secretary or chief financial officer.

A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or



MM

chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Subject to the provisions of the Act and the Articles, the directors may delegate to the Chief Executive officer, Chief Financial Officer, Manager and Company Secretary such powers and entrust him with such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same,

COMMON SEAL

165. (i) The Board of Directors shall provide a Common Seal for the purpose of the Company, and shall provide for the safe custody for the same. The Board of directors have power from time to time to destroy and substitute a new seal in lieu thereof.

*Seal, custody
and use*

(ii) 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 authorised by it in that behalf, and except in the presence of at least one director or the secretary or such other person as the Board/committee may appoint for the purpose; and that director or the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. The share certificate will, however, be signed and sealed in accordance with Rules prescribed by the Central Government in this regard

RETURNS

166. The Company shall make the requisite annual returns in accordance with Section 92 of the Act and shall file with the Registrar of Companies, copy of the balance sheet and profit and loss account in accordance with Section 137 of the Act.

Returns

DIVIDENDS

167. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Dividends

168. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

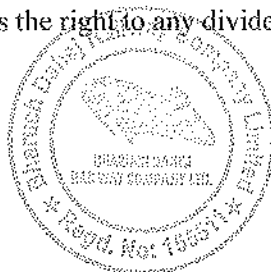
169. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

*Dividend to be
paid only out of
profits*

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.



170. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if 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. *Interim dividend*
- (ii) 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.
- (iii) 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 a particular date such share shall rank for dividend accordingly.
171. 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.
172. (i) Any dividend, interest or other monies 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 or through electronic mode. *Dividend in proportion to amount paid-up*
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
173. The Board of Directors may, if they so think fit, retain the Dividends payable upon shares in respect of which any person is (under the relevant Article herein) entitled to become a Shareholder or which any person under that Article is entitled to transfer until such person shall become a Shareholder in respect of such shares or shall duly transfer the same. *Retention of dividends until completion of transfer*
- Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
174. 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. *No Member to receive dividend whilst indebted to the Company and the Company's right to reimbursement thereof*
- No dividend shall bear interest against the company.
175. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. *Transfer of shares must be*



- registered*
176. Any one of several persons who are registered as the joint holders of any share may give effectual receipt for all dividends and payments on account of dividends in respect of such share. *Dividend to joint holders*
177. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the Shareholder or person entitled or in the case of joint holders to the registered address of that one of the joint holders who is first named in the Register. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the Shareholder or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any executors or administrators of a deceased Shareholder in whose sole name any share stands, shall for the purposes of this clause be deemed to be joint holders thereof. *Dividends how remitted*
178. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law. *Unclaimed dividend*
179. Where a dividend has been declared by the Company but has not been paid, or the warrant in respect thereof has not been posted within thirty days from the date of the declaration, to any shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted within the said period of thirty days, to a special account to be opened by the Company in that behalf in any Scheduled Bank to be called "Unpaid Dividend Account" and all the other provisions of Section 124 of the Act in respect of any such unpaid dividend or any part thereof shall be applicable, observed, performed and complied with. *Unpaid dividend*
180. Any, general meeting declaring a dividend may make a call on the Shareholders of such amount as the meeting fixes but so that the call on each Shareholder shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Member be set off against the calls. *Dividend and call together*

CAPITALISATION

181. (i) The company in general meeting may, upon the recommendation of the Board, resolve— *Capitalization of reserves etc.*
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (i) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.



(ii) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards—

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
- (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

182. A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for Income tax, be distributed among the Shareholders on the footing that they receive the same as capital. ***Surplus on realization may be capitalized***

183. Where required a proper contract shall be delivered to the Registrar of Companies for registration, and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

184. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may



require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

ACCOUNTS

185. The Financial Year of the Company shall be from April 1 to March 31. Company shall prepare and keep at its registered office books of account and other relevant books and paper and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to double entry system of accounting;

Provided that all or any of the books of account aforesaid and other relevant paper may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken company shall within seven days thereof file with the registrar a notice in writing giving the full address of that other place.

186. The Company shall cause to be kept proper books of account with respect to

*Books of
Accounts*

- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
- (b) all receipts and payments and deposits and other moneys received and loans and other facilities granted by the Company;
- (c) the assets and liabilities of the Company.

187. The books of account shall be kept at the Registered Office of the Company or at such other place or places as the Board of Directors think fit subject to Section 128 of the Act and shall be open to inspection by any director during business hours.

188. Where a company has a branch office, whether in or outside India proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarized returns periodically, are sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept.

*Accounts
of
Branch
office*

189. All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions.

190. The books of account of the Company relating to a period of not less than eight financial years immediately preceding the current financial year together with the



vouchers relevant to any entry in such books of account shall be kept in good order.

191. The Company shall comply with the provisions of Section 206 of the Act in regard to the inspection of the books of accounts and other books and papers of the Company, by the Registrar of Companies or by such officer of the Central Government as may be authorised by the Central Government in this behalf, or by the officers of the Reserve Bank of India, as the case may be. **Inspection**
192. The accounting year of the Company for general accounting purposes shall be from April 1 to March 31. **Accounting year**
193. The Board of Directors shall lay before each annual general meeting a profit and loss account for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or where an extension of time has been granted by the Registrar of Companies under the provisions of the Act by more than six months from the date of extension so granted. **Accounts to be furnished to general meeting**
194. The financial statements shall comply with the accounting standards notified under section 133 and shall be in the form set out in Schedule III. **Balance Sheet and profit and Loss Account**

In case Central Government by notification specifies some other form or forms in which financial statement of the Company shall be drawn, then the Company shall adopt such form of the financial statement

The Company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement, of its subsidiary or subsidiaries in such form as may be prescribed.

The financial statement shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the Chairperson of the Company where he is authorised by the Board or by two directors out of which one shall be managing director, if any, and Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company.

195. Auditor's report [including the Auditor's separate, special or supplementary reports, if any] shall be annexed to the financial statement.
196. Every financial statement laid before the company in general meeting shall have attached to it a report by the Board of Directors which shall include -----
- (a) the web address, if any, where annual return referred to in sub-section (3) of Section 92 has been placed ;
 - (b) number of meetings of the Board;
 - (c) Directors Responsibility Statement;
 - (ca) details in respect of frauds reported by auditors under sub- section (12) of Section 143 other than those which are reportable to the Central Government;



- (d) a statement on declaration given by independent directors under sub- section (6) of Section 149;
- (e) in case of a company covered under sub section (1) of section 178, company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub- section (3) of section 178.
- (f) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - (i) by the auditor in his report; and
 - (ii) by the company secretary in practice in his secretarial audit report;
- (g) particulars of loans, guarantees or investments under section 186;
- (h) particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 .
- (i) the state of the company's affairs
- (j) the amount, if any which it proposes to carry to any reserve
- (k) the amount. If any, which it recommends should be paid by way of dividend;
- (l) material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
- (m) the conservation of energy, technology absorption, foreign exchange earnings and outgo,
- (n) a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;
- (o) the details about the policy development and implemented by the company on corporate social responsibility initiatives taken during the year .
- (p) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors
- (q) such other matters as may be prescribed

The Board's report and any annexures thereto shall be signed by Chairperson of the Company if he is authorised by the Board and where he is not so authorised, shall be signed by at least two directors, one of whom shall be a managing director, if any, or by the director where there is one director.



197. (1) A copy of every financial statements, including consolidated financial statements, if any, the Auditor's report and every other document required by law to be annexed or attached as the case may be, to the financial statements, which is to be laid before the Company in its general meeting shall be made available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of the meeting.

*Right of Member
to copies of
Balance Sheet
and Auditor's
Report*

(2) A statement containing the salient features of such document in the prescribed form or the copies of the documents aforesaid, as the Company may deem fit, shall be sent to every Member of the Company and to every trustee for the holders of any debentures issued by the Company, not less than twenty-one days before the date of the meeting, unless the shareholders ask for full financial statements.

198. The Company shall create a reserve fund and before any dividend is declared transfer to the reserve fund not less than twenty per cent of profit or such other percentage as may consider appropriate.
199. Shareholders' funds and other assets of the Company shall only be used for its operations in India in accordance with the operating policy statement as amended from time to time, and the annual operating plan and budget as approved by the Board.

Reserve Fund

AUDITORS

200. Appointment of Auditors shall be made at general meeting of the Company in accordance with sub-section 5 of Section 139 of the Act.
201. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting. The remuneration of the Auditors shall be fixed by the Company in the Annual General Meeting except that remuneration of the first or any auditors appointed by the directors may be fixed by directors.
202. Further, in case, where 51% of the paid up share capital is held by RVNL, State Government, or any or more Corporation(s) owned by Central Government or State Government(s) or any other Government Company, the appointment of Auditors will be made by the office of Comptroller & Auditors General of India and their remuneration, rights, and duties shall be regulated by Section 139 to 147 of the Act.

First Auditor

*Remuneration of
Auditors*

The Comptroller & Auditors General of India shall have the power to direct the manner in which the Company's account shall be audited by the auditors appointed and give such auditors, instructions in regard to any matter relating to their functions as such and to conduct a supplementary or test audit of the



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Company's account 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 time, to all accounts, account books, vouchers, documents and other papers of the company and to require information or additional information or additional information to be furnished to any person or persons so authorised on such matters by such or persons and in such form as C&AG by general or special order directs.

The auditors aforesaid shall submit a copy of the report to C&AG of India who shall have the right to comment upon or supplement to the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the audit report.

203. Every account 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 that period the account shall forthwith be corrected and henceforth shall be conclusive.

DOCUMENTS AND SERVICE OF DOCUMENTS

204. Subject to the provision of Section 20 of the Act and the rules made thereunder

*How documents
to be served on
Shareholders*

- 1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgement, or any other document in relation to or in the winding up of the Company) must be in writing in the English language and (a) delivered personally and by overnight courier, (b) sent by tele facsimile or other similar facsimile transmission, (c) or sent by registered mail at the address of the shareholder as may be provided by such shareholder to the Company from time to time.
- 2) All notices and other communications required or permitted under the Articles that are addressed as provided in this Article will (a) if delivered personally or by overnight courier, be deemed given upon delivery; (b) if delivered by facsimile or similar facsimile transmission, be deemed given when a confirmed answerback is obtained by the sender; and (c) if sent by registered or certified mail, be deemed given when received. Any notice or communication if sent by registered or certified mail, shall be deemed to be received by the addressee four Business Days after the same is dispatched in case of dispatch within India, and three weeks in case of dispatch by post between two countries. Any party from time to time may change its address for the purpose of notices to that party by giving a similar notice specifying a new address, but no such notice will be deemed to have been given until it is actually received by the party sought to be charged with the contents thereof. In the event a notice or communication has been delivered to the recipient after the business hours of the recipient, it shall be deemed to have been so received on the next



working day of the recipient. Notwithstanding sub clause (b) above, a message sent by facsimile shall be followed by a hard copy of the same notice/communication.

205. A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholder 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 like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.
206. Notice of every meeting of the Company shall be given to
- a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
 - b) the auditor or auditors of the company;
 - c) every director of the company.
207. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised once in an English daily and in a vernacular daily newspaper circulating in the city or town where the registered office of the Company is situated.
208. Every person who by operation of law, transfer, otherwise whatsoever, shall become entitled to any share shall be bound by every document in respect of such share which, previous to his name and address being entered in the Register has been duly served on or sent to the person from whom he derives his title to such share.
209. The signature to any notice to be given by the Company may be written, typed or printed.
210. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the Register in respect of that share. Several executors or administrators of a deceased shareholder shall be deemed to be jointly entitled for the purpose of this Article.

Service on persons acquiring shares on death or insolvency of Shareholders

Persons entitled to notice of general meeting

Advertisement

How notice to be signed

Notice to joint holders



Handwritten signature

WINDING UP

211. Subject to the provisions of Chapter XX of the Act and rules made thereunder alongwith the provisions of Insolvency and Bankruptcy Code, 2016 and its regulations—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any 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.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

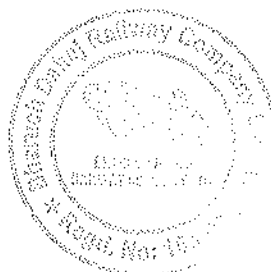
212. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.
213. Subject to the provisions of Section 197 of the Act no director, managing or whole-time director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer or for joining in any respect of other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors 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 tortious act of any person, company or corporation with whom any money, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error or judgement, omission or default or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

Indemnity

Directors and other Officers not responsible for acts of others.

SECRECY

214. No Member shall be entitled to inspect the Company's books or establishment without the permission of the Board or require discovery of any matter which is



or may be in the nature of 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 not be expedient in the interests of the Members of the Company to communicate to the public.

Certified to be true

Kanika



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