

**COMPANY LIMITED BY SHARES UNDER SECTION 25
(NOT FOR PROFIT)**

**MADHYA PRADESH PICHHDA VARG TATHA
ALPSANKHYAK VITTA AIVAM VIKAS NIGAM
(Incorporated under the Companies Act 1956)**

MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

**COMPANY LIMITED BY SHARES UNDER SECTION 25
(NOT FOR PROFIT)**

**MEMORANDUM OF ASSOCIATION
OF
MADHYA PRADESH PICHHDA VARG TATHA
ALPSANKHYAK VITTA AIVAM VIKAS NIGAM
(Incorporated under the Companies Act 1956)**

- I. The name of the company is : Madhya Pradesh Pichhda
Varg Tatha Alpsankhyak
Vitta Aivam Vikas Nigam

- II. The Registered Office of the Company will be situated in the
State of Madhya Pradesh.

- III. The objects for which the company is established are as under
-
 - (A) The main objects to be pursued by the Company on its
incorporation are -
 1. To do and undertake the task of Social Economic and
Educational upliftment of the Backward classes and Minorities
in the State of Madhya Pradesh.

2. To implement such schemes, projects and programmes which may result in the educational, advancement of the Backward Classes and Minorities.
3. To render financial and other assistance in any form to the members of Backward Classes and Minorities in order to enable them to generate income for their livelihood.
4. To promote and operate schemes for providing education, technical or otherwise, training, guidance amongst the members of Backward Class and Minorities.
5. To provide financial assistance, in kind or in cash in the form of loans, grants, subsidies, donations, either directly to the members of backward classes and minorities or to and through such organisations as are considered appropriate for the purpose.
6. To promote, defend or represent the interests of the Backward Classes and Minorities in any forum.
7. To provide legal assistance to the members of Backward Classes and Minorities in matters relating to their economic, social and educational upliftment.
8. To provide financial and other assistance to the members of Backward Classes and Minorities either directly or through other organisations to enable them to engage themselves in construction of building and production, trading and transport of

the building material so as to improve their economic conditions.

(B) The objects incidental or ancillary attainment of the above main objects are :-

9. To advance loans to the members of Backward Classes and Minorities for establishing them in self-employment in trade and/or industry.
10. To advance loans to such members of Backward Classes and Minorities who want to start their own professions such as Doctors, Engineers, Lawyers, Architects, Chartered Accountants etc. or any other profession on personal security or any other form of security.
11. To advance loans in kind or in cash, stand guarantee, or surety, to assist in getting on hire purchase or otherwise, on easy terms to the members of the Backward Classes and Minorities for engaging them in transportation business for earning income for their livelihood such as Auto, Tempo, Taxi, Jeep, Mini Bus, Truck, Tractor etc. or any other 2, 3 or 4 wheeler vehicles on his personal security or on pledging or the vehicles purchased.
12. To advance loans to members of Backward Classes and Minorities individually and/or collectively i.e. as a Partnership Act,1932, as an Association registered under the Societies Registration Act,1860 or a Co-operative society Registered

under the Madhya Pradesh Coroperative Act, a trust or such other organisation such as the Board of Directors may think fit for the industrial, agricultural, trades, business, commerce, profession or other skills and such other activities which are for the promotion and improvement of the economic conditions of the members of Backward Classes and Minorities on personal security as well as on the security of the assets of the activity undertaken.

13. To plan, promote and undertake on its own or in collaboration with or through such Backward Classes and/or Minorities organisations or any members of the community or other agencies as may be approved by the Board of Directors to augment its resources and to provide employment to the members of these Communities, such programmes and projects of Agricultural Development and operations connected therewith, marketing, processing, supply and storage or agricultural produce, small scale and cottage industry, building constructions, transport and any other industrial activity.
14. To plan, promote and undertake on its own or in collaboration with or through such Backward Classes and/or Minorities Organisation for arranging/imparting latest techniques in designs/ instruments for village and cottage industries run by these classes.
15. (a) To undertake the construction of houses which may be sold to the members of the Backward Classes and/or

Minorities on hire purchase basis at no profit no loss basis.

- (b) To advance loan to the members of Backward Classes and Minorities who wants to undertake the construction of houses.
16. To export commodities produced by the members of the Backward Classes and Minorities or other projects financed by the Corporation and import of goods of any type including plant and machinery and other implements, through the approved channels of the Government of India and the State.
 17. To assist by advancing Loans/Grant/Financial Assistance to Government Agencies, Semi-Government Agencies or to the non-Government organisations for providing training including pre-examination training to the members of Backward Classes and Minorities in different trades employments and in professional education.
 18. To give on hire agricultural or industrial machinery or equipment either directly to the members of Backward Classes and Minorities or through Backward Classes Organisation at no profit no loss basis.
 19. To borrow money subject to such conditions as the Board may specify; to receive gifts, grants and donations; and to issue bonds and debentures.

20. To provide financial assistance to the members of -Backward Classes and/or Minorities Organisations in cash or in kind or by some other way in setting up of undertaking the agricultural development by manufacturing, repairing, servicing, selling and buying, importing and exporting, bartering, manipulating, giving on lease or hiring or improving, converting or doing anything else, the agricultural machinery and implements for all types of agricultural produce, and land of whatsoever kind and further in taking up the activities of development of dairy, poultry, carpentry and toy making, hair cutting, tailoring and embroidery, canning, basket/mudha making, leather work, tanning, cattle breeding, livestock farms, horticulture, pisciculture, sericulture, cow-keeping sheep and goats-keeping of beehives to produce and to gather honey, to do the work of milers, gardeners and other agricultural activities whatever deemed to be fit.
21. To give financial help the purchase and reclaim agricultural land and setting up of tube-wells, purchase of tractors, improved seeds, insecticides and pesticides, fertilizers and agricultural implements for the furtherance of agricultural pursuits and to grant. loans for such other activities as are conducive to the promotion of economic, social and education welfare of this community.
22. The Corporation may undertake itself the following activities following activities :-

- (i) The Corporation may undertake to establish its own seed/agricultural farms by purchasing the land from the Revenue Department and other sources to provide employment to the landless workers of these castes/communities on daily wages with some shares in the projects of such farms. These people may be transferred ownership rights after some specific time as decided by the Corporation at no loss no profit basis.
 - (ii) To construct irrigation system including stopdams, tanks, drains, canals, tube wells, lift irrigation systems and made them available to the members of Backward Classes/Minorities either on payment or otherwise or to provide such assistance which may enable them to undertake by themselves these activities for earning their livelihood.
23. To exhibit all the articles of the company or produced by the members of the Community or at other projects financed or assisted by the Corporation in all agricultural and industrial shows, flower shows, displays and other exhibitions, and to have agricultural, industrial and horticultural and other magazines, exhibitions, shows and displays.
24. To run educational institutions, agricultural training institutions and publish .books, reports journals, magazines, .newspapers, periodicals, thesis, researches, writings, discoveries, documents, formulae, news and information, to take cine files,

- plates pictures, paintings, sketches, and to make lantern slides, transparencies, stereoscopic slides etc. and to have printing presses a litho presses and block making devices and accessories and do business as such.
25. To hold shares in any other company or association, with objects similar to its own and to have branches all over India and elsewhere.
 26. To take part information, management, subsidizing supervision or control of the business or operations of any persons, associations, company or undertaking and for that purpose to act as trustees, administrators, secretaries or in any other capacity or to appoint and administrators, managers or accounts or other experts or agents.
 27. To establish, purchase, acquire on lease or otherwise engineering workshops for the manufacture, fabrication/casting, finishing, repairs, servicing and all sorts of maintenance of all types of plant, equipments, spare parts components pertaining to all sorts of agricultural production, processing and other agro-based industrial machinery, equipment and implements by giving maximum employment to these classes. .
 28. To set up, purchase, acquire on lease / or otherwise automobiles-cum-tractor servicing stations and/or mobile repair cum servicing units-tube-well boring and installation units, agricultural plant and equipment custom-service and activities

connected with agricultural production processing and development for uplift of Backward Classes and Minorities.

29. To set up, establish and arrange branches and/or subsidiary units in connection with any of the above named activities or any other activities whether under exclusive, ownership or in partnership or in collaboration with or under some suitable arrangements, with any third party or parties, whether, within Madhya Pradesh or any part of India or elsewhere.
30. To undertake, organise and deal with any other industrial, commercial or managerial activity in respect of any inputs or output and for the betterment of the community/communities.
31. To go in for, apply for, buy or otherwise acquire and use any patents, designs copyrights, licence, concessions, conveniences, innovations, inventions, trademarks, secret devices or processes, plants, tools or machinery, new processes, monopolies rights or such privileges which may for the time being appear to be useful or valuable for adding to the efficiency or productivity of the company's work or business or to otherwise add or constitute to the benefit of the company and the community/communities.
32. To acquire the goodwill of any business within the objects- of the company and any aids, privileges, rights, contracts, property or effects and upon any such purchase to undertake the liabilities of any company, associations or persons.

33. To advertise and give publicity to the business of the Company in all legitimate and proper ways.
34. To enter into any arrangements with any Government or authorities, municipal, Local or otherwise that appears to the company conducive to the company's objects or any of them and to obtain from any such Government or authorities any rights, privileges and concessions to carry out, exercise and to company with any such arrangements, rights, privileges and concessions.
35. To extend and enlarge the scope of the business by buying property, movable and or immovable, and to interests for the purpose of making the business more efficient and productive.
36. To establish or support or aid in establishment of associations, institutions, funds, trusts, and conveniences calculated to benefit the employees of the company or the dependents of such persons and to grant perks and allowances.
37. To acquire and undertake the whole or any part of the business, property rights and liabilities of any person/ persons, firm or company carrying on any business or similar business which the company can carry on under its memorandum as originally drafted or as altered and to arrange for the consideration for the same, and/or to reconstruct, amalgamate or enter into a merger with any company or companies having objects altogether similar to those of this company.

38. To promote or assist in promotion of company or companies for the purpose of acquiring all or any of the properties, rights and liabilities of the company.
39. To construct, maintain or alter any building or factory and works necessary or convenient for the purpose of the company or for the officers or servants of the company.
40. For economic welfare of Backward Classes/Minorities and keeping in view the utilization of their skills to establish, provide, maintain or conduct or otherwise subsidise research laboratories and experimental workshops and to undertake and to carry on all scientific and technical researches, experiments and tests of all kinds and to undertake and to promote study and research, both scientific and technical, investigation and inventions by providing, subsidising and endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and providing the remunerations of scientific or technical professors or teachers and by providing for the award of scholarships, prize, grants, subsidies to Backward Classes/Minority students or otherwise and generally, encourage, promote and reward studies, researches, investigation, experiments, tests and inventions or any kind that may be considered likely to assist any of the business which the company is authorised to carry on.
41. To enter into pools, combinations, trade arrangements with persons or corporations, or firms doing similar business as that

- of the company and to enter into arrangement for sharing profits, co-operations, union of interests and mutuality of concessions.
42. To sell any patent rights or privileges belonging to the Company or which may be acquired by it and to grant licences for the use and practice of the same or any of them and to let or allow to be used or otherwise deal with any inventions, patents, privileges in which the company may be interested and deemed expedient for turning to account any inventions, patents and privileges in which the company may be interested.
 43. To remunerate such persons, (not being members), or institutions and in such cases and either of cash or in other assets as may be through directly or indirectly conducive to any of the company's objects or otherwise expedient and in particular to remunerate any person or corporation introducing business to this company.
 44. To create any reserve fund, insurance fund or any other special fund whether for depreciation, or repairing, improving, extending or maintaining, any other property of the company or for any other purpose conducive to the interest of the company.
 45. To invest the funds of the company not immediately required in trust securities or such other investments as the company in general meeting may allow or think fit. Also to invest and deal with moneys of the company not immediately required in any manner.

46. To receive money on deposit or loan subject to section 58-A of the Companies Act, 1956 upon such terms from the members of Backward Classes/Minorities and the public on general as the Company may approve it, but not to carry on any banking activities as defined in Banking Regulation Act,1949.
47. To borrow or to raise loan from Government, Reserve Bank, other Nationalised Banks, Scheduled Banks, Co-operative Banks and Financial institutions and other bodies or to secure the payment of money in such manner as the company may think fit and in particular by issue of debenture stock perpetual or otherwise charged upon all or any of the Company's property both present and future including the uncalled capital and to purchase, redeed or to payoff any such securities.
48. To mortgage, pledge or charge the whole or any part of the property, assets or revenues and profits of the company present or future including its uncalled capital by special assignment or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or payoff any such securities.
49. To remunerate any person, not being member, or company for services rendered in placing of assisting the company or about the in or formulations or promotion of the company for the conduct of its business.

50. To appoint legal and technical advisers (not being members), and to appoint the banker or bankers for the company and to pay the necessary expenses for the same.
51. To draw, make accept, endorse, discount, execute and issue cheques, promissory notes, hundies, bills of lading, railway receipt and other negotiable and instruments of all description in connection with the company's business.
52. To sell or to dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures or other securities or any other securities of any other company having objects altogether or in part similar to those of this company.
53. To pay all costs, charges, expenses incurred in connection with incorporation of the company including preliminary expenses of any kind and incidental to the formation of the company, costs, charges and expenses of negotiating contracts and arrangements made prior to and in anticipation of the formation and incorporation of the company.
54. To install and work pilot, prototype or semi-scale units or full commercial plants to develop a particular invention or inventions in furtherance of its objects set forth herein.
55. To set up Industrial Estates.
56. To maintain hot houses, cold storage plant house, seed houses stores of manufactured or traded item of the company and

receptacles and to do and promote and/or undertake all sorts of agricultural and scientific researches and to employ scientists, agriculturists, farmers, engineers, gardeners, agricultural mechanics and operators and servants and technicians of all types for the welfare and development of the business of the company.

57. To act as technical consultants to the Indian or any other manufacturers of all descriptions generally and also to production units and official agencies for the promotion of industry.
58. To act as agent of the Government of advance loans to members of Backward Classes/Minorities against specific funds placed at the disposal of the corporation.

Provided that the company shall not support with its funds or endeavour to impose on or to procure to be observed by its members or other any regulation or restriction which if an object of the company would make it a Trade Union.

(C) Other Objects - Nil

IV. The objects of the company extend to the whole of India.

V. (1) The income and property of the company, whenever derived, shall be applied solely for the promotion of its objects as set forth in this memorandum.

- (2) No portion of the income or property aforesaid shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profits to persons who at any time are or have been members to the company, or to anyone or more of them or to any person claiming through anyone or more of them.
 - (3) Except with the previous approval of the Central Government no remuneration or other benefits in money or worth shall be given by the company to any of its members, whether officers or servants of the company or not except payment out of pocket expenses reasonable and proper interest on money rent or reasonable and proper rent on premises set to the company.
 - (4) Except with the previous approval of the Central Govt., no member shall be appointed to any office under the company which is remunerated by salary, fees, or in any other manner not excepted by sub-clause(3).
 - (5) Nothing in this clause shall prevent the payment by the company in good faith or reasonable remuneration to any of its officers or servants (not being members) or to any other person (not being member) in return for any services actually rendered to the company.
- VI. No alteration shall be made in these Memorandum of Association or in the Articles of Association of the Company which are time being in force, unless the alteration has been

previously submitted to and approved by the Regional Director, Western Region, Deptt. of Company Affairs, Bombay.

- VII. The liability of the members is limited.
- VIII. The Authorised Share Capital of the company is Rs.50,00,00,000/- (Rs. Fifty Crores Only) divided into Rs.5,00,000/- (Rs. Five Lakhs Only) equity shares .of Rs. 1,000/- (Rs. One Thousand Only) each.
- IX. True accounts shall be kept of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditures take place, and of the property, credits and liabilities of the Company, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulation of the Company for the time being inforce, .the accounts shall be open to the inspect ion of the. members.

Once at least in very year, the accounts of the Company shall be examined and the correctness of the Balance Sheet and the income and expenditure account ascertained by one or more properly qualified auditor or .auditors.
- x. If upon a winding-up or dissolution of the Company, after the satisfaction of all debts and liabilities and property whatsoever, the same shall not be distributed amongst the members of .the company but shall be given or transferred to such other company having objects similar to the objects of' the company

to be determined by the members of the company at or before the time of dissolution of in default thereof by the high court of judicature that has or may acquire jurisdiction in the matter.

We, the several persons whose names, addresses and descriptions are described below are desirous of being formed into a company not for profit in pursuance of this memorandum of Association and we respectively agree to take the number of share in the capital of ,the company set opposite our respective names on own -hand written sheet for memorandum.

S.No.	Name, Father's Name Description and Occupation of Subscriber	No. of Equity Shares Taken by each subscriber	Signature of subscriber	Name, Father's Name Description of witness and signature.

**(Company Limited by shares not for profit under Section 25 of
the Companies Act,1956)**

**ARTICLES OF ASSOCIATION OF MADHYA PRADESH PICHHDA
VARG TATHA ALPSANKHYAK VITTA AIYAM VIKAS NIGAM**

1. DEFINITIONS :

In these Articles unless the context otherwise requires.

- (a) "Act " means the Companies Act, 1956 (1 of 1956) and includes all rules made there under;
- (b) "Backward Class Tatha Alpsankhyak" means those castes/communities and Classes those are notified by the State Government as Backward Classes and Minorities from time to time;
- (c) "Board" means the Board of Directors of the Company;
- (d) "Chairman" means a Chairman of the Board of Director of the company or the person elected or appointed to preside over the meetings of the company;
- (e) "Capital" means the capital raised or authorised to be raised for the purpose of the Company;
- (f) "Company" means Madhya Pradesh Pichhda Varg Tatha

Alpsankhyak Vitta Aivam Vikas Nigam, registered under the companies Act, 1956;

- (g) "Director" means the Director of the Company;
- (h) "Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be from some competent court;
- (i) "Financial Year" means the period in respect of which any income and expenditure account of the company laid before it in Annual General meeting is made up whether that period is a year or not;
- (j) "Government" means the Government of M.P.
- (k) "Month" means a Calendar month, and
- (l) "Office" means the Registered Office of the Company;
- (m) "Official Directors" means such Directors appointed as directors and working on any post in the service of the State Government/Central Government/ Local Bodies/ undertaking of any State or Central Government,
- (n) "Register" means the register of members to be kept pursuant to the Act;
- (o) "Seal" means a Common Seal of the Company;
- (p) "Shares" means the shares or stock into which the capital is divided and the interest on such shares or stocks;

EXPRESSIONS IN THE ACT TO BEAR THE SAME MEANING IN ARTICLES.

Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context forbide, bear the same meaning in these Articles.

COMPANY TO BE A GOVERNMENT COMPANY.

2. The Company will be a Government Company within the definition of Section 617 of the companies Act,1956.

TABLE."A" TO APPLY EXCEPT OTHERWISE PROVIDED:

3. The regulations contained in Table "A" in the First Schedule of the Act shall apply except in so far as they have been specifically excluded by/or under these Articles.
4. The company will be private company, and accordingly :
 - (a) The number of members of the Company for time being (Exclusive of persons who are in the employment of .the Company, persons who having been formerly in the employment of the Company, were its members while in such employment, and having continued after such employment ceased to be member of the Company) is not to exceed fifty provided that two or more persons hold

one or more shares in the company jointly, they shall for the purpose of this paragraph be treated as a single member.

- (b) Any 'invitation to the public to subscribe for any shares in or debentures of the Company shall be prohibited.
- (c) The right to transfer of shares is restricted.

COMPANY TO BE GOVERNED BY THESE ARTICLES:

- 5. The management of the company will be as per these articles.

II. SHARE CAPITAL:

- 6. The authorised share capital of the Company is Rs.,50,00,00,000/- (Rs. Fifty Crores) into repeatation 5,00,000 equity shares of Rs. 1,000/- (Rs. One Thousand Only) each with a power to increase or reduce the share capital.

COMPANY'S SHARE NOT TO BE PURCHASED:

- 7. No part of the funds of the Company shall be employed utilised in the purchase of or in giving loans upon the security of the Company's shares. No shares shall be transferred by any holder without prior consent of the Government but this restriction shall not apply to transfers in favour of nominees of the Government.

ALLOTMENT OF SHARES:

- 8. Subject to the provisions of section 69 & 70 of the Act and these Articles and to the directions of the State Government,

the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as it may think fit. The Board shall have full discretion to fix the amount of each sum called in respect of a share and to determine the interval between two calls.

SHARE CERTIFICATE

9. (a) Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment or within two months of the application for registration of transfer (or within such other periods as the conditions of issue shall provide) one certificate for all his shares without payment. Several certificates, each for one or more of his shares, upon payment of one rupee for every certificate after the first.
- (b) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon. .

ISSUE OF NEW SHARE:

10. If a share certificate is defective, lost or destroyed, it may be renewed or a duplicate of a certificate may be issued on payment of such fee, if any not exceeding Rs. two and no such terms, if any, as to evidence and indemnity as the Directors think fit.

TRANSFER AND TRANSMISSION OF SHARES:

11. The right of members to transfer their shares shall be restricted as follows :-

- (a) A share can be transferred any to a person approved by the Government.
- (b) No fee need be charged for thransfer, this being restricted to Government nominees, and
- (c) A notification would be issued by the authorised representative of the company whenever the share transfer takes place on the basis of above.

III. ALTERATION OF CAPITAL :

POWER TO INCREASE CAPITAL:

12. Subject to the approval of the State Government, Board may, with the sanction of the Company in a General Meeting increase the share capital by such sum, to be divided into shares of such amount, as the resolutions shall prescribe.

CONDITIONS ON WHICH NEW SHARES MAY BE ISSUED:

13. Subject to such directions as may be issued by the State Government in this behalf, new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto as in the general meeting resolving upon the creation thereof shall direct, and if no direction is given, then as

the Board may determine.

HOW FAR NEW SHARES TO RANK WITH SHARES IN ORIGINAL CAPITAL :

14. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting surrender and otherwise.

REDUCTION OF CAPITAL ETC.

15. Subject to the Provisions of sections 100 to 104 of the Act, and to such directions as may be issued by the State Government in this behalf, the Company may, from time to time, by special resolution, reduce its capital by paying off capital or cancelling capital, which has been lost or is unrepresentative by available assets, or is superfluous, or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise, and the Board may, subject to the provisions of the Act, accept surrender of shares.

SUB DIVISIONS AND CONSOLIDATIONS OF SHARES :

16. Subject to the approval of the State Government, the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and exercise any of the

other powers conferred by section 94 of the Act and shall file with the Registrar such notice of exercise of such power as required by the Act.

IV. POWER TO RAISE FUNDS

POWER TO BORROW:

17. Subject to the provisions of Section 58-A and 292 of the Act and subject to the maximum limits as may be imposed by the Board, from time to time, the Company may receive grants, borrow or secure moneys on such terms and conditions and from such sources as determined by the Board, for advancing the objectives of the company.

SECURITIES MAY BE ASSIGNABLE FREE FROM EQUITIES :

18. 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 be issued.

ISSUE AT DISCOUNT ETC. OR WITH SPECIAL PRIVILEGES:

19. Subject to such directions as may be issued by State Government in this behalf and subject to section 76 of the Act any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of share, appointment of Directors and otherwise.

PERSONS NOT TO HAVE PRIORITY OVER ANY PRIOR CHARGE

:

20. Whenever any uncalled capital of the Company is charged all persons taking any subsequent charges thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the share holders or otherwise also obtain over such prior charge.

V. GENERAL MEETING :

21. The Company shall in each year hold in addition to any other meeting, a General Meeting as its Annual General Meeting not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The First Annual General Meeting of the Company shall be held within eighteen months from the date of its incorporation and, thereafter, subject to the provisions of section 166 read with section 210 of the Act, the Annual General Meeting of the Company shall be held within 6 months after the expiry of each financial year.

EXTRA ORDINARY MEETING.

22. All General Meetings other than Annual General Meetings shall be called "Extra Ordinary General Meeting".

BOARD TO CALL EXTRA ORDINARY MEETING:

23. The Board may call an extra Ordinary General meeting whenever it thinks fit.

EXTRA ORDINARY MEETING ON REQUISITION:

24. The Board shall call an Extra Ordinary General meeting whenever a requisition in writing is received in accordance with section 169 of the Act.

WHEN REQUISITIONISTS CAN HOLD EXTRA ORDINARY MEETINGS:

25. If the Board does not proceed to call a meeting within 21 days from the date of requisition being so deposited to be held not later than 45 days from the date of such deposit, than the requisitionists or the majority of them in value or as permitted by sub-clause (b) of sub-section (6) of section 169 of the Act may themselves call the meeting, but any meeting so called shall not be held after 3 months from the date of such requisition. Any meeting convened under this Article by the requisitionists shall be convened in the same manner as far as possible as that in which meetings are to be convened by the Board.

NOTICE OF MEETING:

26. At least fourteen days notice specifying the place, the day and the hour of meeting and in the case of special business, the general nature of such business accompanied by an explanatory statement under section 173 of the Act, shall be given in the manner hereinafter mentioned and as required by section 172 of the Act to such members as are entitled in law to

receive notice from the Company.

Providing that the accidental omission to give such notice to or the non-receipt of such notice by any member shall not invalidate any resolution passed or proceedings held at any such meeting.

VI. PROCEEDINGS OF GENERAL MEETINGS AND BUSINESS OF GENERAL MEETINGS :

27. The business of Annual General Meeting shall be to receive and consider the income and expenditure account, the balance sheet and the report of the Board and of the Auditor, and to transact any other business which under these Articles ought to be transacted at such meetings and all business transacted at an extraordinary General Meetings shall be deemed special.

QUORUM :

28. Two members present in person of whom one shall be a representative of the State Govt. shall be a quorum for a general meeting.

RIGHT OF STATE GOVERNMENT TO APPOINT ANY PERSON AS ITS REPRESENTATIVE :

29. (i) The State Government, so long as it a share holders of the company may, from time to time, appoint one or more persons (Who need not be a member or members of the

Company) to represent it at all or any meetings of the Company.

- (ii) Only one of the persons appointed under Sub-Clause(I) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and exercise the same rights and powers (including the right to vote by proxy) as he could exercise as a member of the Company.
- (iii) The State Government may, from time to time cancel any appointment made under sub-clause(i) of the Article and make fresh appointments.

CHAIRMAN OF GENERAL MEETINGS :

30. The chairman of the Board or, in his absence a Director of the Board shall be entitled to take the Chair at every general meeting. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding meeting, or is not willing to act as Chairman then the members present shall elect one of the members present to be the Chairman of the meeting.

WHEN IF QUORUM NOT PRESENT, MEETING TO BE ADJOURNED :

31. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved, but in any other

case if shall adjourn to the same day in the next week at the same time and place and, if at such adjourned meeting, a quorum is not present, the members present shall be a quorum and may transact the business for which the meeting was called.

HOW QUESTIOS TO BE DECIDED AT MEETING :

32. Every question submitted to a meeting shall be decided in the first instance by a raising of hands, and in the case of an equality of votes, the Chairman shall, both on a raising of hands and at a poll (if any), have casting vote in addition to the vote or votes to which he may be entitled as a member.

WHAT IS TO BE DONE IN EVIDENCE OF THE PASSING OF RESOLUTION WHERE POLL NOT DEMANDED :

33. At any general meeting a resolution put to the vote of the meeting shall be decided on raising of hands, unless a poll is, before or on the declaration of the result of raising of hands, demanded by a member present in person or proxy or by duly authorised representative, and, unless a poll is so demanded, a declaration by the Chairman that a resolution has, on reaising of hands, been carries unanimously or by a particular majority or lost, an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

POLL

34. If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

POWER TO ADJOURN GENERAL MEETING :

35. The Chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.

IN WHAT CASES POLL TAKEN WITHOUT ADJOURNMENT :

36. Any poll duly demanded on the election of a Chairman of the meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

BUSINESS MAY PROCEED NOTWITHSTANDING DEMAND OF POLL :

37. The demand of a poll shall not prevent the continuance of a

meeting for the transaction of any business other than the question on which a poll has been demanded.

CHAIRMAN'S DECISION CONCLUSIVE :

38. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

VII. VOTE OF MEMBERS :

VOTE OF MEMBER :

39. Upon the raising of hands, every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every share held by him.

NO VOTING BY PROXY ON RAISING OF HANDS :

40. No member who is not personally present shall be entitled to vote on raising of hands.

VOTE IN RESPECT OF SHARES OF DECEASED

BANKRUPT MEMBERS :

41. Any person entitled under the transmission clause to any share may vote at any General Meeting in respect thereof in the same manner.

JOINT HOLDERS :

42. Where there are joint registered holders of an share, any one of them may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, and if more than one such joint holders be present at any meeting personally or by proxy, than one of the said persons present, whose name stand first on the Register in respect of such share, shall alone be entitled to vote in respect thereof, several executors or administrators of deceased member in whose name any share stands, shall for the purpose of this clause be deemed to be joint holders thereof.

VOTE IN RESPECT OF SHARE OF MEMBERS OF UNSOUND MIND :

43. 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 raising of hands or on poll, by his legal guardian.

PROXIES PERMITTED :

44. On a Polly, votes may be given either personally or by proxy or by duly authorised representative.

INSTRUMENT APPOINTING PROXY TO BE IN WRITING :

45. A member may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a Polly, No. member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his

attorney duly authorised in writing or if the appointed is a body corporate, be under its seal or be signed by an other or any attorney duly authorised by it.

INSTRUMENT APPOINTING PROXY TO BE DEPOSITED AT OFFICE :

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

WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED :

47. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy provided on intimation in writing of the death or revocation shall have been received at the office of the Company before the meeting.

FORM OF PROXY:

48. An instrument appointing a proxy may be in the following form, or in any other form which the Board shall approve; Madhya Pradesh Pichhda Varg Tatha Alpsankhyak Vitta Aivam Vikas Nigam.

I _____ of _____ at _____

being a member of the MADHYA PRADESH PICHHDA VARG
TATHA ALPSANKHYAK VITTA AIVAM VIKAS NIGAM hereby
appoint _____ of _____ as my proxy to vote for
me and on my behalf at the (orindary or extra ordinary, as the
case may be) General meeting of the Company to be held on
the day of _____ and at any adjournment thereof
_____ signed this day of _____

Signature of the member

NO MEMBERS ENTITLED TO VOTE ETC. WHILE CALLS DUE TO COMPANY.

49. No member shall be entitled to be present, or to vote on any question either personally or by proxy, or as proxy for another member, at any General meeting or upon a poll or reckoned in a quorum, whilst any call or other sum be due and payable to the Company in respect of any of the share of such member.

TIME FOR OBJECTION OF VOTE :

50. No objection shall be made to the validity of any vote except at the meeting or poll, at which such vote shall be tendered, and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

RESOLUTION IN WRITING OF BOARD IN CERTAIN CASES TO BE EQUIVALENT TO RESOLUTION OF GENERAL MEETING.

51. Any resolution passed by the Board notice whereof shall be given to the member in the manner in which notices are hereinafter directed to be given and which shall within one month after it, shall have been so passed, be rectified and confirmed in writing by members entitled at a poll to three-fifths of the vote, shall be as valid, and effectual as a resolution of a general meeting. But this clause shall not apply to a resolution for winding up the company or to a resolution passed in respect of any matter which by the Act or by these Articles ought to be dealt with by a special resolution.

VIII. BOARD OF DIRECTORS :

Number of Directors :

52. Subject to the provisions of the Act, and until otherwise determined by the Company in a General meeting the number of directors shall not be less than two and not more than twelve including the Chairman.

AMENDMENT

52. Subject to the provisions of the Act, and until otherwise determined by the Company in a general meeting, the number of directors shall not be less than two and not more than twelve including the Chairman and Vice Chairman.

uksV% vlk/kkj.k okf"kZd IHkk fnukad 27-03-98 esa Special resolution }kjk la'kksf/kr fd;k x;kA

The following persons shall be first directors of the company:-

1. Principal Secretary to Govt. of M.P.
Pichhda Varg Tatha Alpsankhyak Kalyan
Vibhag, Vallabh Bhawan, M.P. Bhopal.
2. Secretary to Govt. of M.P.
Finance Department,
M.P. Bhopal.
3. Director,
Backward Classes Welfare,
Satpura Bhawan,
M.P., Bhopal
4. Managing Director,
Livestock and Poultry Development Corpn.,
M.P. Bhopal.

Appointment of Directors :

53. (i) The Official and/or non-official Directors shall be appointed by the State Government.
- (ii) The tenure of non-official directors shall be two years from the date of appointment.
- (iii) All official directors except the Chairman, the Vice Chairman and the Managing Directors shall retire at every Annual General Meeting. The Chairman, Vice Chairman and Managing Directors shall retire on their ceasing to hold the office of the Chairman, Vice Chairman and Managing Director respectively.

AMENDMENT

- 53 (iii) All official directors except the Chairman, the Vice Chairman and the Managing Directors shall retire at every Annual General Meeting. The Chairman, Vice Chairman and Managing Directors shall retire on their ceasing to hold the office of the Chairman, Vice Chairman and Managing Director respectively.

uksV% vlk/kkj.k okf"kZd IHkk fnukad 27-03-98 esa Special resolution }kjk la'kksf/kr fd;k x;kA

- (iv) A retiring director shall be eligible for re appointment.
- (v) The State Government shall have powers to remove any of the directors including the managing Director and the Chairman

from office at any time after giving the opportunity of being heard.

AMENDMENT

53(V) The State Government shall have powers to remove any of the directors including the Managing Director, the Chairman and the Vice Chairman from office at any time after giving the opportunity of being heard.

uksV% vlk/kkj.k okf"kZd IHkk fnukad 27-03-98 esa Special resolution }kjk la'kksf/kr fd;k x;kA

(vi) Subject to the provision of Article 53 (iii) the tenure of official directors will be co terminus with his/ her tenure in the department/ organization, represented by him/ her.

FEE OF DIRECTORS :

54. 1. The fee of each Director shall be such fee for each meeting of the Board or of a Committee thereof attended by him as may be determined by the Board with the approval of the State Government.
2. The Board may allow and pay to the director who has to travel on company's business or for the purpose of attending a meeting such sums as the Board may consider fair for travelin, Boarding, lodging and other

expenses in addition to his fee for attending such meeting as may be specified.

IX. POWERS OF BOARD OF DIRECTORS :

55. 1. Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do.

Provided that the Board shall not exercise any power of do any act or thing which is required by the Act or by any other Act or by the Memorandum or Articles of Association of the Company or otherwise, to be exercised or done by the company in General meeting.

55. 1. Provided further that any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other Act, or in the memorandum of Articles of the Company or in the Regulations not inconsistent therewith and duly made thereunder including regulations made by the company in General Meeting.
2. No regulations made by the company in general meeting shall invalidate any prior act of the Board, which would have been validated if that regulations had not been made.

3. The company shall pursue the main objects as laid down in its memorandum of association keeping in view the extend of resources available to it for the purpose of grant of concessional finance to the Backward classes and Minorities in selected cases. It shall work in close co ordination with similar bodies at National level and try in other states for developing a net work. It shall also try to avoid overlapping in the disbursement of government money on the same target groups.

SPECIFIC POWERS TO THE BOARD:

56. Without prejudice to the General powers conferred by the preceding Article and the other powers conferred by these articles and subject to the provisions of the Act the Board shall have the following powers:-

(1) To ACQUIRE PROPERTY:

Purchase, take on lease or otherwise acquire for the company, property rights or privileges which the company is authorised to acquire at such price, and generally on such terms and conditions as it thinks fit.

(2) WORK OF CAPITAL NATURE :

Authorise the undertaking of works of a capital nature subject to the condition that expenditure on acquisition of fixed assets including the replacement of existing assets and assets costing more than Rs. 10.00 Lacs shall be

submitted to administrative Department for obtaining prior approval of Government.

(3) TO PAY FOR PROPERTY IN DEBENTURES ETC.

Pay for any property, right or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures, or other securities of the company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged.

(4) TO SECURE CONTRACT BY MORTGAGE:

Secure the fulfilment of any contracts or commitments entered into by the Company by mortgage or charge and its uncalled capital for the time being or in such manner as they may think fit,

(5) TO CREATE POSTS AND APPOINT OFFICERS ETC.

- (i) Create posts of officers and staff for the Company from time to time with the prior approval of the Government.
- (ii) Appoint and remove or suspend such officers and staff, permanent, temporary or special services as it may from time to time think fit and to determine its powers and

duties and keeping in view the general guidelines issued by the State Government. On this subject, fix their salaries or emoluments and to require security in such instances and to such amount as it thinks fit.

(6) TO APPOINT TRUSTEES:

Appoint any person or persons (whether incorporate or not) to accept and hold in trust for the company and property belonging to the company or in which it is interested or for any other purpose and to execute and do all such deeds and other things as may be requisites in relation to any such trust, and to provide for the remuneration of such trustee or trustees;

(7) TO BRING AND DEFEND ACTION ETC :

Institute, conduct, defend, compound or abandon and legal proceeding by or against the company or its officers, or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company.

(8) TO REFER FOR ARBITRATION:

Refer any claim or demand by or against the Company to arbitration and observe and perform the awards.

(9) TO GIVE RECEIPTS:

Make and give receipts, release and other discharges for money payable to the Company and for the claims and demands of the company.

(10) TO AUTHORISE ACCEPTANCE ETC:

Determine who shall be entitled to sign on behalf of the Company, the bills, receipts, acceptances, endorsements, cheques, release contracts and documents.

(11) TO APPOINT ATTORNEYS:

Provide from time to time, for the management of the affairs of the company in manner as it think fit, and in particular to appoint any person to be attorney or agent of the Company (power to sub delegate) and upon such terms as think fit.

(12) TO INVEST MONEY :

Invest money, subject to such general or special directives, if any, given by the government, in this behalf, in securities or in any other Scheduled Bank or banks or their subsidiaries and in Government companies to be specified decided by the Board for having call deposit and opening saving/current accounts and deal with any of the money of the Company upon such investment authorised

by the Memorandum of Association of the Company (not being shares in this company) and in such manner as it thinks fit, and from time to time to vary or release such investment.

(13) TO SELL OR TRANSFER THE BUSINESS OR PROPERTY :

Subject to the provisions regarding approval of the Government to sell or dispose of or transfer the business activity or property, if any, of the company or any part thereof for much consideration as the Company may deem proper and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to these of the company.

(14) TO EXECUTE MORTGAGES BY WAY OF INDEMNITY:

Execute, after obtaining the previous approval of the Government 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 liability for the benefit of the company, such mortgages of the Company property (present and future) as it thinks fit and any such mortgage may contain a power of sale and any such other powers, covenants and provisions as shall be agreed upon.

(15) TO MAKE BYE LAWS:

Make, vary and repeal bye-laws for the regulation of the business of the company of its officers and servants.

(16) TO MAKE CONTRACTS ETC. :

Enter into all such negotiations and contracts and rescind and vary all such contracts and execute and on all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

(17) TO DELEGATE POWERS:

Delegate all or any of the powers, authorities and discretion for the time being vested in it, subject, however, to the ultimate control and authority being retained by it.

SPECIFIC POWER OF BOARD:

57. Without prejudice to the generally of the above provisions the Board shall reserve for decision of the State Government :-

- (1) Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the Company.
- (2) Formation of a subsidiary company.

X. APPOINTMENT OF MANAGING DIRECTOR:

58. (1) The State Government may appoint any one of the Directors of the Board to be the managing Director for such period and upon such terms as it may think fit, for the conduct of management of the business of the company subject to the control and supervision of the Board of Directors. The Managing Director so appointed may be authorised by the Board to exercise such of the powers and discretion in relation to the affairs of the company as are specifically delegated to him by the Board and are not required to be done by the Board of Directors of the company at the General Meeting under the Act.
- (2) The Managing Director shall be paid such remuneration as may be determined by the State Government.

XI. COMPANY SECRETARY :

59. Subject to the provisions of the Act, a company secretary may be appointed by the Board with the prior approval of the Government for such time and on such remuneration and upon such conditions as it may think fit and any secretary so appointed may be removed by the Board.

XII. MINUTES :

BOARD TO CAUSE MINUTES TO BE MADE IN BOOKS :

60. The Directors shall cause minutes to be made in books in accordance with the provisions of Section 193 of the Act,

- (a) For all appointments of officers made by the Directors;
- (b) For the names of the Directors present at each meetings of the Directors and of any committee of the Directors;
- (c) For all resolutions and proceedings at the meetings of the Company, and of the Directors, and of the committees of Directors;

And every director present at any Meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

XIII. SEAL

61. The seal of the company shall not be affixed on any instrument (other than a share certificate) except with the authority of a resolution of the Board of Directors and in the presence of one Director, however, the Board of Directors may authorise by resolution the managing Director or any other Director to affix the Seal on any instrument (Other than a share certificate) whenever it is legally required. In the case of share certificate the seal shall be affixed in the presence of -

- (i) Two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and
- (ii) The Secretary or some other person appointed by the Board for this purpose.

XIV. DISQUALIFICATIONS OF DIRECTORS:

62. The Office of a Director shall become vacant if:

- (a) he is found to be of unsound mind by Court of Competent Jurisdiction;
- (b) he applies to be adjudicated an insolvent;
- (c) he is adjudged an insolvent;
- (d) he is convicted by a Court in India for any offence and is sentenced respect thereof to imprisonment for not less than six months;
- (e) he fails to pay any call in respect of Shares of the Company held by him; whether alone or jointly with others, within six months from the last date fixed for payment of the call;
- (f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of 3 months whichever is longer, without obtaining leave of absence from the Board;
- (g) he or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the company;
- (h) he fails to disclose the nature of his concern of interest in any contract or agreement or proposal contract or

arrangement entered into by or on behalf of the Company as required under section 299 of the Act.

- (i) He becomes disqualified by order of the Court under section 203 of the Act;
- (j) he is removed in pursuance of section 284 of the Act.
- (k) he has retired, reigned or otherwise removed from the official position on account of which he was nominated to the Board;
- (l) he is concerned or participates in the Income of any contract with the Company provided, however;

No director shall vacate his office by reason of his becoming a member of any company which has entered into contract with or done any work for the company of which he is Director but a Director shall not vote in respect of any such contract or work and if he does so his vote shall not be counted.

Disqualification referred to in sub clauses (c) (d) and (i) above shall not take effect :-

- (a) For thirty days from the date of adjudication sentence or order;
- (b) Where any appeal or petition is preferred within 20 days aforesaid against the adjudication or conviction resulting in the sentence or order; until the expiry of seven days

from the date on which such appeal or petition is disposed of; or,

- (c) Where within the seven days of aforesaid any further appeal or petition in respect of the adjudication, sentence, conviction or order and the appeal or petition, if allowed would result in the removal of disqualification, until such further appeal or petition is disposed.

XV. PROCEEDINGS OF BOARD OF DIRECTORS:

MANAGING DIRECTOR MAY SUMMON MEETING HOW QUESTIONS BE DECIDED.

63. The Managing Director may at any time convene a meeting of the Board of Directors. Questions arising at any meeting shall be decided by majority votes The Chairman shall have second or casting vote.

MEETING OF THE BOARD AND THEIR NOTICE:

64. A meeting of the Board of Directors shall be held for the despatch of business of the Company at least once in every three calendar held every calendar year as required under section 285 of the Act.

QUORUM FOR MEETING:

65. The quorum for a meeting of the Board of the Company shall be one third its strength (total strength as determined by the Act and any fraction in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interest Directors exceeds or is equal to two third of the total strength the number of remaining. Directors who are not interested not being less than two shall be the quorum during such time

CHAIRMAN OF DIRECTORS MEETING :

66. The State Government may, from among the Directors, nominate a Chairman of the Board of Director's meetings and determine the period for which he is to hold office In any meeting, if the Chairman is not present. Within fifteen minutes after the time appointed for holding the meeting then the directors present shall elect one of the directors present to be the Chairman of the meeting.

DELEGATION OF POWERS TO COMMITTEE:

67. The Board of Directors may, subject to the provisions of section 292 and 297 of the Act, delegate any of the powers to a committee consisting of such member or members of their body as they think fit. Proceedings of such committees shall be placed before the Board of Directors at the next meeting.

WHEN ACTS OF DIRECTORS OF COMMITTEES VALID NOWITHSTANDING DEFECTIE APPOINTMENT ETC.

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

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

RESOLUTION WITHOUT BOARD MEETING VALID :

69. Subject to the provisions of section 289 of the Act, a resolution in writing approved by such Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as if it had been passed at a meeting of the Directors, duly called and held except those resolutions which the Act requires to be passed at a Boards meeting.

XVI. RESERVE FUND :

70. The Board may set aside, out of the income of the company of otherwise, such sums as they may think proper as a reserve fund, to meet contingencies or for repairing, improving and maintaining any of the property of the company and for such other purposes as the Board shall in its absolute discretion think conducive to the interest of the company and may invest the several sums so set aside upon such investments (other than shares of the Company) as it thinks fit from time to time deal with and very such investments and dispose of all or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.

XVII. ACCOUNTS:

71. The Company shall cause to be kept proper books of accounts with respect to :
- (a) All sums of money received and expended by the Company and the the matters in respect of which the receipt and expenditure takes place.
 - (b) All sales and purchase of goods by the Company.
 - (c) The Assets and liabilities of the Company.

INSPECTION OF BOOKS OF ACCOUNTS:

72. The Books of accounts shall be kept at the Registered office of the Company or at such other place as the Board shall think fit and shall be open to inspection by Directors during business hours as per conditions laid down by the Board subject to provision of law in this respect.

ANNUAL ACCOUNT AND BALANCE SHEET :

73. The Board shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every financial year lay before the Company in Annual general, meeting a balance sheet and income and expenditure account as per provisions of section 210. of the Act.

In the case of the first Annual General meeting of the company for the period beginning with the incorporation of the company and ending with a day which shall not precede the day of the

meeting by more than nine months; and, in the case of any subsequent annual general meeting of the company to the period beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than six months, or in case where an extension of time has been granted for holding the meeting under the second provision of sub-section (1) of Section 166, by more than six months and the extension so granted.

ANNUAL REPORT OF THE BOARD:

74. The Board shall make out attach to every balance sheet a report with respect to the State of the Company's affairs, the amount, if any, which it proposes to carry to the Reserve fund, General Reserve Account shown specifically on the Balance sheet or to a Reserve fund, General Reserve or Reserve Account to be shown specifically in subsequent Balance sheet. The report shall be signed by the Chairman of the Board of the Directors on behalf of the Board, if authorised in that behalf by the Board.

CONTENTS OF INCOME AND EXPENDITURE ACCOUNTS

75. The Income and Expenditure account subject to the provisions of Section 211 of the Act and the Schedule VI referred therein shall show, arranged under the most convenient heads the amount of gross income distinguishing the several sources from which it has been derived, and the

amount of gross expenditure distinguishing expenses of the establishment, salaries and other like matters every time of expenditure fairly chargeable against the year's income shall be brought into account so that a correct balance of income and expenditure may be laid before the meeting and in case where any time of expenditure which may in fairness to be distributed over several years have been incurred in any one year, the whole amount of such item shall be stated with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

BALANCE SHEET, INCOME AND EXPENDITURE ACCOUNT TO MEMBERS:

76. The Company shall send a copy of such Balance sheet and Income and Expenditure account together with a copy of the auditor's report on the registered address of every member of the Company in the manner in which notices are to be given there under at least fourteen days before the meeting at which it is to be laid before the members of the Company.

BOARD TO COMPLY WITH SECTION 209 and 222 OF THE ACT.

77. The Board shall in all respects comply with the provisions of section 209 and 222 of the Act or any statutory modifications thereof for the time being in force.

XVIII AUDIT

ACCOUNT TO BE AUDITED ANNUALLY:

78. At least once in every financial year the accounts of the Company shall be examined and the correctness of income and expenditure account and balance sheet ascertained by one or more auditors.

APPOINTMENT OF AUDITORS AND THEIR REMUNERATION:

79. The auditors of the Company shall be appointed by the Central Government on the advice of the Comptroller and Auditors General of India and the remuneration, rights and duties shall be regulated by Sections 224 to 233 of the Act.

AUDITOR'S RIGHT TO ATTEND MEETING

80. The auditors of the Company shall be entitled to attend any general meetings of the Company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the account.

POWER OF THE COMPTROLLER AND AUDITOR GENERAL

81. The Comptroller and auditor General of India shall have power.
- (a) To direct the manner in which the Company's account shall be audited by the auditor / auditors appointed in pursuance of Articles 79 hereof and to give such auditor / auditors instructions in regard to any matter relating to the performance of his / their functions as such.
 - (b) To conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf, and for the purpose of such audit to have access at all reasonable times to all

accounts, account books, Vouchers, documents and other papers of the Company and to require information or additional information or additional information to be furnished to any person or persons so authorised on such matters, by such person or persons and in such form as the Comptroller and Auditor General may by general or special order, direct.

COMMENTS UPON OR SUPPLEMENT TO AUDIT REPORT BY THE COMPTROLLER AND AUDITOR GENERAL TO BE PLACED BEFORE GENERAL MEETING :

82. The auditor/auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the Audit report shall be placed before the Annual General meeting of the Company at the same time and in the same manner as the Audit Report.

ANNUAL REPORT TO BE LAID BEFORE ASSEMBLY :

83. The State Government shall cause an annual report on the working and affairs of the company to be :

- (a) Prepared within three months of its annual General meeting before which the Audit report is placed, and.
- (b) As soon as may be after such preparation, laid before both the Houses of the State Assembly with a copy of the Audit report and comments or supplement referred to in Article 81.

WHEN ACCOUNTS DEEMED FINALLY SETTLED :

84. Every account of the Board, when audited and approved by a general meeting, shall be conclusive except as regards any error discovered therein within three months next after the

approval thereof. Whenever any such error is discovered within the period, the account shall forthwith be corrected and henceforth shall be conclusive.

XIX. RIGHTS OF THE STATE GOVERNMENT :

85. Notwithstanding anything contained in any of these Articles, the State Government may, from time to time issue such directives as it may consider necessary in regard to the finance, conduct of business and affairs of the Company and in like manner may vary and annual such directives. The company shall give immediate effect to the directives so issued. In Particular the State Government will have the power.

- (i) to give directions to the Company as to the exercise and performance of its functions in matters involving national security and substantial public interest.
- (ii) to call for such returns, accounts and other information, with respect to the property and activities of the Company as may be required from time to time.
- (iii) to approve agreement involving foreign collaboration proposed to be entered into by the Company.

Provide that all directives issued by the State Government shall be in writing addressed to the Managing Director. The Board shall, except where the State Government considered that the interest of the national security requires otherwise, incorporate the contents of directives issued by the State Government in

the annual report of the company and also indicate its impact on the financial position of the company.

XX. NOTICES :

HOW NOTICE TO BE SERVED ON MEMBERS :

86. A notice may be given by the Company to any member either personally or by sending it by post to his at his registered address.

WHEN NOTICE MAY BE GIVEN BY ADVERTISEMENT :

87. If a member has no registered address and has not supplied to the company an address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighbourhood of the Registered office of the Company shall be deemed to be duly given to him on the day on which the Advertisement appears.

NOTICE TO JOINT HOLDERS:

88. A notice may be given by Company to the Joint holders of a share by giving the notice to the Joint holder whose name appears first in the Register in respect of the share.

HOW NOTICE BE SIGNED :

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

PERIOD OF NOTICE HOW CALCULATED :

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

XXI. WINDING UP

DISTRIBUTION OF ASSETS ON WINDING UP :

91. The State Government may wind up the company, if it is satisfied that the Company is no longer required to pursue the objectives for which it had been set-up or is convinced that it is unable to manage its affairs as per provisions made hereunder these articles and in accordance with law. For winding up, the State Government shall issue a gazette notification which will also spell out the manner in which the assets and liabilities of the Company will be disposed of and / or handled.

XXII SECRECY CLAUSE :

92. No member shall be entitled to require discovery of or any information in respect of any details of the Company's activities which in the opinion of the Board it will inexpedient in the interest of the members of the Company to communicate to the public.

XXIII. INDEMNITY :

93. Subject to the provision of Section 201 of the Act every Director, Manager, auditor, Secretary and other officer or

servant of the Company shall be indemnified by the Company and it shall be the duty of the Directors out of the funds of the company to pay all costs losses and expenses which any such officer of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the bonafide discharge of his duties; and the amount for which indemnity is provided shall immediately attached as a lien on the property of the Company and have priority as between the members over all other claims.

INDIVIDUAL RESPONSIBILITY OF DIRECTORS :

94. No Director, or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or officer of the Company or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Company through the inefficiency or deficiency of title to any property acquired by the order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his officer or in relation thereto unless the same happens through his own negligence or dishonesty.