

has become a deemed public  
company under sec. 43A (1A) of  
CSA (45) with effect from 1-7-84  
~~The word "private" in the name of the~~  
~~company stands deleted~~  
K. G. Raghavan  
Registrar of Companies, Kerala  
K 27.7.85

Form I. F.

**CERTIFICATE OF INCORPORATION** Deleted vide  
GSR. 577 (L)  
dt - 16.7.85  
No. 2799 of 1975

I hereby certify that REHABILITATION  
PLANTATIONS LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of  
1956) and that the Company is Limited.

Given under my hand at Cochin  
this Fifth day of May  
One thousand nine hundred and Seventy six

(K.G. Raghavan)  
Ex-Officio Assistant  
Registrar of Companies,  
Kerala

# **ARTICLES OF ASSOCIATION OF REHABILITATION PLANTATIONS LIMITED**

## **PRELIMINARY**

1. The regulations contained in Table 'A' in Schedule – 1 to the Companies Act, 1956 so far as the same may be applicable to a Private Company as defined in the Act, shall apply to this Company subject to the conditions hereinafter contained.

## **DEFINITIONS**

2. (a) "The Act" means the Companies Act, 1956.  
(b) "The Company" means "Rehabilitation Plantations Limited."  
(c) "The Central Government" means the Government of India.  
(d) "Seal" means the common seal of the Company.  
(e) "The Governor" means the Governor of Kerala and includes the Government of Kerala.  
(f) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.  
(g) "The Office" means the Registered Office for the time being of the Company.  
(h) "In writing" or "written" includes printing, lithography, and other modes of representing or reproducing words in a visible form.  
(i) "Month" means a calendar month and "Financial Year" means the period from 1<sup>st</sup> April of each year to the 31<sup>st</sup> March of the succeeding year or any other financial year of the Company as may be decided by the Board of Directors.  
(j) "Government Director" means as officer of the Government of Kerala or the Government of India who is a Director of the Company.  
(k) "President" means the President of India and includes the Government of India.

3. **Power to add to or alter Articles :-**

Subject to the Provisions of the Act and subject to the approval of the Governor, the Company may by special resolution alter, amend or add to these Articles.

## **PRIVATE COMPANY**

4. The Company is a Private Company as defined in Section 3(1)(iii) of the Act and accordingly:-
  - (a) The number of members shall not exceed fifty not including :-
    - (i) Persons who are in the employment of the Company and
    - (ii) Persons who having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased.

Provided that where two or more persons hold one or more shares in a Company jointly they shall, for the purpose of this Articles be treated as a single member.

(b) No invitation shall be issued to the public to subscribe for any shares in or debentures of the Company.

(c) The right of transfer of the shares of the Company is restricted as hereinafter provided:-

(i) A share can be transferred by a member or other person entitled to transfer only to a person approved by the Governor.

(ii) Subject to the aforesaid, the Board may, in its absolute and uncontrolled discretion refuse to register any transfer of shares without assigning any reason.

(d) Any invitation or acceptance of deposits from persons other than its members, directors or their relatives shall be prohibited.

5. The Company shall be a Government Company within the meaning of Section 617 of the Act and the provisions of the Act in so far as they are applicable to a Government Company shall be applicable to this Company.

#### **SHARE CAPITAL**

6. The Authorised share capital of the Company is Rs. 3,50,00,000 (Rupees Three Crores Fifty Lakhs) divided into 35000 (Thirty Five thousand) equity shares of Rs.1,000/- (Rupees One Thousand only) each.

7. (i) The shares shall be under the control of the Directors, who may, with the approval of the Governor in that behalf and subject to the provisions hereinafter contained, allot or otherwise dispose of the same to such persons on such terms and conditions and at such **times** as the Directors think fit and with full powers to give to any person the call of any shares whether at par or at a premium or (subject to the provisions of the Act) at a discount and for such time and for such consideration as the Directors think fit.

(ii) Shares to the value of the assets sold by the Government of Kerala to the Company shall be allotted to the Governor.

#### **8. Joint Holders of Shares**

If two or more persons are registered as joint holders of any share, they shall be severally as well as jointly liable for any call or other liability in respect of such shares, but the first named upon the register shall, for purposes of voting, proxy, receipt of dividends and service of notice, be deemed the sole owner thereof unless all such joint holders shall by writing request the Company to treat another of them as such owner.

#### **SHARE CERTIFICATE**

9. Certificates of shares shall be issued only in accordance with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 as amended from time to time and any provision of law applicable thereto.

**10. (a) Every Member Entitled for Certificate**

Every member shall be entitled to a certificate without payment for the shares registered in his name. Such certificates shall be issued under the seal of the Company affixed in the presence of and signed by, two Directors one of whom shall be the Managing Director and the secretary or some other person authorized by the Board and specifying the shares or shares held by the member and the amount paid up thereon; if two or more persons are registered as joint holders of any shares, the certificate of any such share shall be delivered to the person first named upon the register.

**(b) Issue of Duplicate of Share Certificate**

If it is proved to the reasonable satisfaction of the Directors that a certificate is lost, worn out, destroyed or defaced, it shall be replaced by a new certificate on payment of such sum not exceeding one rupee as may be prescribed by the Board and subject to the rules prescribed under section 84 of the Companies Act. Any renewed certificate shall be marked as such.

### **CALLS ON SHARES**

**11. How and when calls to be made**

Subject to section 91 of the Act, the Directors may from time to time make calls upon the member's in respect of any moneys unpaid on their shares, provided no call shall exceed 25% of the nominal amount of the share or be payable at less than three months from the last call, and each member shall (subject to receiving at least one months notice specifying the time or times of payments) pay to the Company at the time or times so specified the amount called on his share provided. However, these restrictions regarding the payment and notice shall not be applicable to the shares held by the Governor of Kerala.

**12. Arrears of calls to bear Interest**

If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made shall pay interest on the same at such rate not exceeding 6 percent per annum as the Directors shall fix from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

**13. Payment in anticipation of calls may carry interest**

The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from

time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding six percent per annum as the members paying such sum in advance and the Directors agree upon, and the Directors may at anytime repay the amount so advanced upon giving to such member three months notice in writing.

## **TRANSFER AND TRANSMISSION OF SHARES**

### **14. Notice of refusal to register transfer**

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

### **15. Company not bound to recognize interests in shares other than that of registered holders**

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

### **16. Directors' right to refuse registration of transfer**

The Directors may decline to register any transfer of shares upon which the Company has a lien, or whilst any shareholder executing the same is either alone or jointly indebted to the Company, on any account whatsoever, or any transfer of shares to any person whom the Directors shall deem to be not desirable but the Directors shall not be bound to state their reasons for refusing to register any transfer.

### **17. Transfer to be left at the office and evidence of title to be given**

Every instrument of transfer duly stamped shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but an instrument of transfer which the Directors may decline to register shall on demand be returned to the person depositing the same.

### **18. Transmission by operation of law**

Nothing contained in Article 4 (c) shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

### **19. Directors right to refuse registration on transmission**

The Directors shall have the same right to refuse register a person entitled by transmission to any shares or his nominees as if he were the transferee in an ordinary transfer presented for registration.

### **20. Fee on Transfer**

No fee will be charged on the transfer of any share.

**21. When register of members and debenture holders may be closed**

The register of members and /or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated.

**FOREFEITURE OF SHARES AND LIEN**

**22. Forfeiture of Shares**

(1) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.

(2) The Notice aforesaid shall

(a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) State that in the event of non-payment on or before the day so named the shares in respect of which the call was made will be liable to be forfeited.

(3) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

(4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(5) At any time before the sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

**23. Effects of forfeiture**

(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall not withstanding the forfeiture, remain liable to pay to the Company all moneys which, at the date of forfeiture were presently payable by him to the Company in respect of the shares.

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

**24. Declaration of forfeiture**

i) A duly verified declaration in writing that the declarant is a Director 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.

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

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

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

**26. Company's lien on shares**

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

**27. Enforcement of lien by sale**

The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of 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 to by reason of his death or insolvency to the share.

**POWER TO INCREASE OF REDUCE CAPITAL**

**28. Power to increase capital**

Subject to the approval of the Governor, the Company may by resolution in general meeting, increase the share capital by such sum to be divided into shares of such amount, as the resolution shall prescribe.

**29. On what condition new shares may be issued**

Subject to such direction as may be issued by the Governor in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct

and if no direction be given, as the Directors shall determine and in particular such shares may be preference shares:-

Provided that no shares (not being preference shares )shall be issued carrying voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).

**30. New shares to be offered to members**

Unless otherwise decided by the Company in general meeting, new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on receipt of and intimation from the member to whom such notice is given that he declined to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

**31. Reduction of Capital**

Subject to the provisions of sections 100 to 104 of the Act and to such directions as may be issued by the Governor 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 unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise, and the Directors may subject to the provisions of the Act accept surrenders of shares.

**32. Sub-Division and Consolidation of Shares**

Subject to the approval of the Governor, the Company may in general meeting alter the conditions of its Memorandum as follows:-

(a) Consolidate and divide all and any of its shares of larger amounts than its existing shares.

(b) Sub divide shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the act in that behalf. Subject to these Articles the resolution by which any shares are subdivided may determine that as between the holders of the shares resulting from such subdivision one or more of such shares may be given any preference or advantage or otherwise over the others or any other such shares.

(c) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**33. Power to modify**

If at any time, the share capital by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and

privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified, abrogated or dealt with by agreement between the Company and by any person purporting to contract on behalf of that class, provided such agreement is

(a) ratified in writing by the holders of at least three fourth of the issued shares of that class, or

(b) confirmed by a special resolution passed at a separate general meeting and supported by the votes of at least three-fourth of the holders of shares of that class and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members hold or representing by proxy one-fifth of the nominal amount of the issued shares of that class.

This Article is not by implication to curtail the power of modification which the Company would have if the Article were omitted.

## **BORROWING POWERS**

### **34. Power to borrow**

Subject to the approval of the Governor, the Board may, from **time** to time, borrow and secure the payment of any sum or sums of money for the purposes of the Company, provided that no such approval will be necessary for borrowings from commercial banks up to a total limit of Rs.25,00,000/- (Rupees Twenty Five Lakhs only) for working capital in the form of overdrafts, cash credits or discounting of bills, cheques or other negotiable instruments.

### **35. Conditions on which money may be borrowed**

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

### **36. Securities may be assignable free from equities**

Debentures, debenture stocks, 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.

### **37. General Meeting**

The Annual General Meeting of the Company shall be held in accordance with the provisions of Section 166 of the Act.

### **38. When extraordinary meeting to be called**

The Directors, may whenever they think fit, and shall, when required by the Governor call on Extra-Ordinary General Meeting and Extra-Ordinary General Meeting shall also

be called on such requisition, or in default, may be called by such requisitionists, as provided by the Act.

**39. Notice of Meeting**

A general meeting of the Company may be called by giving not less than twenty one days notice in writing specifying the place, day and hour of meeting with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same, any particular meeting may be convened by such shorter notice and in such manner as those members may think fit.

**40.** Where any resolution is intended to be passed as a special resolution at any general meeting as required by section 189 (2) of the Act, notice of such meetings specifying the intention to propose the resolution as a special resolution shall be given. If all the members entitled to attend and vote at such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty one day's notice has been given.

**41. Omissions to give notice**

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

**42. Business of annual general meeting**

The business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at Annual General Meetings. All other business transacted at an annual general meeting and all business transacted at an extra-ordinary general meeting shall be deemed special and shall be transacted in accordance with Section 173 of the Act.

**43. Quorum**

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

(a) The Governor and the represent, so long as they are share holders of the Company, may from time to time appoint one or more persons each (who need not be a member or members of the Company) to represent them at all or any meetings of the Company.

(b) The persons appointed under sub-clause (a) of this Article who are personally present at the meeting shall be deemed to be members entitled to vote and be present in person and shall be entitled to represent the Governor and the President as the case may be at all its or any such meetings and to vote on behalf of the Governor or the President whether on a show of hands or on a poll.

(c) The Governor and the President may from time to time cancel any appointment made under subclause (a) of this Article and make fresh appointments.

(d) The production at the meeting of an order of the Governor and/or the President evidenced as provided in the constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

**44. Chairman of general meeting**

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

**45. When if quorum not present meeting to be dissolved and when to be adjourned**

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

**46. How question is to be decided at meetings**

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

**47. What is to be evidence of a passing of a resolution where poll not demanded**

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

**48. Poll**

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

**49. Power to adjourn general meeting**

The Chairman of a general meeting may with the consent of the members present at 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 the adjournment took place.

**50. In what cases poll taken without adjournment**

Subject to the provisions of Section 180 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

**51. Business may proceed notwithstanding demand of poll**

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.

**52. Chairman's decision conclusive**

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 tendered vote at such poll.

**53. Votes of members**

Upon a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorized representative shall have one vote for every share held by him.

**54. Proxy permitted**

On a poll, votes may be given either personally or by proxy or by duly authorized representative.

**55. Instrument appointing proxy to be in writing**

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

**56. Instrument appointing proxy to be deposited at office**

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 to that power of authority shall be deposited at the Registered Office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument propose to vote, or in the case of a poll not less than 24 hours before the time appointed for taking of the poll and in default the instrument or proxy shall not be treated as valid.

**57. Form of proxy**

An instrument appointing a proxy shall be in one of the forms prescribed in schedule IX of the Act or otherwise prescribed under the Act from time to time or in a form which the Directors shall approve.

**58. No Member entitled to vote etc. while call due to Company**

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

**DIRECTORS**

**59. Number of Directors and Qualifications**

The number of directors shall not be less than two or more than nine. The directors are not required to hold any qualification shares.

**60. Appointment of Directors**

**Subject to the provisions of the Act:-**

1. Two directors representing Government of India shall be appointed by the President of India and other Directors by the Governor and they shall be paid such salary and/or allowances as the President/Governor as the case may be from time to time determine.
2. The directors shall hold office for such terms as the President of India/Governor as the case may be determine.
3. The President of India/Governor as the case shall have right to fill any vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise.
4. The President of India/Governor shall have power to remove any director appointed by him from office at any time in his absolute direction.

**POWERS AND DUTIES OF DIRECTORS**

**61. General power of Company vested in Directors**

The business of the Company shall be managed by the Directors, who may pay all expenses incurred in getting up and register the Company and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force or by these articles required to be exercised by the Company in general meetings subject nevertheless to the provisions of these articles, to the provisions of the Act and to such regulations being not inconsistent with the aforesaid provisions as may be prescribed by the Company in general meeting but not regulation made by the Company, in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made, provided however that any decision taken by the Board may be stayed or cancelled by the Governor. Any decision of the Board which is not supported by or is objected to by a majority of the Government Directors present at a meeting shall not be implemented unless the same has been referred to and approved by the Governor. The Managing Director may refer to the Governor for his directions any decision taken by the Board which in the opinion

of the Managing Director is not in the interests of the Company or of the Government of Kerala and no such decision shall be implemented until approved by the Governor.

**62. Powers of Directors to carry out objects set forth in the Memorandum:**

In furtherance of and subject to the general powers conferred or implied in Article 61 and the other powers conferred by these Articles and subject to the provisions of section 292 of the Act, and restrictions contained in these Articles, it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum and to do all acts necessary for the working and management of the Company which vest in the Directors.

**MANAGING DIRECTOR**

**63. Appointment of Managing Director**

The Government may appoint one of the Directors to be the Managing Director who shall be a whole time employee of the Company for the conduct and management of the business of the Company subject to the control and supervision of the Board of Directors.

**64. Conditions of service of Managing Director**

The appointment of the Managing Director shall be subject to the provisions of the Act for such term and at such remuneration as the Governor may think fit:

Provided that notwithstanding anything herein contained the Governor may at any time suspend, remove or dismiss him from the Office of Managing Director and appoint another in his place.

**65. Powers of the Managing Director**

The business and management of the Company shall be carried on by the Managing Director subject to the control and supervision of the Board of Directors. He shall have power to appoint against posts created by the competent authority and at his discretion to remove or suspend or otherwise punish such Managers, Secretaries, Officers, Clerks, Agents and Servants permanently or temporarily or for specified period as he may from time to time think fit and to determine their powers and duties and fix their salaries and emoluments, and to require security in such instances and to such amounts as he may think fit. Appointment to posts, which are not in the managerial cadre, shall be made in consultation with the Kerala Public Service Commission. For posts in managerial cadre, the Managing Director shall make appointment only out of a panel drawn up by a Staff Selection Board constituted by the Board of Directors of which the Managing Director shall be a member and the Staff Selection Board so constituted shall be assisted by a technical expert nominated by the Managing Director.

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

**66. Meeting of Directors and Quorum**

Subject to the provisions of Section 285 of the Act, a meeting of the Board of Directors of the Company shall be held at least once in every three months and at least four such meetings shall be held in every year and the Directors may regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of the business. Subject to the provisions of Section 287 of the Act, one-third of the total strength of the Board of Directors (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher shall be a quorum for meeting of the Board of Directors.

**67. Director may summon meeting**

A Director may and the Secretary on the requisition of any Director shall at any time convene a meeting of the Board of Directors.

**68. How Questions to be decided**

Question arising as at any meeting shall be decided by majority of votes. The Chairman shall have a second or casting vote. Decisions of the Board shall however be subject to suspension or cancellation by the Governor.

**69. Power of Quorum**

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

**70. Chairman of Directors' meeting**

The Managing Director shall be the Chairman of the Board of Directors unless another Director is appointed as Chairman by the Governor for such period and on such terms as the Governor shall deem fit. The Chairman shall preside at all meetings of the Board and, if at any meeting, the Chairman is not present within 15 minutes after the time for holding the same, the Directors present may choose one among them to be the Chairman of the meeting.

**71. Powers of Chairman**

The Chairman shall reserve for the decision of the Governor any proposals or decision of the Board of Directors or any matter brought before the Board which raises, in the opinion of the Chairman, an important issue and which is on that account fit to be reserved for the decision of the Governor. No decision on such an important issue shall be taken by the Board in the absence of the Chairman.

**72. Delegation of powers to Committee**

The Directors may, subject to be restrictions laid down in Section 292 of the Act and in these Articles delegate any of their powers to committees consisting of such member or members of their body as they think fit, and may from time to time revoke such delegation. Any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time, be imposed upon it by the Board

of Directors. The proceedings of such a committee shall be placed before the Board of Directors in the next meeting and be subject to review by the Board.

**73. When acts of Directors or Committee valid not withstanding defective appointments etc.**

All acts done by any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director shall not withstanding that it be afterwards discovered that there was some defect in the appointment of such Director 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 a Director. Provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to be terminated.

**74. Resolution without Board meeting valid**

Subject to the provisions of Section 289 of the Act, a resolution in writing circulated among all the Directors who are in India and signed by majority of the Directors including the Managing Director and a majority of Government Directors shall be as valid and effectual as if it has been passed at a meeting of Directors duly called and constituted.

**75. Directors to cause minutes to be made in the Books**

(1) The Directors shall cause minutes to be made in books provided for the purpose:-

- a) of all appointments made by the Directors
- b) of the names of the Directors present at each meeting of the Directors and of any Committee of the Directors.
- c) of all resolutions and proceedings of all meetings of the Company, and of the Directors, and of Committee of Directors, and every Director present at any meeting of Directors or Committee meeting of Directors shall sign his name in a book to be kept for that purpose.

(2) The provisions of Section 193 of the Act shall be complied with in the matter of maintenance of minutes books of the Company.

**THE SEAL**

**76.** The seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except where law or these articles otherwise provide in the presence of one Director at least.

**DIVIDENDS AND RESERVE FUNDS**

**77. Declaration of Dividends**

The Board of Directors may with the approval of the Governor and subject to the sanction of the Company in General Meeting and subject to the provisions of Section 205 of the Act declare a dividend or bonus to be paid to the members upon, and in proportion to the amounts from time to time paid or credited as paid upon the shares of

the Company and according to the priority and respective rights of the different classes of shares. No larger dividend shall be declared than is recommended by the Board.

**78. Reserve Fund**

Subject to such directions as may from time to time be issued by the Governor in this behalf, the Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve fund, to meet contingencies or for equalizing dividends, or for special dividends, or for repairing improving and maintaining any of the property of the Company and authorization of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums to set aside upon such investments (other than shares of the Company) as they may think fit, from time to time and deal with every such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve funds into such special funds as they think fit, and employ the reserve funds as any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

**79. Dividend out of profits only and not to carry interests**

No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company. The provisions of Section 205 of the Act shall apply in this regard.

**80. Interim Dividend**

The Directors may, from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies, subject to provisions of all statutes in force.

**81. Dividends or bonus payable wholly or partly in specific assets**

Any general meeting declaring a dividend may resolve that such a dividend may be paid wholly or in part in any manner provided for by Section 205 of the Act. Any general meeting may resolve, subject to the provisions of Section 205 read with section 78 of the Act, that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund or available from the share premium account or in the hands of the Company and available for dividend, be capitalized and distributed among the share holders, in accordance with their rights on the footing that they become entitled thereto as share capital, and that all or any part of such capitalized fund be applied on behalf of the share holders in paying up in full any unissued shares of the Company and that such unissued shares so fully paid up be distributed accordingly amongst the share holders in the proportion in which they are entitled to receive dividends and shall be accepted by them in full satisfaction of their interest in the said capitalized sum. For the purpose of giving effect to any resolution under this Article, the Directors may settle any difficulty **which** may arise, in regard to

the distribution as they think expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any member upon the footing of the value so fixed or that fractions of less than Re.1/- may be disregarded in order to adjust the rights of all parties and may vest any such cases of specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Directors. Where requisite, a proper contract shall be **filed** in accordance with Section 75 of the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

**82. Effect of transfer**

A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.

**83. Retention in certain cases**

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Art.18) entitled to become a member in which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

**84. Payment by post**

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

**85. Notice of Dividend**

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

**86. Unclaimed dividend**

All dividends unclaimed for one year after having been declared may be dealt with as per Companies Act, 1956.

## **ACCOUNTS**

**87. Accounts to be kept**

The Company shall cause to be kept and maintained proper books of accounts with respect to:-

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

**88. Inspection of Account Books**

The Books of Account shall be kept at the Registered Office of the Company or at such other places as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

**89. Inspection by Members**

The Directors shall from time to time, determine whether and to what extent and what times and places and under which conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in General Meeting.

**90. Annual Account and Balance Sheet**

The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every calendar year lay before the Company in general meeting a balance sheet and profit and loss account for the financial year of the Company, in the case of the first account since the incorporation of the Company and in any other case since the preceding account.

**91. Annual Reports of Directors**

The Directors shall make out and attach to every balance sheet a report with respect to the State of the Company's affairs, the amount if any which they recommend should be paid by way of dividend and the amount if any, which they propose to carry to the reserve fund general reserve Accounts shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent Balance Sheet. The report may be signed by the Managing Director and another Director on behalf of the Directors if authorized in that behalf by the Directors and when not so authorized shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub sections (1) and (2) of Section 215 of the Act.

**92. Contents of Profit and Loss Account**

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

reasons why only a portion of such, expenditure is charged against the income of the year.

**93. Balance Sheet and Profit and Loss Account to be sent to Members**

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

**94. Directors to comply with Sections 209 to 222 of the Act**

In the matter of the maintenance of accounts, the Directors shall in all respects comply with provisions of Section 209 to 222 of the Act, or any statutory modification thereof for the time being in force as may be applicable to the Company.

**95. Account to be audited**

Once atleast in every financial year the accounts of the Company shall be examined and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more auditors as provided in the Act.

**96. When Accounts to be deemed finally settled**

Every account of the Company when audited and approved by a general meeting shall be conclusive except a regards any error discovered therein within three months next after the approval thereof whenever any such error is discovered with in the period, the account shall forthwith be corrected and thenceforth shall be conclusive.

## **AUDITORS**

**97. Appointment of Auditors**

The Auditor/Auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the comptroller and Auditor General of India.

**98. Notice of meetings of Auditors**

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

**99. Powers of the Comptroller and Auditor General**

(a) The Comptroller and Auditor General shall have power

- (i) to direct the manner in which the Company's accounts shall be audited by the Auditor/Auditors and to give such Auditor/Auditors instructions in regard to any matter relating to the performance of his/their functions as such;
- (ii) to conduct a supplementary or test audit of the Company's accounts by such person/persons in the manner provided in Section 619 (3) (b) of the Act.

(b) The Auditor/Auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General who shall have the right to comment upon or supplement the audit report in such manner as he may think fit.

(c) Any such comment 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.

**100. Comments upon or supplement to Audit Report**

The Company shall submit a copy of the Balance Sheet and Profit & Loss Accounts with a copy of the Auditor's Report to the Finance Secretary to the Government of Kerala, 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 if received by the Company at least 30 days prior to the date of Annual General Meeting shall be placed before the Annual General Meeting of the Company at the same time and in the same manner as the Audit Report.

**NOTICE**

**101. How notice to be served on members**

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

**102. Notification of address by a holder of registered shares having no registered place or address**

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

**103. Notice to be Joint**

A notice may be given by the Company to the Joint Holders of a share or shares by giving the notice to the Joint Holder named first in the register in respect of the share or shares.

**104. To whom notice of general meeting to be given**

Notice of every general meeting shall be given in the same manner hereinbefore provided to

(a) every member of the Company except those members who having no registered address or have not supplied to the Company an address for the giving of notice to them, and also to.

(b) every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency would be entitled to receive notice of the meeting, provided the Company had due notice.

**105. Transferees etc. bound by prior notice**

Every person who by operation of law, transfer or other means what so ever, shall become entitled to any share shall be bound by every notice in respect of such share, which prior to his name and address and title to the share being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such share.

**106. How notice to be signed**

The signature to any notice to be given by the Company may be in writing.

**WINDING UP**

**107. Winding Up**

If the Company shall be wound up, 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) and may for such purpose 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. 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 as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**SECRECY**

**108. Secrecy to be maintained by Directors and staff**

(a) Every Director, General Manager, Secretary, Trustee for the Company, its members or debenture holders, Member of Committee, Officer, Servant, Agent, Accountant, Auditor or other person employed in or about the business of the Company shall if so required by the Board before entering upon his duties sign a declaration pledging himself to observe a strict secrecy in respect of all transactions of the Company with its customers and the state of accounts with individuals and matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions of these Articles contained.

(b) No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board, or subject to Article 91 to require discovery of any information in respect of any details or trading of the Company or any matter which is or may be in the nature of the trade secret, mystery or trade or secret process or of any matter whatsoever which may relate to the

conduct of the business of the Company and which in the opinion of the Board it will be in expedient in the interest of the Members of the Company to communicate to the public.

#### **DIRECTION FROM GOVERNOR**

##### **109. Directions from the Governor to be duly complied with**

Notwithstanding anything contained in any of these Articles, the Governor may from time to time, issue such directions or instructions as he may consider necessary to the Board of Directors or Managing Director in regard to the affair of the conduct of the business of the Company or directors thereof and in like may vary and annul any such direction or instruction. The Director shall duly comply with and give immediate effect to the directions or instructions so issued.

##### **110. The following matters shall require the prior approval of the Governor:-**

- a.** Creation of posts and appointment to posts carrying a scale whose minimum basic pay is above Rs.11910/- per month requires prior approval of the Governor,
- b.** Sale, lease, exchange, mortgage or disposal otherwise in the whole or substantially the whole of any of the undertaking of the Company.
- c.** Promotion and formation of any other Company.
- d.** Agreement involving foreign collaboration proposed to be entered into by the Company.
- e.** Formation of subsidiary Company/Companies.
- f.** Winding up of the Company.
- g.** Matters relating to revision of scales of pay, TA, DA etc. of the employees of the Company.
- h.** Rules of the Company governing the conditions of service, provident fund and other rules such as creation of reserve and other funds.
- i.** Foreign travel by the Directors, officers or employees of the Company for business purpose or study purpose or otherwise.
- j.** Annual plan of development and capital budget of the Company.
- k.** Incurring capital expenditure beyond ₹ 100 lakhs on each item of capital expenditure.
- l.** Any other matter which in the opinion of the Chairman be of such importance as to be reserved for approval of the Governor.

##### **111. The Finance Inspection (work wing) and Vigilance Department of the Government of Kerala will have jurisdiction over the affairs of the Company.**

#### **INDEMNITY**

##### **112. Indemnity**

Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company

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

**113.** Subject as aforesaid, every Director, Manager, Officer or (with the consent of the Directors) Auditor of the Company shall be indemnified against any liability incurred by him or them in defending any proceeding whether civil or criminal in relation to any act done by the above mentioned officers acting in the discharge of their duties and on behalf of the Company, in which judgment is given in his or their favour or in which he or they have been acquitted or in connection with any application under Section 633 of the Act in which relief is given to him or them by the Court.

**114.** Subject to the provisions of Section 201 of the Act, no Director, Manager or Officer or employee of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Manager, or Officer of employee for joining in any receipt or other act of conformity or for any loss or expenses happening to the Company through 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 person or Company with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error of judgment or oversight on his or their part, or for any other loss or damage of misfortune whatever which shall happen in the execution of the duties of his or their office or in relation thereto unless the same happens through his own dishonesty, negligence, default, misfeasance, breach of duty or breach of trust.

Names, addresses, description & occupation of subscribers.	Signature
<p>1. <b>SHRI. U. MAHABALA RAO,</b>            Son of late U. Krishna Rao,            Residing at No. 8, Gazetted Quarters,            Kowdiar, Jawahar Nagar,            Trivandrum.</p> <p>Secretary to Government, Labour Department and Ex-Officio            Rehabilitation Commissioner, Government of Kerala.</p>	<p>Sd/-</p>
<p>2. <b>SHRI. M. VIJAYAN UNNI NAMBIAR,</b>            Son of Shri, R. K. R. Poduval,            Residing at 15/205, Easwaravilasm Road,</p>	<p>Sd/-</p>

<p>Jagathi, Trivandrum – 14.</p>	
<p>Deputy Rehabilitation Commissioner.</p>	
<p>3. <b>SHRI. C. K. K. PANICKER,</b>  Son of late K. M. K. Panicker,  Residing at Sai Vihat,  Golflinks Road,  Kowdiar, Trivandrum – 3.</p>	<p>Sd/-</p>
<p>Additional Secretary to Government, Finance (Expenditure) Department.</p>	
<p>4. <b>SHRI. K. K. NAIR,</b>  Son of Late P. S. Menon,  Residing at A-5, Jawahar Nagar,  Trivandrum – 3.</p>	<p>Sd/-</p>
<p>Chief Conservator of Forests (Development), Trivandrum.</p>	

Dated this the Seventeenth day of March 1976 .....

Witness to the above signature: Sd/-

Name : **Shri. T. N. SOMASEKHARAN NAIR**, son of late K. R. Sankara Pillai

Address : Residing at T. C. 9/1220 Sankar Lane, Sasthamangalam, Trivandrum.

Description & Occupation : Conservator of Forests (Planning), Office of the Chief Conservator of Forests, Trivandrum – 14.