

Companies Act, 2013
ARTICLES OF ASSOCIATION
OF
PAINTS AND COATINGS SKILL COUNCIL
(COMPANY LIMITED BY SHARES NOT FOR
PROFIT UNDER SECTION 8 OF THE COMPANIES
ACT, 2013)

I. PRELIMINARY

TABLE "F" TO APPLY

1. Subject as hereinafter provided, the regulations contained in Table "F" in the first schedule of the Act shall apply except in so far as they have been specifically excluded modified or varied by/ or under these Articles. Clauses 4,5,6,7,8,9(sub clause) 18,27,36,37,38,39,40,41,48,76,80 to 88 of table 'F' be excluded in Articles of Association.

II. DEFINITIONS AND INTERPRETATION

2. In the constructions of these Articles, unless inconsistent with the context, the singular shall include the plural and the masculine shall include the feminine and vice-versa. In these Articles unless the context otherwise requires, the following words and expressions shall have the following meanings:
 - i) "Act" shall mean the Companies Act, 2013 and includes all rules made there under;
 - ii) "Annual General Meeting" shall mean the annual general meeting of the members of the Company held each year in accordance with the provisions of the Act, 2013;
 - iii) "Appropriate Governmental Authority" shall mean the relevant Ministry and/ or Department of the Government of India or any State Government/ Union Territory, statutory bodies, autonomous organizations, associated with the Sector;

- iv) "Articles" or "Articles of Association" shall mean the Articles of Association or as amended from time to time with prior approval of Central Government ;
- v) "Auditors" shall mean the statutory auditors of the Company appointed in accordance with the applicable provisions of the Act;
- vi) "Board" or "Board of Directors" shall mean the Directors of the Company or the directors present at a meeting of the Board of Directors at which a quorum is present;
- vii) "Capital" shall mean the capital raised or authorized to be raised for the purpose of the Company with prior approval of Central Government;
- viii) "Chairman" shall mean a Chairman of the Board or the person elected or appointed to preside over the general meetings of the Company;
- ix) "Company" means PAINTS AND COATINGS SKILL COUNCIL, a company incorporated under the Act and shall include its successors;
- x) "Director" means the director of the Company;
- xi) "Executor" or "Administrator" means a person who has obtained probate or letters of administration, as the case may be, from some competent court;
- xii) "Extraordinary General Meeting" shall mean an extraordinary general meeting of the Members, duly called and constituted and any adjourned holding thereof, in accordance with the provisions of the Act;
- xiii) "Financial Year" means the period in respect of which any income and expenditure account of the Company is laid before it in its Annual General Meeting;
- xiv) "General Meeting" shall mean and include any meeting of the Members of the Company whether an Annual General Meeting of Members held each year or an Extraordinary General Meeting;
- xv) "Intellectual Property Rights" shall mean any and all rights in patents, trademarks, copyrights and designs pertaining to symbols, names,

images, logos, course content, product, material, software, design, digital or non-digital material or other work created as a consequence of implementation of the objects of the Company and all other intellectual property rights and equivalent and similar forms of protection, whether registered or unregistered, as well as the applications for registration and the right to apply for registration of any of these rights, in all cases which are used or owned by the Company;

- xvi) "IPA" means The Indian Paint Association registered under the Societies Registration Act, XXI of 1860 and any authorized representative thereof ;
- xvii) "IPA Nominee" means the person nominated by IPA to represent IPA as a Member of the Company for matters as mentioned hereinafter the Articles;
- xviii) "Member" means shareholder of company;
- xix) "Memorandum" or "Memorandum of Association" means the Memorandum of Association of the Company as originally framed or as amended from time to time with prior approval of Central Government ;
- xx) "Month" means a calendar month;
- xxi) "Office" means the registered office of the Company;
- xxii) "Private Sector" means any other company, body corporate registered with appropriate authority other than NSDC and any governmental entity in the Sector;
- xxiii) "Proxy" includes an attorney duly constituted under a power of attorney;
- xxiv) "Register" means the register of members to be kept pursuant to the Act;

- xxv) "Regulation" shall mean the regulations contained in Table "F" of Schedule I of the Act;
- xxvi) "Reserved Matters" shall have the meaning ascribed to it in Article 48;
- xxvii) "Seal" means a common seal of the Company;
- xxviii) "Secretary" means the secretary of the Company;
- xxix) "Shares" means the shares or stock of the Company;
- xxx) "Special Resolution" shall have the meaning assigned to it in Section 114 of the Act.

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

III. PRIVATE COMPANY

3. The Company is a Private Limited Company within the meaning of Section 2(68) of the Companies Act, 2013 and having a minimum paid up share capital of one lakh rupees or such higher paid-up share capital as may be prescribed, and which by its articles -
- i. Restricts the right to transfer the shares of the Company in the manner and to the extent hereinafter appearing in these Articles.
 - ii. except in case of One Person Company, limits the number of its members to two hundred.

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

Provided further that -

- a) persons who are in the employment of the company; and
- b) 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,

shall not be included in the number of members; and

- iii. prohibits any invitation to the public to subscribe for any securities of the company
- 4. The Company intends to apply its profits, if any or other income in promoting its objects and to prohibit the payment of any dividends to its Members.

5. COMPANY TO BE GOVERNED BY THESE ARTICLES

The management of the Company will be as per these Articles.

IV. AUTHORISED CAPITAL

6. ¹AUTHORISED SHARE CAPITAL

The authorized share capital of the Company shall be as per Clause 8 of the Memorandum of Association. The Company shall have from time to time, power to increase with prior approval of Central Government. The minimum paid-up Capital of the Company shall be Rs. 1,00,000 (Rupees One Lakh only).

7. RESTRICTIONS ON USE OF COMPANY'S FUNDS/ SHARES

- (a) Save and except as provided under Article 48, the funds of the Company may be employed / utilized to achieve the objects of the Company.
- (b) The promoters of the Company shall be prohibited from transferring the majority Shares held by it in the Company till such time that the loan(s), grant(s) or any other financial assistance (as the case may be) sanctioned to it by the Appropriate Governmental Authority / NSDC, if any, are repaid in full.
- (c) Subject to the provision hereinabove, Shares shall be transferred by a holder only upon prior consent of the Board but this restriction shall not apply to transfers in favor of Director(s) appointed by NSDC or the Appropriate Governmental Authority.

8. ALLOTMENT OF SHARES

Subject to the provisions of the Act and the rules framed there under applicable to the Company and subject further to the provisions of these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Board of Directors, who may allot or dispose of the same or any of them to such persons on such terms and conditions at par at such time as they may think fit .

9. SHARE CERTIFICATE

- i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide —
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

10. ISSUE OF NEW SHARE CERTIFICATE

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any Share certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on the execution of such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Articles shall be issued without payment of fees, if the Director authorized by the Board so decides, or upon payment of such fees {not exceeding Rupee two (Rs.2) for each certificate} as such Director shall prescribe.

11. POWER TO INCREASE CAPITAL

Subject to the provisions of these Articles, the 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 it may deem fit with prior approval of the Central Government.

V. TRANSFER AND TRANSMISSION OF SHARES

12. The right of Members to transfer their Shares shall be restricted as follows: -

- (a) Subject to the provisions of Article 7, the Shares can be transferred to any person approved by the Board.
- (b) The Shares shall be transmitted to the legal heirs by the Board in accordance with the provision of the Act.
- (c) Subject to Section 58 and 59 of the Act and these Articles, no transfer of any Share in the Capital of the Company shall be made or registered without the previous sanction of the Board, who may without assigning any reason thereof but in accordance with these Articles, decline to give any such sanction. The Board shall also have power to decline transfer of any Shares which would contravene Article 3 hereto.
- (d) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine not exceeding thirty (30) days in any year. The right of the Members to transfer, sell or renounce all or any of their Shares shall be restricted as follows:
 - i. The Member desirous of transferring, selling or renouncing ("Selling Party") shall give notice in writing ("Transfer Notice") to the other Members ("Continuing Parties") and the proposed price ("Transfer Price") thereof.
 - ii. Within thirty (30) days from the receipt of the Transfer Notice, any one or more of the Continuing Parties shall have the right by notice in writing ("Purchase Notice") to inform the Selling Party whether it elects to purchase the Shares mentioned in the Transfer Notice ("Sale Shares") at Transfer Price or not .

- iii. If anyone (1) or more of the Continuing Parties serve a Purchase Notice within thirty (30) days of receipt of the Transfer Notice stating that it elects to purchase the Sale Shares on the Transfer Price, then pursuant to such offer, the transfer of the Sale Shares shall be completed accordingly. However, in case no Purchase Notice is received by the Selling Party within the stipulated period of thirty (30) days, then, the Selling Party shall be entitled to sell the Sale Shares at not less than the Transfer Price to a third party purchaser (approved by the Continuing Parties in writing) within a period of sixty (60) days from the expiry of thirty (30) days within which Continuing Parties had the right to purchase the Sale Shares, but not otherwise.
- iv. Neither Party shall deal or attempt to deal with the beneficial interest in any Share of the Company except by transfer of its shareholding permitted in accordance with this Article.

12A. Every shareholder or debenture holder of the Company, may at anytime:

- (a) Nominate, in the prescribed manner, a person to whom his Shares or debentures of the Company shall vest in the event of his death.
- (b) Where the Shares or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Shares or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person, the right to vest the Shares or debentures of the Company, such nominee shall, on the death of the shareholder or debenture holder, as the case may be, or on the death of the joint holders, become entitled to all the rights in such Shares or debentures, as the case may be, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.
- (d) Where the nominee is a minor, it shall be lawful for the holder of the Shares or debentures, to make the nomination to appoint, in the prescribed manner, any

person to become entitled to Shares or debentures of the Company, in the event of his death, during the minority.

VI. BORROWING POWERS

13. Subject to the provisions of Act and section 179 of the Act, the Articles and the prior consent of NSDC, the Company may receive grants, borrow monies, on such terms and conditions and from such sources as determined by the Board, for advancing the objects of the Company.

VII. GENERAL MEETINGS

14. ANNUAL GENERAL MEETING

The Company shall in each year hold in addition to any Extraordinary General Meeting, a meeting as its Annual General Meeting and not more than fifteen (15) months shall elapse between the two (2) Annual General Meetings of the Company. The first Annual General Meeting of the Company shall be held within a period of (9) months from the date of closing of first financial year of the company and, thereafter, subject to the provisions of section 96 read with section 129 of the Act, the Annual General Meeting of the Company shall be held within six (6) months from date of closing of financial year. Notice for the Annual general Meeting must be given as per provisions of Act.

15. EXTRAORDINARY GENERAL MEETING

All General Meetings other than Annual General Meetings shall be called "Extraordinary General Meeting".

16. BOARD TO CALL EXTRA ORDINARY GENERAL MEETING

The Board may call an Extraordinary General Meeting whenever it thinks fit.

17. EXTRAORDINARY GENERAL MEETING ON REQUISITION

The Board shall call an Extraordinary General Meeting whenever a requisition in writing is received in accordance with section 100 of the Act.

18. WHEN REQUISITIONISTS CAN HOLD EXTRAORDINARY GENERAL MEETINGS

If the Board does not proceed to call an Extraordinary General Meeting within twenty one (21) days from the date of requisition being so deposited at the Office, to be held not later than forty five (45) days from the date of such deposit, then the requisitionists as permitted by section 100 of the Act, may themselves call the Extraordinary General Meeting, but such Extraordinary General Meeting so called shall not be held after three (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 convened by the Board.

19. NOTICE OF GENERAL MEETING

A notice shall be given for a General Meeting as per Section 101 of the Act, specifying the place, the day and the hour of General Meeting and in the case of special business, the general nature of such business accompanied by an explanatory statement under section 102 of the Act, shall be given to such Members as are entitled in law to receive notice from the Company.

Provided 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 General Meeting.

20. PROCEEDINGS OF GENERAL MEETINGS AND BUSINESS OF GENERAL MEETINGS

(a) In case of an Annual General Meeting, all business to be transacted at the such Annual General Meeting shall be deemed special, with the exception of business relating to (i) receipt and consideration of the income and expenditure account, the balance sheet and the report of the Board and of the Auditor (ii) appointment of Directors in place of those retiring, and (iii) appointment of and fixing of remuneration of the Auditors.

(b) All business transacted at an Extraordinary General Meetings shall be deemed special.

21. QUORUM FOR GENERAL MEETINGS

Five (5) Members present in person shall form the quorum for a General Meeting.

A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

22. CHAIRMAN OF GENERAL MEETINGS

The Chairman of the Board shall be entitled to take the chair at every General Meeting or in his absence, such Director as may be authorized by the Chairman. In the event of absence of the Chairman and also such Director who has been authorized by the Chairman to chair such General Meeting, for fifteen (15) minutes after the time appointed for holding such General Meeting, then the Members present, shall elect one (1) of the Members present, to be the Chairman of such a General Meeting.

23. QUORUM NOT PRESENT, MEETING TO BE ADJOURNED

If within half an hour from the time appointed for the General Meeting, a quorum as stipulated in Article 27 is not present, such a General Meeting shall adjourn to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board may determine. Subject to the provisions of Article 48, if at such adjourned General Meeting, a quorum is not present within half -an-hour from the time appointed for holding meeting , the Members present shall be a quorum and may transact the business for which such a General Meeting was called.

24. HOW QUESTIONS TO BE DECIDED AT MEETING

Save and except the provisions of Article 48, every question submitted to a General Meeting shall be decided in the first instance by raising of hands, and in the case of an equality of votes, the Chairman shall, both on raising of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

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

At any General Meeting, a resolution put to the vote of such General Meetings shall be decided on raising of hands, unless a poll is demanded as per provisions of Section 109 of the Act, before or on the declaration of the result of raising of hands. Accordingly, in the event a poll is not demanded, a declaration by the Chairman that a resolution has, on raising of hands, been carried unanimously or by a particular majority or has been lost, shall be made and 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.

26. 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, 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.

27. POWER TO ADJOURN GENERAL MEETING

The Chairman of a General Meeting may, with the consent of the Members present in the General Meeting, adjourn the same from time to time and from place to place but no business shall be transacted at any such adjourned meeting other than the business left unfinished at the said General Meeting from which the adjournment took place.

28. IN WHAT CASES POLL TAKEN WITHOUT ADJOURNMENT

Any poll duly demanded on the election of a Chairman of the General Meeting or on any question of adjournment shall be taken at such a General Meeting forthwith and without adjournment.

29. BUSINESS MAY PROCEED NOTWITHSTANDING DEMAND OF POLL

The demand of a poll shall not prevent the continuance of a General Meeting for the transaction of any business other than the question on which a poll has been demanded.

30. CHAIRMAN'S DECISION CONCLUSIVE

The Chairman of the General Meeting shall be the sole judge of the validity of every vote tendered at such General Meeting. The Chairman present at the poll shall be the sole judge of the validity of every vote tendered at such poll.

31. VOTE OF MEMBERS

Upon the raising of hands, every Member present in person shall have one (1) vote, and upon a poll every Member present in person or by Proxy or by duly authorized representative shall have one (1) vote for every share held by him.

32. VOTE IN RESPECT OF SHARES OF DECEASED, BANKRUPT MEMBERS

Any person entitled to the Shares pursuant to the transmission, may vote at any General Meeting in respect thereof in the same manner as the original Member would have been entitled to.

33. JOINT HOLDERS

Where there are joint registered holders of Share(s), any one of them may vote at the General Meeting, either personally or through Proxy, in respect of such Share(s) as if he were solely entitled thereto, and if more than one (1) such joint holder be present at the General Meeting personally or by proxy, then one (1) of the said persons present, whose name stands first on the Register in respect of such Share(s), shall alone be entitled to vote in respect thereof. Several Executors or Administrators of a deceased Member in whose name any Share(s) stand, shall for the purpose of this Article, be deemed to be joint holders thereof.

34. VOTE IN RESPECT OF SHARE OF MEMBERS OF UNSOUND MIND

A Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on raising of hands or on poll, through his legal guardian.

35. PROXIES PERMITTED

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

36. INSTRUMENT APPOINTING PROXY TO BE IN WRITING

A Member may appoint (“**Appointer** ”) another person (whether a Member or not) as his proxy to attend a general meeting and vote on poll. No Member shall appoint more than one (1) Proxy to attend such General Meeting on the same occasion. A Proxy shall not be entitled to speak at such General Meeting, but shall be entitled to vote on poll. The instrument appointing a Proxy shall be in writing and be signed by the Appointer or his attorney duly authorized in writing. Further, if the person to be appointed as Proxy is a body corporate, such instrument appointing a Proxy shall be under the seal of the body corporate or be signed by an attorney duly authorized by such body corporate along with the signature of the Appointer or his duly authorized attorney. A Member from the Private Sector can appoint a Proxy only from the Private Sector and not one who is connected with the Appropriate Governmental Authority/ NSDC in any manner.

37. INSTRUMENT APPOINTING PROXY TO BE DEPOSITED AT OFFICE

The instrument appointing a Proxy, as stipulated in Article 42, shall be deposited at the Office of the Company not less than forty eight (48) hours before the time for holding the General Meeting at which the person named in the instrument proposed to vote, and in the event of any default, the instrument of Proxy, shall not be treated as valid.

38. WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death of Appointer, or revocation of the proxy provided, no intimation in writing of the death or revocation shall have been received at the Office before the General Meeting.

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

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 poll, whilst any call or other sum be due and payable to the Company in respect of any of the Shares of such Member.

40. TIME FOR OBJECTION OF VOTE

No objection shall be made to the validity of any vote except at the General Meeting or poll, at which such vote shall be tendered, and every vote whether given personally or by Proxy at such General Meeting shall be deemed valid for all purposes of such General Meeting.

41. RIGHT OF NSDC TO APPOINT ANY PERSON AS ITS REPRESENTATIVE

Subject to provision of Act, NSDC, may, from time to time, appoint a Director to represent it at all Board meetings of the Company. . Further, NSDC, may from time to time cancel any appointment made here under and make fresh appointments.

VIII. BOARD OF DIRECTORS

42. NUMBER OF DIRECTORS

- (a) Subject to the provisions of the Act, and until otherwise determined by the Company in a General Meeting, the number of Directors including any additional or alternate Director for the time being, shall not be less than two (2) and not more than twenty(20) including the Chairman.
- (b) The Directors are not required to hold any qualification shares.
- (c) The following shall be the first Directors of the Company:

Mr. Jayakumar Krishnaswamy (DIN 02099219)

Mr. Jalaj Dani (DIN 00019080)

Mr. PravinChaudhari (DIN 02171823)

Mr. Naveen Bhatia (DIN 00581159)

Mr. Promod Kumar Khanna (DIN 00116926)

Dr. Saugat Mukherjee (DIN 07161460)

43. APPOINTMENT OF DIRECTORS

- (a) Subject to the provision of Act, IPA shall appoint 6 (Six) Directors on the Board. The total representation of IPA on the board at all times shall in no circumstances be less than 6(Six) ,
- (b) Subject to the provision of Act, The remaining Directors shall be appointed by the Members of the company from the Private Sector.,
- (c) Subject to the provision of Act, At the Annual General Meeting, one -third of the appointed Directors shall retire and if their number is not a multiple of three, then the number nearest to one -third shall retire. The Directors to retire every year shall be those who have been longest in office since their last appointment. However, as between Directors who became Directors on the same day, their retirement shall (unless they otherwise agree themselves) be determined by lot. All Directors so retiring shall be eligible for re-appointment.
- (d) Subject to the provision of Act, IPA and Members from the Private Sector have the power to substitute the Directors appointed by them.

44. NOMINEE DIRECTOR

Subject to the provision of Act, Notwithstanding anything contained in any other Article of Articles of Association of the Company, so long as the Company has availed any grant, loan, funding or any kind of monetary assistance of any nature, whatsoever from the Appropriate Governmental Authority or any Bank(s), financial institutions or any other company or body (" Lender ") and till such time financial assistance is fully repaid to the Lender, such Lender shall be entitled to nominate from time to time any person as a Director on the Board of Directors of the Company and to substituted such person so nominated and to nominate any

other person in his place. Such Nominee Director shall not be required to hold any qualification shares.

45. FEE OF DIRECTORS

The fee of each Director to attend a Board meeting or a committee meeting thereof shall be such, as may be determined by the Board. The Board may pay the Director who has to travel on Company's business or for the purpose of attending a Board meeting, such expenses as the Board may consider fair for traveling, boarding, lodging in addition to his fee for attending such Board meeting.

IX. POWERS OF DIRECTORS

46. POWERS OF BOARD OF DIRECTORS:

- (a) Subject to the provisions of the Act and the Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do.

Provided that the Board shall not exercise any power or do any act or 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.

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 and Articles of the Company or in the Regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

- (b) No regulations made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been valid if those regulations had not been made.
- (c) The Company shall pursue the main objects as laid down in its Memorandum of Association of the Company and shall work in close

Coordination with the Private Sector or other similar bodies at the national or state level accordingly. It shall also try to avoid overlapping in the disbursement of any government grants/ loans or any other assistance on the same target groups in the Sector.

47. SPECIFIC POWERS TO THE BOARD

Without prejudice to the powers conferred by the Articles and subject to the provisions of the Articles and the Act, the Board shall have the following powers:

- (a). Purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorized to acquire at such price, and generally on such terms and conditions as it thinks fit.
- (b) Authorize the undertaking of work of a capital nature.
- (c) (i) Create posts of officers and staff for the Company from time to time.
(ii) Appoint and remove or suspend such officers and staff, permanent, temporary, as it may from time to time think fit and to determine its powers and duties and also fix their salaries or emoluments and to require security in such instances and to such a mount as it thinks fit.
- (d) To Institute, conduct, defend or abandon any 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.
- (e) To refer any claim or demand by or against the Company to arbitration and accordingly consider the final award binding.
- (f) To make and give receipts, release and other discharges for money payable to the Company and for the claims and demands of the Company.
- (g) To determine who shall be entitled to sign on behalf of the Company, the bills, receipts, acceptances, endorsements, cheques, release contracts and other documents.
- (h) To provide from time to time, for the management of the affairs of the Company in such manner as it thinks fit, and in particular to appoint any person to be an attorney or agent of the Company (power to sub delegate) and upon such terms as they think fit.
- (i) To invest money, subject to such general or special directives, if any, given by Appropriate Governmental Authority in this behalf, in securities or in any scheduled bank or banks or their subsidiaries and in government companies or otherwise, to be decided by the Board and to deposit and open saving/

current accounts and deal with any of the money of the Company upon such investment authorized 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.

- (j) To make, vary and repeal Articles for the regulation of the business/ objects of the Company.
- (k) To enter into all such negotiations and contracts and thereafter rescind and vary such contracts and further execute 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 objects of the Company.
- (l) To 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.
- (m) The Board may appoint an alternate Director recommended for such appointment by the Director (hereinafter called the "Original Director") in whose place such alternate Director is being appointed during his absence, for a period of not less than three (3) months from the State in which the Board meetings are ordinarily held. An alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the alternate Director.

48. APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The Board shall appoint a chief executive officer 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. The chief executive officer so appointed may be authorized by the Board to exercise such 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 Company at a General Meeting under the Act. The chief executive officer not being members shall be paid such remuneration as may be determined by the Board .

49. COMPANY SECRETARY

Subject to the provisions of the Act, a company secretary may be appointed by the Board on such remuneration and upon such conditions as it may think fit and any secretary so appointed may be removed/ replaced by the Board.

50. DISQUALIFICATIONS OF DIRECTORS

The office of a Director shall become vacant if:

- (a). He is found to be of unsound mind by a court of competent jurisdiction;
- (b) He applies to be or is adjudicated an insolvent;
- (c) He is convicted by a Court for any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six (6) months, and a period of five (5) years has not elapsed from the date of the expiry of the sentence;
- (d) He fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others, within six (6) months from the last date fixed for payment of the call;
- (e) He absents himself from three (3) consecutive Board meetings or from all Board meetings for a continuous period of three (3) months whichever is longer, without obtaining leave of absence from the Board;
- (f) He fails to disclose the nature of his interest in any contract or agreement or proposal contract or arrangement entered into by or on behalf of the Company as required under section 184 of the Act;
- (g) He becomes disqualified by order of the Court under provisions of the Act;
- (h) He is removed in pursuance of section 169 of the Act;
- (i) He has retired, resigned or otherwise removed from the official position on account of which he was nominated to the Board;
- (j) 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,

Disqualification referred to in sub clauses (b), (c) and (g) above shall not take effect:

- (a) For thirty (30) days from the date of adjudication sentence or order;
- (b) Where any appeal or petition is preferred within thirty (30) days against the adjudication or conviction resulting in the sentence or order, the disqualification shall not take effect, until the expiry of seven (7) days from the date on which such appeal or petition is disposed of; or;
- (c) Where within the seven (7) days as aforesaid any further appeal or petition is preferred 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.

X. PROCEEDINGS OF MEETINGS OF BOARD OF DIRECTORS

51. CHAIRMAN MAY SUMMON MEETING & HOW QUESTIONS BE DECIDED

The Chairman may at any time convene a meeting of the Board. Save and except the provisions of Article 48, questions arising at any meeting shall be decided by majority votes. The Chairman shall have a casting vote.

52. MEETING OF THE BOARD AND THEIR NOTICE

A meeting of the Board shall be held for the dispatch of business of the Company at least once in every quarter, as required under section 173 of the Act.

53. QUORUM FOR MEETING

The quorum for a Board meeting shall be one -third ($1/3^{\text{rd}}$) its strength (total strength as determined by the Act and any fraction in that one -third being rounded off as one) or two (2) Directors whichever is higher. Provided that where at any time the number of interested Directors exceeds or is equal to two -third ($2/3^{\text{rd}}$) of the total strength, the number of remaining Directors who are not interested not being less than two (2) shall be the quorum during such time

54. CHAIRMAN OF THE BOARD OF DIRECTORS

The President of IPA shall be the Chairman of the Board. The Chairman of the Board shall be entitled to take the chair at every Board meeting or in his absence, such Director as may be authorized by the Chairman. In the event of

absence of the Chairman and also such Director who has been authorized by the

Chairman to chair such Meeting , for fifteen (15) minutes after the time appointed for holding such Board meeting, then the Directors present, shall elect one of the Directors present, to be the Chairman of such Board meeting .

55. DELEGATION OF POWERS TO COMMITTEE

Subject to the provision of Act, The Board may, subject to the provisions of section 179 of the Act, delegate any of the powers to a committee consisting of such Member(s) as they think fit. Proceedings of such committees shall be placed before the Board at the next Board meeting.

56. WHEN ACTS OF DIRECTORS OF COMMITTEES VALID NOTWITHSTANDING DEFECTIVE APPOINTMENT

All acts done by any Board meeting or of a committee of Directors, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or that they or any of them were disqualified, be as valid as if every such Director had been duly appointed and/ or was qualified to be Director. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

57. RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the committee of Directors, then in India (not being less in number than the quorum fixed for a Board meeting or committee, as the case may be), and to all other Directors at their usual address in India, and has been approved by such of the Directors as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

XI. MINUTES

58. MINUTES TO BE MADE IN BOOKS

The Company shall cause minutes to be made in books in accordance with the provisions of Section 118 of the Act for all Board meetings, General Meetings

and committee meetings thereof including all resolutions and proceedings at the General Meeting, Board meetings and committee meetings of the Company.

XII. COMMON SEAL

59. 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 and in the presence of at least one (1) Director. However, the Board may authorize by resolution the chief executive officer or any other Director or officer of the Company to affix the common 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 -

- (a). Two (2) Directors or persons acting on behalf of the Directors under a duly registered power of attorney; and
- (b) The Secretary or some other person appointed by the Board for this purpose.

XIII. RESERVE FUND

60. The Board may set aside, out of the income of the Company or 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 in such investments, deal with and vary such investments and dispose of all or any part thereof in the business of the Company.

XIV. ACCOUNTS

61. 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 matters in respect of which the receipt and expenditure takes place.
 - (b) All sales and purchases of goods by the Company.
 - (c) The assets and liabilities of the Company.

62. INSPECTION OF BOOKS OF ACCOUNTS

The books of accounts shall be kept at the Office 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.

63. ANNUAL ACCOUNT AND BALANCE SHEET

The Board shall, at some date not later than (15) fifteen months after the incorporation of the Company and subsequently once at least in every Financial Year, lay before the Company in an Annual General Meeting, a balance sheet and income and expenditure account as per provisions of section 129 of the Act.

In the case of the first Annual General Meeting of the Company, to the period beginning with the incorporation of the Company and ending with a day which shall not precede the day of the General Meeting by more than nine (9) 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 General Meeting by more than six (6) months, or in cases where an extension of time has been granted for holding the General Meeting under the section 96 by more than six (6) months and the extension so granted.

64. ANNUAL REPORT OF THE BOARD

The Board shall attach to every financial statement, 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 account to be shown specifically in subsequent balance sheet. The report shall be signed by the Chairman of the Board, if authorized in that behalf by the Board.

65. CONTENTS OF INCOME AND EXPENDITURE ACCOUNT

The income and expenditure account subject to the provisions of Section 129 of the Act and the Schedule 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 type of expenditure fairly chargeable against the year's income shall be brought into account so that a correct balance of income and expenditure is reflected. In case, any type of expenditure which may in all fairness should be distributed over several years and has been incurred in any one (1) 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.

66. FINANCIALS STATEMENT TO MEMBERS

The Company shall send a copy of financial statements together with a copy of the Auditor's report at the registered address of every Member of the Company in the manner in which notices are to be given as per provisions of act.

67. BOARD TO COMPLY WITH SECTION 128 and 134 OF THE ACT

The Board shall in all respects comply with the provisions of section 128 and 134 of the Act or any statutory modifications thereof for the time being in force.

XV. AUDIT

68. ACCOUNT TO BE AUDITED ANNUALLY

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 (1) or more auditors.

69. APPOINTMENT OF AUDITORS AND THEIR REMUNERATION

The Auditors of the Company including the first auditor shall be appointed as per the provisions of the Act and in consonance with the Reserved Matters stipulated in Article 48.

70. AUDITOR'S RIGHT TO ATTEND MEETING

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 by them are to be laid before the Company and may make any statement or explanation they desire with respect to such accounts.

71. WHEN ACCOUNTS DEEMED FINALLY SETTLED

Every account of the Board, when audited and approved by a General Meeting, shall be conclusive except as regards any error discovered later and revised as per provisions of the act

XVI. NOTICES

72. SERVICE OF NOTICE

A notice may be given by the Company to any Member as per Section 20 and 101 of the Act

73. WHEN NOTICE MAY BE GIVEN BY ADVERTISEMENT

If a Member has no registered address and has not supplied to the Company an address for serving notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighborhood of the Office of the Company shall be deemed to be duly given to him on the day on which the advertisement appears.

74. NOTICE TO JOINT HOLDERS

A notice may be given by Company to the joint holders of a Share(s) by giving the notice to the joint holder whose name appears first in the Register in respect of the Share(s).

75. HOW NOTICE BE SIGNED

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

76. PERIOD OF NOTICE HOW CALCULATED

Where a prior notice of a given number of days is required, the day of service shall unless it is otherwise provided, be counted in such number of days or other period.

XVII. WINDING UP

77. As per Conditions specified in clause no 10 of Memorandum of Association

XVIII. SECRECY

78. 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 is inexpedient in the interest of the Company to communicate.

XIX. INDEMNITY

79. Subject to the provision of the Act, the officers of the Company shall be indemnified by the Company for all costs and expenses incurred by such officer of the Company, on account of any liability incurred by him in defending any proceedings, whether civil or criminal, in which the judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under provisions of Act in which relief is granted to him by the Court.

XX. RIGHTS OF THE APPROPRIATE GOVERNMENTAL AUTHORITY

80. Notwithstanding anything contained in any of these Articles, the Appropriate Governmental Authority 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 such directives. The Company shall give immediate effect to the directives so issued. In particular the Appropriate Governmental Authority will have the power:

- (a). to give directions to the Company as to the exercise and performance of its functions in matters involving national security and substantial public interest.
- (b). 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.
- (c). approve agreement involving foreign collaboration proposed to be entered into by the Company.

Provided, that all directives issued by the Appropriate Governmental Authority shall be in writing addressed to the chief executive officer. The Board shall, except where the Appropriate Governmental Authority considered that the interest of the national security requires otherwise, incorporate the contents of directives issued by the Appropriate Governmental Authority in the annual

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

XXI. INTELLECTUAL PROPERTY RIGHTS

- 81.** The Intellectual Property Rights shall, at all times vest and be retained solely by the Company save and except as may be decided by the Board in consonance with Appropriate Governmental Authority.
- 82.** Wherever in terms of the Act, an authorization is required in the Articles of Association of a Company for taking any action, these Articles shall deem to provide to the Company such authorization.

