



प्रारूप० आई० आर०

Form .I R.

निगमन का प्रमाण-पत्र

CERTIFICATE OF INCORPORATION

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सं०	11040	शक	1902
No.	11040	of	1980-81

मैं एतद् द्वारा प्रमाणित करता हूँ कि आज दिल्ली स्टेट सिविल सप्लाइज कारपोरेशन लिमिटेड

कम्पनी अधिनियत 1956 ( 1956 का 1 ) अधीन नियमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that DELHI STATE CIVIL SUPPLIES CORPORATION LIMITED  
is this day incorporated under Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता० 23 कार्तिक, 1902 को दिया गया।

Given under my hand at New Delhi this FORTEENTH  
day of NOVEMBER one thousand nine Hundred and Eighty.

SEAL

ह०/ 14-11-80

( सूरज कपूर )

कम्पनी रजिस्ट्रार

Registrar of Companies

DELHI & HARYANA

# **(THE COMPANIES ACT, 1956)**

## **MEMORANDUM OF ASSOCIATION**

### **OF**

#### **Delhi State Civil Supplies Corporation Ltd.**

- I. The name of the company is "Delhi State Civil Supplies Corporation Ltd".
- II. The registered office of the company will be situated in the Union Territory of Delhi.
- III. **The objects for which the company is established are:**

(a) **THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON  
ITS INCORPORATION.**

- 1. To engage in, promote, develop, improve, counsel and finance production, purchase, procurement processing, movement, transport, import, export distribution and sale of food-stuffs, cement, coal, timber, building materials, beverages, pharmaceuticals, petroleum products, spirits and in other essential and consumable commodities.
- 2. To provide services and assistance of all kinds of the said commodities

(b) **ANCILLARY OR INCIDENTAL**

- 1. To take over from the Delhi Administration or the Government of India any projects established with the objects of the company in view.
- 2. To act as the agents/licencee of the Delhi Administration in the matter of procurement and distribution both wholesale and retail sale of any essential and consumable commodities including food grains, food-stuffs and beverages including spirituous beverages:-
- 3. To carry on the business of canners, confectioners and preservers, growers and dealers of fruits , vegetables, herbs, medicines, pharmaceuticals, drinks, gas, toilet preparations and condiments.
- 4. To plan, promote, set up or assist in setting up rice mills, flour mills, edible oil including vanaspati oil mills, cold storage and refrigeration plants, warehouses and all other undertakings which may help in the production, processing,

distribution and preservation of foodgrains and manufacture of other food stuffs and beverages.

5. To plan, undertake, promote, develop and to set up agro based industries.

6. To purchase, set up, maintain and run agricultural firms and such other enterprises which can be utilised for production of any food stuffs or their allied products and to store and sell the products therefrom.

7. To carry on the business of manufacturers, wholesalers, and retail dealers in bread, flour, farinaceous compounds, sweets, confectionery and the sale of other foods and articles that may be conveniently sold therewith.

10. To acquire and set up eating houses and departmental stores.

11. To undertake and participate in the procurement, storage, movement, sale and distribution of cement, coal, timber and building materials and to set up depots and shops for these purposes.

10. To purchase, maintain, hire and operate vehicles of all descriptions on behalf of the Corporation or on behalf of others on payment and to give or to take contracts or agencies for transportation.

11. To carry out all such activities and trades as may ensure suitable price to primary producer of agricultural commodities and to protect the consumer from vagaries of speculative trade in the private sector.

12. To carry on the business as importers, and exporters, stockists, agents, distributors and dealers in food grains and provisions generally and in particular as importers, exporters and dealers in all kinds of food stuffs, food products, agricultural and garden produce, provisions and other allied articles and commodities of personal and household use and consumption.

13. To take over, pay for or otherwise acquire any assets and liabilities in respect of any business, unit or company, handed over by the Administrator of the Union Territory.

14. To apply for and take out, purchase or otherwise acquire any trade mark, patents, patents rights, inventions, copy right, designs of secret process which may be useful for the company.

15. To establish, maintain subscribe or subsidise or to become member of training institutions, research laboratories, institutions and experimental workshops for scientific and technical research and experiments in connection with and incidental to the objects of the company.

16. To appropriate, use or let our land and buildings, belonging to the company for public conveniences and amenities, conditionally or unconditionally as the company thinks fit.

17. To acquire and develop lands by providing water supply, power supply and other facilities and amenities and make them available on such terms and conditions as may be agreed upon, to any individual, association or concerns including cooperative institutions for any activity in furtherance of the objectives of the company.

18. To establish and regulate branches or agencies of the company at any place in India or elsewhere and discontinue the same.

19. To invest and deal with the moneys of the company by purchasing shares of any company carrying on any business which this company is authorised to carry on or in such other manner as may from time to time be determined by the company and to distribute any of the properties of the company among the members as may be permissible by law.

20. To borrow or raise or secure the payment of money in such a manner and on such terms and conditions and with such powers and privileges as may be thought fit and in particular by the issue of or upon bonds, debentures, bills of exchange, promissory notes or securities of the company with a view thereto mortgage and charge the undertaking and all or any of the movable property, present or future and all or any of the uncalled capital for the time being of the company and to purchase, redeem or pay of any such security.

21. To issue and deposit any such security which the company. is empowered to issue by way of mortgage or charge, to secure any sum.

22. To open or operate any kind of banking account in scheduled bank or to draw, make accept, negotiate, assign, execute or issue cheques, promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments, in connection with the business of the company.

23. To receive money, for financing the business of the company on deposit or loan upon such terms and conditions as may be thought fit provided further that the company shall not do any banking business as defined under the Banking Regulation Act.

24. To grant aid, scholarships, subsidy etc. for advance studies in or outside India to deserving persons where the company is assured of good returns for the attainment of the objects of the company.

25. To enter into technical and financial collaboration in India or elsewhere for the purposes of the company.

(c) THE OTHER OBJECTS :

1. To transact or carry on all kinds of agency business and the business of hire-purchase in all its branches.

2. To purchase, charter, hire, build or otherwise acquire vehicles of any or every description for use on or under land or water or in the air and to employ the same in the carriage of merchandise of all kinds or passengers and to carry on the business of dealers of vehicles, trucks, lorries, and motor cars etc,

3. To take part in the management, supervision or control of the business or operation of any company or undertaking in any manner whatsoever, hold office and act as promoters, executors, trustees or other officers of any such company or undertaking and in connection therewith to appoint and remunerate any director, accountant or other experts or agents.

4. To carry on all or any of the business namely of property, managers hoteliers, brokers and merchants.

5. Generally to do all such other matters and things as may appear to be incidental or conducive to the attainment of the above objects or any of them or consequential upon the exercise of its powers or discharge of its duties. The objects set forth in a clause shall not be in any way be limited or restricted or abridged by reference to or inference from the terms of any other clause or by the name of the company. In the event of any ambiguity, the clauses shall be interpreted and constructed in such a way as to widen and not to restrict the powers of the company.

IV. The liability of the members is limited.

V. The share capital of the company is Rs. 15.00 (Rupees fifteen crores) divided into 15,00,000 fifteen lacs. Equity Shares of Rs.100/- each with rights and conditions attaching thereto, as may be provided by the Articles of Association of the company for the time being, with power to increase and reduce the capital of the company and to divide the equity shares in the capital for the time being into several classes and to attach thereto respectively such preferential, or special rights, privileges and conditions as may be determined by or in accordance with the Articles of the Company and to vary, modify amalgamate by or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association' of the Company, but subject always to the provisions of the Companies Act, 1956.

We, the several persons, whose names and address are subscribed, are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Name of Subscriber	Addresses and occupation of subscriber.	Number of shares taken	Signature of Subscribers.	Name, Address & Description of the witnesses to the Signatories.
Lt. Governor Delhi	Lt. Governor Raj Niwas Delhi	750 (Seven Hundred Fifty Only)	Sd/- T.T. Joseph slo Sh. Ouseph Joseph Secretary	SdI- B. Prasad slo Sh. M. Prasad Director, Vigilance. Delhi Admn, Delhi

Food & Supplies  
Delhi Admn. for  
and on behalf of  
Lt. Governor  
Delhi

R Narayana slo RGopal	Dy. Secy. Food & Supplies Delhi Admn. Delhi	I (One only)	Sd/- (R. Narayana)	Sd/- Ranbir Nanda Partner Mis R. Nanada & Company. Chartered Accountants 1212, New Delhi House 27, Barakhamba Road, New Delhi.
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Dated the 14th day of November, 1980.  
Place: Delhi

# **(THE COMPANIES ACT, 1956)**

## **Articles of Association**

### **OF**

#### **Delhi State Civil Supplies Corporation Ltd.**

#### **PRELIMINARY**

1. In these articles unless the context otherwise requires -
  - (a) "Company" means Delhi State Civil Supplies Corporation Limited.
  - (b) "Act" means the Companies Act, 1956 (Central Act I of 1956).
  - (c) "Office" means the Registered office for the time being of the Company.
  - (d) "Lt-Governor" means the Lt. Governor of the Union Territory of Delhi.
  - (e) "Register" means the register of members to be kept pursuant to section 150 of the Act.
  - (f) "Dividend" includes bonus.
  - (g) "Capital" means the capital for the time being raised or authorised within the limit of the Company and also includes the paid up capital of the Company.
  - (h) "Share" means the shares or stocks into which capital is divided and the interest corresponding with such shares or stocks.
  - (i) "Board" means Board of Directors.
  - (j) "Directors" means the Directors for the time of the Company.
  - (k) "Persons" includes any Company or Association or Body of Individuals whether incorporated or not.
  - (l) "Month" means a calendar month.
  - (m) "Executor" or "Administrator" means a person who has obtained probate or letters of administration as the case may be, from a competent court ;
  - (n) "Regulations of the Company" means the regulations for the time being in force for the management of the Company;
  - (o) "Seal" means the common seal for the time being of the Company ; (p) "State" means the Union Territory of Delhi.
  - (q) "Chairman" means the Chairman of the Board of Directors for the time- being of the Company; and
  - (r) "Year" means the financial year.

Unless the context therein requires, the words or expressions, contained in these articles shall bear the same meaning as the Act. or any statutory modification thereof in force at the date on which the regulations. become binding on the Company.

## **PRIVATE COMPANY**

2. The Company is a private company. within the meaning of Sec. 3(i)(iii) 'of the Companies Act. 1956, and accordingly

- (a) The right of transfer of shares shall be restricted as hereinafter provided.
- (b) The number of members of the Company shall not exceed 50(fifty) excluding.
  - (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, whilst 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 the Company jointly, they shall for the purpose of this provision, be treated as single member ; and

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

## **TABLE' A' NOT TO APPLY**

- 3. The regulations contained in Table 'A' in the first Schedule to the Act shall not apply to the Company except in so far as they have been specifically included by of under these articles.

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

- 4. The regulations for the management of the Company and for the observance of the members there of and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed or permitted by Act. be such as are contained in these Articles.

## **CAPITAL**

- 5. The share capital of the Company is Rest. 15 Crores. (Rupees fifteen crores) divided into 15.00.000 fifteen lacs equity shares of Rs. 100/-(Rupees one hundred) each.
- 6. No part of the funds of the Company shall be employed. in the purchase of or in loans upon the security Company's shares



## ALLOTMENT OF SHARE

7. Subject to the provisions of the Act these Articles and to the rights of the State, the shares shall be under the Control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as they think fit.

Subject to the provisions, if any, in that behalf of the Memorandum of Association of the Company and without prejudice to any special rights previously conferred on the holders of existing shares in the Company, any share in the Company, may be issued with such special rights or such restrictions whether in regard to dividend, voting rights of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference shares may with the sanction of special resolutions be issued on the terms that it is, or at the opinion of the Company is liable, to be redeemed.

## SHARES CERTIFICATES

8. Every person whose name is entered as a member in the register shall without payment of any fee or charge, be entitled to a certificate under the seal of the Company specifying the share or shares held by him and the amount paid thereon.

Provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a Share Certificate to one of several joint holders shall be sufficient delivery to all.

## PARTICULARS ON SHARE CERTIFICATES

9. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be signed by at least two Directors subject to Companies (Issue of Share Certificates) Rules, 1960.

ISSUE OF NEW SHARE CERTIFICATE IN PLACE OF ONE DEFACED, TORN OR OLD, DECREPIT WORNOUT, OR LOST OR DESTROYED,

10. If any Share Certificate is defaced, torn or old, decrepit, worn out, or there is no further space on the back thereof for endorsement of transfer, then, upon the surrender thereof to the Company, it may order the same to be cancelled and issue a new certificate in lieu thereof.

If any Share Certificate is lost or destroyed, it may be renewed after obtaining prior consent of the Board and on payment of a fee of 50 paise (fifty paise) and on such reasonable terms, if any as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

## **CALLS ON SHARES**

11. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments and each member shall pay to the Company at the time or times so specified the amount called on his shares.

Provided, however, that the Directors may, from time to time at their discretion extend the time fixed for the payment of any call.

## **WHEN INTEREST ON CALL PAYABLE**

12. 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 the 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 per cent 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.

## **FORFEITURE OF SHARES**

13. (1) If a member fails to pay a call or installment 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 installment 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 off on such terms and in such manner as the Board thinks fit.

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

### **EFFECT OF FORFEITURE**

14. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which on the date of forfeiture, were presently payable by him to the Company in respect of shares.
- (2) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares.

### **DECLARATION OF FORFEITURE**

15. (1) A duly verified declaration in writing that the declarant is a Director, the Manager, or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share or 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.
- The transferee shall thereupon be registered as the holder of the share.
- (3) The transferee shall not be bound to see- to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the shares.
- (4)

) **PROVISIONS REGARDING FORFEITURE TO APPLY IN  
THE CASE OF NON-PAYMENT OF SUMS PAY ABLE AT A  
FIXED TIME.**

16. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which, by 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.

## **PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST**

17. 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 calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6 percent per annum as the members paying such sum in advance and the Directors agree upon. The Directors may, at any time, repay the amount so advanced upon giving to such member three months notice in writing.

## **JOINT HOLDERS LIABILITY TO PAY**

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

## **COMPANY'S LIEN ON SHARE**

19. The Company shall have the first and paramount lien on every share not being a fully paid share) for all moneys (whether presently payable or not) called or 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 from 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 the share shall extend to all dividends payable thereon.

## **ENFORCEMENT OF LIEN BY SALE**

20. 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 a 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 persons entitled thereto by reason of his death or insolvency.

## **APPLICATION OF PROCEEDS OF SALES**

21. The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to

the shares at the date of the sale. The purchaser shall be registered 'as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## **TRANSFER AND TRANSMISSION OF SHARES**

22. The right of member to transfer their shares shall be restricted as follows:-

- (a) A share may be transferred by a member or other person entitled to transfer only to a person approved by the lieutenant Governor.
- (b) Subject to section III of the Act and subject as aforesaid, the Directors may, in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.

## **REFUSAL TO REGISTER TRANSFER**

23. If the Directors refuse to register the transfer of any shares they shall, within two months of the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.

## **COMPANY NOT BOUND TO RECOGNISE ANY INTERESTS IN SHARES OTHER THAN THAT OF THE REGISTERED HOLDERS**

24. 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 share, 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 to or interest in such on the part of any persons, whether or not it shall have express or implied notice thereof.

## **EXECUTION OF TRANSFER**

25. The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof

## **FORM OF TRANSFER**

26. Share in Company shall be transferred in form 7 (B) prescribed in the Companies (Central Government) General Rules and Forms, 1956 .

## **TRANSFER TO BE LEFT AT OFFICE AND EVIDENCE OF TITLE TO BE GIVEN**

27. Every instrument of transfer shall be at the Office for Registration, accompanied by the certificate of 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 any instrument of transfer which the Director may decline to register shall on demand, be returned to the persons depositing the same.

## **TRANSMISSION BY OPERATION OF LAW**

28. Nothing contained in Articles 23 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.

## **FEE ON TRANSFER**

29. A fee not exceeding two rupees may be charged for each transfer and shall if required by the Directors be paid before the registration thereof

## **WHEN REGISTER OF MEMBERS AND DEBENTURE HOLDERS MAY BE CLOSED**

30. The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in any year but not exceeding 30 days at anyone time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the District in which registered office of the Company is situated.

## **DIRECTOR'S RIGHT TO REFUSE REGISTRATION**

31. The Board of Directors shall have the same right to refuse to register the name of a person entirely, by transmission to any share or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

## **POWER TO INCREASE CAPITAL**

32. The Board of Directors may, with the sanction of the Company in general meeting increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

33. New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Company may in its general meeting direct and if no such direction be given, as the Directors shall determine.

Provided that no share(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)

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

### **NEW SHARES TO BE OFFERED TO MEMBERS**

35. The new shares shall be offered to the members, in proportion to exiting 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 an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner, as they think: most beneficial to the Company.

### **REDUCTION OF CAPITAL TAX**

36. Subject to the provision of section 100 to 104 of the Act, the Company, may from time to time by special resolution reduce its share capital by paying off capital or canceling 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 Director may, subject to the provisions of the Act, accept surrender of shares.

### **SUB-DIVISION AND CONSOLIDATION OF SHARES**

37. The Company in general meeting may from time to time, sub-divide or consolidate its share or any of them and exercise any of the other powers conferred by section 94 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.

## **POWER TO MODIFY**

38. If at any time, the capital, by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the right and privilege 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 person purporting to contract on behalf of that class provided that such agreement is (a) ratified in writing by the holders of shares of that class of at least three fourths of the nominal issue value of them or (b) confirmed by a resolution passed at a separate general meeting and supported by the votes of at least three fourths of the holders of shares of the class and all the provisions hereinafter contained as to general meeting shall mutatis mutandi' s apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one-fifth of the nominal amount of the issue shares of that class. This Articles shall not by implication curtail the power of modification which the Company would have if the Article were omitted.

## **POWER TO BORROW**

39. The Directors may from time to time subject to the provisions of sec. 292 of the Companies Act. borrow or secure the payment of any sums of money for the purposes of the Company by means of a resolution passed at a meeting of the Board.

## **CONDITIONS ON WHICH MONEY MAY BE BORROWED**

40. The Directors may secure the repayment of such money in such a manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or 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.
41. Debenture, debenture-stock bonds or other security may be made assignable free from any equities between the Company and the person to whom the same may be issued.
42. Subject to the provisions of Section 78, 79 & 117 of the Act, any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending general meetings of Company, appointment of Directors and otherwise.
43. Whenever any uncalled capital of the Company is charged, all persons taking subsequent charge thereon shall take the same subject to such prior charge and



shall not be entitled by notice to the share-holders or otherwise to obtain priority over such prior charge.

44. If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Director may execute or security over or affecting the whole or any part of the assets of the company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

## **GENERAL MEETINGS**

45. The first Annual General Meeting of the Company shall be held within eighteen months of its incorporation. The Company shall in each calendar year hold in addition to any other meetings an Annual General Meeting. Not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. The first Annual General Meeting and the subsequent Annual General Meetings of the Company shall be held in accordance with the provisions of section 166 of the Act. All meetings of the Company other than the Annual General Meetings shall be called Extraordinary Meetings.

46. Subject to the provisions of Section 169 of the Act, the Directors may, whenever they think fit and they shall, on the requisition of the holders of not less than one tenth of the paid-up capital of the Company as on that date carried a right of voting in regard to that matter and on which all calls or other sums then due have been paid forthwith proceed to convene an extraordinary general meeting of the Company and in the case of such requisition the following provisions shall have effect :-

- (a) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists.
- (b) If the Directors of the Company do not proceed within twenty-one days from the date of the deposit of the valid requisition to cause a meeting to be called for the consideration of these matters on a day not later than forty five days from the date of the deposit of the requisition, the requisitionists themselves or by such of the requisitionists as present by majority in value of the paid up share capital held by all of them or not less than one tenth of paid up capital may themselves convene the meeting, but any meeting so convened shall be held within three months from the date of the deposit of the requisition.
- (c) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible, as that in which meetings are to be convened by the Directors, If, after a requisition has

been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene the Extraordinary General meeting in the same manner as nearly as possible, as that in which meetings may be convened by the Directors.

### **NOTICE OF MEETING**

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

Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by sub-section (2) of section 189 of the Act. notice of such meeting specifying the intention to propose the resolution as a special resolution shall be served.

### **OMISSION TO GIVE NOTICE**

48. The accidental omission to give notice to, or the non-receipt of notice by, any member or other person to whom it should be given shall invalidate the proceedings at the meetings.

### **BUSINESS OF ANNUAL GENERAL MEETING**

49. 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 Director and of the auditors, to declare dividends, to appoint and fix the remuneration of auditors, to appoint Directors in the place of those retiring and to transact any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at an extra ordinary meeting shall be deemed special.

### **QUORUM**

50. Two members present in person shall be quorum for a general meeting.

### **RIGHT OF LIEUTENANT GOVERNOR TO APPOINT ANY PERSONS THEIR REPRESENTATIVE**

51. (1) The Lieutenant Governor so long as he is share holder the Company, may from time to time, appoint one or more persons (who need not be a member

or members of the Company) to represent him at all or any meetings of the company.

- (2) Anyone of the persons appointed under sub-clause (1) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present and shall be entitled to represent the Lieutenant Governor at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
- (3) The Lieutenant Governor may, from time to time cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.
- (4) The production at the meeting of an order of the Lieutenant Governor 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.
- (5) Any person appointed by the Lieutenant Governor under this Article may, if so authorised, by such order, appoint a proxy, whether specially or generally.

#### **CHAIRMAN OF GENERAL MEETING**

- 52. The Chairman of the 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 Directors present decline to take the Chair, then, the members present shall choose one of their members to be Chairman.

#### **IF QUORUM NOT PRESENT WHEN MEETING TO BE DISSOLVED AND WHEN TO BE ADJOURNED**

- 53. If within fifteen minutes from the time appointed for meeting a quorum is not present, the meeting convened upon such requisition as aforesaid, 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.

#### **HOW QUESTION TO BE DECIDED AT MEETING**

- 54. Every question submitted to a meeting shall be decided by a show of hands and in the case of an equality of votes the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.
-

## **WHAT IS EVIDENCE OF PASSING OF A RESOLUTION WHERE POLL NOT DEMANDED**

55. At any general meeting a resolution put to 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 duly authorised representative and unless a poll is so demanded a declaration by the Chairman, that a resolution has or has not on show of hands been carried unanimously or by a particular majority 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 vote recorded in favour of or against that resolution.

## **POLL**

56. 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 of adjournment or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn at any time before the poll is taken.

## **POWER TO ADJOURN GENERAL MEETING**

57. 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.

## **IN WHAT CASES POLL TAKEN WITHOUT ADJOURNMENT**

58. 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.

## **BUSINESS MAY PROCEED *NOT* WITHSTANDING DEMAND OF POLL**

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

## **CHAIRMAN'S DECISION CONCLUSIVE**

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

## **VOTES OF MEMBERS**

61. 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 duly authorised representative shall have voting rights in proportion to his share of the paid up equity capital of the Company.

## **VOTING BY PROXY ON SHOW OF HANDS**

62. A proxy shall not be entitled to vote on a show of hands.

## **VOTES IN RESPECT OF SHARES OF DECEASED AND BANKRUPT MEMBERS**

63. Any person entitled under the transmission clause to any share may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such share provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to such share unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof

## **JOINT HOLDERS**

64. Where there are joint registered holders of any share anyone of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one such joint holders be present the joint holder whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this clause be deemed joint holders thereof.

## **VOTES IN RESPECT OF SHARES OF MEMBERS OF UNSOUND MINDS**

65. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote either on a show of hands or on

poll by his committee or order legal guardian and any such committee or guardian may, on a poll, vote by proxy.

### **PROXIES PERMITTED**

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

### **INSTRUMENT APPOINTING PROXY TO BE IN WRITING**

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

### **INSTRUMENT APPOINTING PROXY TO BE DEPOSITED AT OFFICE**

68. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed, or a notarially certified copy of that power or 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 proposes to vote.

### **WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED .**

69. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation, or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used .

## FORM OF PROXY

70. An instrument appointing a proxy may be in the following form or in any other form which the Director shall approve :-

### THE DELHI STATE CIVIL SUPPLIES CORPORATION LTD.

I/We ..... of  
in the district of ..... being a member/members of the  
Delhi State Civil Supplies Corp. Ltd. appoint ..... of .....  
in the district of ..... or failing him ..... of  
..... in the district of ..... as my/our  
proxy to attend and vote for me/us and on my/our behalf at the Annual General  
Meeting 'of the Company to be held on the ..... day of .....  
and at any adjournment thereof.

As witness my/our hand/hands this ..... : .....

day of ..... .

Signed by the said ..... : .....

in the presence of .....

Note :-

Proxy, in order to be effective, must be received by the Company not less than 48 hours  
before the time fixed for the meeting.

### NO MEMBER ENTITLED TO VOTE ETC. WHILE CALL DUE TO COMPANY

71. No member shall be entitled to be present or to vote on any question either personally or by proxy 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 members.

### TIME FOR OBJECTION TO VOTE

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

### NUMBER OF DIRECTORS

73. The Lieutenant Governor shall from time to time determine the number of Directors of the Company which shall not be less than 2 and shall not exceed 9. The Directors are not required to hold any qualification. shares.

## **APPOINTMENT OF DIRECTORS**

74. (a) The Directors including the Chairman and the Managing Director and Executive Director shall be appointed by the Lt. Governor and shall be paid such salary and or allowance as the Lt. Governor may from time to time determine. Subject to the provisions of Section .314 of the Act, such reasonable additional remuneration as may be fixed by the Lt. Governor may be paid to anyone or more of the Directors for extra or special services rendered by him or them or - otherwise.
- (b) The Lieutenant Governor may determine the period for which the Chairman the Managing Directors and the Executive Director are to hold their respective offices.
- (c) The Lieutenant Governor shall have the power to remove any Director including the Chairman, Deputy Chairman, if any, Managing Director and Executive Director, from office at any time in his absolute discretion.
- (d) The Lieutenant Governor shall have the right to fill any vacancy in the office of the Directors caused by removal, resignation, death or otherwise.

## **GENERAL POWER OF COMPANY VESTED IN BOARD OF DIRECTORS**

75. The business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in getting the Company registered 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 the Company in General meeting, subject nevertheless to the provisions of these Articles to the provisions of the Act and to such regulations not being inconsistent with the provisions as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board of Directors which would have been valid if that regulation had not been made.

## **SPECIFIC POWER TO BOARD OF DIRECTORS**

76. Without prejudice to the general powers conferred by Articles 75 and the other powers conferred by these Article but subject to the provisions of Section 292 of the Act, the Board of Directors shall have the following powers, namely :-
- (1) to purchase, take on lease or otherwise acquire for the Company, property, right or privilege which the Company is authorised to acquire at such price, and generally on such terms and conditions as they think fit ;



- (2) to authorise the undertaking of works of a capital nature, subject to the condition that all cases involving a capital expenditure exceeding rupees ten lakhs shall be referred to the Lt. Governor of Delhi for his approval before authorisation;
- (3) to pay for any property, rights, privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged :
- (4). to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital alignment for the time being or in such other manner as they may think fit ;
- (5) to appoint at their discretion; remove or suspend such managers, secretaries, officers, clerks agents and servants for permanent, temporary or special services, as they may from time to time, think fit and to determine their powers and duties and fix their salaries or emoluments and to require security of such amount as they think fit in such instances:  
Provided that no appointment the maximum basic pay of which is Rs. 16,500/- or more per mensem shall be made without the prior approval of the Lieutenant Governor;
- (6) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for Company any property belonging to the Company or in which it is \ interested or for any other purposes and to execute and do such deeds and . things as may be requisite in relation to any such trust and to provide for the remuneration of such trusts or trustees;
- (7) to institute, conduct, defend compound 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.
- (8) to refer any claims or demands by or against the Company to arbitration, and observe and perform the awards:
- (9) to make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company;

- (10) to determine the person who shall be entitled to sign on the Company's behalf bills, notes receipts, acceptances, endorsements, cheques, releases, contracts and documents;
- (11) to appoint any person to be attorney or agent of the Company with such powers (including power to sub-delegate) and upon such terms as may deem fit;
- (12) to invest in the Reserve Bank of India or in such securities as may be approved by the Lt. Governor and deal with and of the moneys of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or release such investments;
- (13) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the company such mortgages of the Company's property (present and future) as they think fit any such mortgage may contain a power of sale and such other powers, covenants and provision as shall be agreed upon;
- (14) to give any person employed by the Company a commission on the profits of any particular business transaction or a share in the general profits and such commission on share of profits shall be treated as part of the working expenses of the Company.
- (15) from time to time to make, vary and repeal bye laws for the regulation of the business of the Company, its officers and servants;
- (16) to give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or dependents that may appear to the Directors just or proper, whether such employees, his widow, children or dependents have or have not a legal claim upon the Company;
- (17) Before declaring any dividend, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Board of Directors may deem fit;
- (18) to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company; and
- (19) Subject to Section 292 of the Act to delegate all or any of the powers, authority and discretion for the time being vested in them subject, however, to the ultimate control and authority being retained by them.

76. The Chairman may perform any function and exercise any authority vested in the Board at an emergency. Any action so taken by the Chairman will be got ratified in the next meeting of the Board.

### APPOINTMENT OF MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

77. (1) The It. Governor of Delhi may appoint a Director of the Board to be the Managing Director and Executive Director or a Board of Management consisting of two or more Directors for the conduct or management of the business of the Company subject to the control and supervision of the Board of Directors. The Managing Director or the Executive Director or the Board of Management, as the case may be, may be authorised by the Board to exercise such of the powers or authority and discretion in relation to the affairs of the Company as are specifically delegated to him/it by the Board and are not required to be done by the Board of Directors or the Company at the general meeting under the Act.
- (2) The Managing Director and the Executive Director, as the case may be shall be paid such salary and allowances as may be fixed by the Lt. Governor of Delhi from time to time.

### DIRECTORS TO CAUSE MINUTES TO BE MADE IN THE BOOKS

78. The Directors shall cause minutes to be made in Books provided for the purpose.
- (a) of all appointments of officers made by the Directors;
  - (b) of the name of the Directors present at each meeting of the Directors and of any committee of the Directors;
  - ( c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of the Committees of Directors; and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for the purpose.

### SEAL

79. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Directors or such other person as the Board may appoint for the purpose ; and the said Directors or the person aforesaid shall sign every instrument to which the seal is so affixed in his presence .

## VACANCY IN THE OFFICE OF DIRECTORS

80. The office of a Director shall become vacant if:-

- (a) he is found to be of unsound mind by a competent court;
- (b) he applies to be adjudicated an insolvent;
- (c) he is adjudged an insolvent;
- (d) he is convicted by a court of any offence involving 'moral turpitude' and sentenced in respect thereof to imprisonment to not less than six months;
- (e) he fails to pay any call in respect of shares of the Company held by him (whether alone or jointly with others) within six months from the last date fixed for the payment of the call;
- (f) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (g) he fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement to be entered into by or on behalf of the Company as required under Section 299 of the Act;
- (h) he becomes disqualified by an order of Court under section 203 of Act; (i) he is removed in pursuance of Section 284 of the Act;
- (j) he is concerned or participates in the profit of any contract with Company. Provided, however, that no Director shall vacate his office by reason of his becoming a member of any Company which has entered into contract with or done any work for the Company of which he is a Director, but a Director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted-

NOTE- The disqualifications referred to in sub-clauses (c), (d) and (h) above shall not take effect.

- (a) for thirty days from the date of adjudication sentence or order; or
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- (c) When within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence conviction or orders and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

## ALTERNATE DIRECTOR

81. The Board of Directors of the Company may by resolution passed by the Company in general meetings appoint an alternate Director to act for Director

(herein-after in this Article called "The Original Director") during his absence for a period of not less than three months from this State. "Such Director shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed. Such appointment shall have effect and such appointee while he holds office as an alternate Director shall be entitled to notice of the meetings of the Directors and to attend and to vote thereat accordingly but he shall not require any qualification and he shall ipso-facto vacate office when the Original Director returns to this State. Any provision for the automatic re-appointment of the retiring Director in default of another appointment shall apply to the original and not to the alternate Director.

### **MEETING OF DIRECTORS AND QUORUM**

82. The Directors may meet together for the transaction of business once at least in every three calendar months and at least four such meetings shall be held in every year. They may adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of the business. Until otherwise determined one third of the total strength of Directors (any fraction contained in that one third being rounded off as one) or minimum two disinterested Directors whichever is higher, shall be the quorum.

### **PLACE OF MEETING**

83. The meeting of the Board may be held at the registered office or anywhere else within the Union Territory of Delhi, if it is in the interest of the Company.

### **DIRECTORS MAY SUMMON MEETING, HOW QUESTIONS TO BE DECIDED**

84. A Director may at any time convene a meeting of the Directors and questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have a second or casting vote.

### **POWER OF QUORUM**

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

### **CHAIRMAN OF DIRECTOR'S MEETING**

86. The Lt. Governor of Delhi may nominate a Director as Chairman of the Directors meeting and determine the period for which he is to hold such office. If no such

Chairman is nominated or if at any meeting the Chairman is not present within five minutes after the time fixed for holding the same, the Directors present may choose one of their members to be the Chairman of the meeting.

### **DECISIONS OF BOARD REQUIRING APPROVAL OF THE LT. GOVERNOR**

87. Decisions of Board requiring approval of the Lt. Governor-(i) subject to the provisions of the Act the Chairman shall reserve for the approval of the Lieutenant Governor of Delhi any proposals or decisions of the Board in respect of the following matters, namely:-
- (a) Increasing or reducing the issued share capital of the Company;
  - (b) winding up of the company;
  - (c) issue of debentures or bonds, and
  - (d) any other matter which in the opinion of the Chairman be of such importance as to be reserved for the approval of the Lt. Governor.
- (ii) No action shall be taken by the Company in respect of any proposal or decision of the Board reserved for the approval of the Lt. Governor as aforesaid until his approval of the same has been obtained.

### **DELEGATION OF POWERS TO COMMITTEE**

88. The Board of Directors may, subject to the restrictions laid down in Section 292 of the Act, 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 Directors.

### **CHAIRMAN OF MEETINGS OF COMMITTEES**

89. A Committee may elect a Chairman for its meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their members to be the Chairman of the meeting.

### **WHEN ACTIONS OF DIRECTORS OR COMMITTEES VALID NOT -WITHSTANDING DEFECTIVE APPOINTMENT**

90. All acts done by any meeting of the Directors or of a Committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or person 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 validate acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

### **RESOLUTION WITHOUT BOARD MEETING VALID**

91. Save as otherwise expressly provided in the Act, a resolution in writing signed by all the Directors, or by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as if it had been passed at meeting of her Directors duly called and constituted.

### **RESERVE FUND**

92. The Board of Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper as reserve fund to meet contingencies or for equalising dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the Company, and for amortisation of capital and for such other purposes as the Board of Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit from time to time, deal with and vary such investments (other than shares of the Company) as they may think fit from time to time, deal with and vary 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 or any part thereof in the business of the Company and without being bound to keep the same separate from the other assets.

### **DIVIDENDS**

- 93 \_ The profits of the Company available for payment of dividends subject to any special rights relating thereto, created or authorised to be created by these presents subject to the provisions of these presents as to the reserve fund and amortisation of capital shall be divisible among the members on proportion to the amount of capital held by them respectively :

Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividends as from the date of payment.

## **CAPITAL PAID UP IN ADVANCE**

94. Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest confer a right to participate in profits.

## **DECLARATION OF DIVIDENDS**

95. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment, but no dividends shall exceed the amount recommended by the Board of Directors.

## **DIVIDENDS OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST**

96. 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.

## **. WHEN TO BE DEEMED NET PROFITS**

97. The declaration of the Board of Directors as to the amount of the net profits of the Company shall be conclusive.

## **DEBTS MAY BE DEDUCTED**

98. The Board of Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

## **DIVIDEND AND CALL TOGETHER**

99. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes. But the call on each member shall not exceed the dividends payable to him and the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members, be set off against the call. The making of a call under this clause shall be deemed to be an ordinary business of an ordinary general meeting which declares a dividend.
100. Any general meeting declaring a dividend may resolve or direct that such dividend wholly or in part be paid in cash in accordance with Section 205(3) of the Act.



## **EFFECT OF TRANSFER**

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

## **RETENTION IN CERTAIN CASES**

102. The Directors may retain the dividends payable upon the shares in respect of which any person is, under Article 23, entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

## **DIVIDEND TO JOINT HOLDERS**

103. Anyone of the several persons, who are registered as the joint holders of any share may give effectual receipt for all dividends and payment on account of dividends in receipts of such shares.

## **PAYMENT BY POST**

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

## **NOTICE OF DIVIDEND**

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

## **ACCOUNTS TO BE KEPT**

106. 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; and
  - (c) the assets and liabilities of the Company.

## **INSPECTION OF ACCOUNT BOOKS**

107. The books of account shall be kept at the registered office of the Company or at such other place as the Board of Directors shall think fit and shall be opened to inspection by the Directors during business hours.

## **INSPECTION BY MEMBERS**

108. The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulation the accounts and books of the Company or any of them shall be opened 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 authorised by the Directors or by the Company in general meeting.

## **ANNUAL ACCOUNTS AND BALANCE SHEET**

109. The Board shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least every year lay before the Company in general meeting a balance sheet and profit and loss account, in the case of the first account since the incorporation of the Company and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months.

## **ANNUAL REPORTS OF DIRECTORS**

110. The Board shall cause an annual report to be made, out and attached to every balance sheet and 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 or Reserve Account shown specifically in the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board on behalf of the Directors if authorised in this behalf by the Directors and when he is not so authorised 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 Act.

## **CONTENTS OF PROFIT AND LOSS ACCOUNT**

111. Forms of balance sheet and profit and loss account should be in accordance with the provision 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 account 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 year's 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 any item of expenditure which may in fairness be distributed over several years has been incurred, in anyone year, the whole amount

of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

### **BALANCE SHEET AND PROFIT AND LOSS ACCOUNT TO BE SENT TO MEMBERS**

112. The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report and any other document required bylaw to be annexed or attached to Balance sheet as the case may be, which is to be laid before the company in the general meeting 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.

### **DIRECTORS TO COMPLY WITH SECTION 209 TO 222 OF THE ACT**

113. The Director shall in all respects comply with the 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.

### **ACCOUNTS TO BE AUDITED ANNUALLY**

114. Once at least in every 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.

### **APPOINTMENT OF AUDITORS**

115. The auditors of the Company shall be appointed or re-appointed by the Central government on the advice of the Comptroller and Auditor-General of India and their rights and duties shall be regulated by Section 224 to 233 of the Act.

### **AUDITORS RIGHT TO ATTEND MEETINGS**

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

117. The Comptroller and Auditor-General of India shall have power--  
**POWERS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA**

- (a) to direct the manner in which the Company's accounts shall be audited by the auditors appointed in pursuance of Article 115 thereof and to give such auditors instructions in regard to any matter relating to the performance of their functions as such; and
- (b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in his behalf, and for the purposes of such audit, to have access at all reasonable times, to all accounts, account books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised, on such matter by such person or persons and in such form as the Comptroller and Auditor-General of India may by general or special order, direct.

**COMMENTS UPON OR SUPPLEMENT TO AUDIT REPORT BY THE  
COMPTROLLER AND AUDITOR-GENERAL OF INDIA TO  
BE PLACED BEFORE ORDINARY MEETINGS**

118. The auditors aforesaid shall submit a copy of their audit report to the Comptroller and Auditor-General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments 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.

**ACCOUNTS TO BE DEEMED FINALLY SETTLED**

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

**RIGHT OF GOVERNMENT**

120. Notwithstanding anything contained in any of these articles, the Lieutenant Governor may, from time to time, issue such directives as he may consider necessary in regard to the conduct of the business of the Company or Directors thereof and in like manner may vary and annul any such directive. The Directors shall give immediate effect to directives so issued.

## HOW NOTICE TO BE SERVED ON MEMBERS

121. 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.

## NOTIFICATION OF ADDRESS BY A HOLDER OF REGISTERED SHARES HAVING NO REGISTERED PLACE OF ADDRESS

122. A holder of registered shares, who has no registered place of address may from time to time, notify in writing to the Company an address, which shall be deemed his registered place of address within the meaning of Article 124.

## WHEN NOTICE MAYBE GIVEN BY ADVERTISEMENT

123. If a member has no registered address and has not supplied to the Company any address for the giving of notice to him, a notice addressed to him and advertised in newspapers circulating in the neighbourhood of the registered office of the Company, shall be deemed to be duly given to him on the date on which the advertisement appears.

## NOTICE OF JOINT HOLDERS

124. A notice may be given by the Company to the Joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.

## HOW NOTICE TO BE GIVEN TO REPRESENTATIVE OF A DECEASED OR BANKRUPT MEMBER.

125. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

## TO WHOM NOTICE OF GENERAL MEETING TO BE GIVEN

126. Notice of every general meeting shall be given in the same manner hereinbefore authorised to (a) every member of the Company except those members who having no registered address, 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 has due notice.

### **TRANSFEREES ETC. BOUND BY PRIOR NOTICE**

127. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name, 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.

### **HOW NOTICE TO BE SIGNED**

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

### **HOW TIME TO BE COUNTED**

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

### **DISTRIBUTION OF ASSETS ON WINDING UP**

130. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding-up on the shares, held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up the excess shall be distributed among the members in proportion to the capital paid-up or which ought to have been paid up at the commencement of the winding-up on the shares, held by them respectively. But this clause shall be without prejudice to the right of the holders or shares issued upon special terms and conditions.

### **SECRECY CLAUSE**

131. No member shall be entitled to require discovery or any information respecting any details of the Company's trading or any matter which may be in the nature of a trade secret mystery of trade, or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it will be inexpedient in the interests of the members of the company to communicate to the public.

## **INDEMNITY**

132. Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other officer or servants, of the Company' shall be indemnified by the Company against, and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses. which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any 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 as between the member over all other claims.

## **INDIVIDUAL RESPONSIBILITY OF DIRECTORS**

133. No Director or other officer of the Company shall be liable for the acts, receipts neglects or defaults of any other Director or Officer of the Company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to 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 or any person with whom any moneys securities or effect shall be deposited or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.

Name of Subscriber	Addresses and occupation of subscriber.	Number of shares taken	Signature of Subscribers.	Name, Address & Description of the witnesses to the Signatories.
Lt. (Jovennor Delhi	Lt. (Jovennor Raj Niwas Delhi	750 (Seven Hundred Fifty Only)	SdI- T.T. Joseph s/o Sh. Ouseph Joseph Secretary	Sd/- B. Prasad s/o Sh. M. Prasad Director, Vigilance. Delhi Admn. Delhi

Food & Supplies  
Delhi Admn. for  
and on behalf of  
Lt. Governor  
Delhi

R. Narayana s/o RGopal	Dy. Secy. Food & Supplies Delhi Admn. Delhi	I (One only)	Sd/- (R. Narayana)	SdI- Ranbir Nanda Partner Mis R. Nanda & Company. Chartered Accountants 1212, New Delhi House 27, Barakhamba Road, New Delhi.
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Dated the 14th day of November, 1980.  
Place: Delhi





