

**THE COMPANIES ACT, 1956**  
**AND THE COMPANIES ACT, 2013 AS APPLICABLE**  
**(COMPANY LIMITED BY SHARES**  
**NOT FOR PROFIT UNDER SECTION 25)**

**ARTICLES OF ASSOCIATION**  
**OF**  
**M.P. AUDYOGIK KENDRA VIKAS NIGAM (BHOPAL)**

**PRELIMINARY**

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

The marginal notes hereto are inserted for convenience and shall not affect the construction hereof in these Articles, unless there be something in the subject or context inconsistent herewith.

- a. **“The Act”** means the Companies Act, 1956, Companies Act, 2013 and includes where the context so admits any re-enactment of a statutory modification thereof for the time being in force.
- b. **“The Company”** or **“This Company”** means M.P. Audyogik Kendra Vikas Nigam (Bhopal) Limited.

- c. **“Seal”** means the Common Seal of the Company.
  - d. **“Governor”** means Governor of Madhya Pradesh.
  - e. **“MPAKVN”** means Madhya Pradesh Audyogik Kendra Vikas Nigam, Bhopal (A Govt. of M.P. Undertaking)
  - f. **“MPTRIFC”** means Madhya Pradesh Trade & Investment Facilitation Corporation Limited.
  - g. **“Rules and Regulations”** means and include Rules and Regulation of the Company from time to time.
  - h. **“Year”** means calendar year and **“Financial Year”** means the period in respect of which the income and expenditure account of the Company laid before the Annual General Meeting is made up whether the period is of full twelve months or not.
  - i. **“Member”** means a member of the Company for the time being.
  - j. **“Chairman”** means the chairman of the Company for the time being.
  - k. **“Office”** means registered office of the Company for the time being.
  - l. **“General Meeting”** means General Body Meeting of the Company.
  - m. Words imparting the masculine gender shall include feminine gender also and Words imparting singular number shall include the plural number and vice versa.
2. 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.

### **PRIVATE COMPANY**

3. The Company is a Private Company within the meaning of Section 2(68) of the Companies Act, 2013 and accordingly:-
- (a) (i) restricts the right to transfer its shares;

- (ii) Except in case of one Person Company, limits the number of its members to two hundred:
- (b) Provide that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member:
- (c) Provided further that-
  - (i) persons who are in the employment of the company; and
  - (ii) persons who, having been formerly in the employment of the company, were members of the company while in the employment and have continued to be members after the employment ceased, shall not be included in the number of members; and
- (d) Prohibits any invitation to the public to subscribe for any securities of the company.

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

## **SHARES AND CAPITAL**

- 3. The Authorised Share Capital of the Company is Rs. 7,00,00,000/- (Rupees Seven Crore only) divided into 7,00,000 (Seven Lakh) equity shares of Rs. 100/- each, with powers to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, qualified or special right, privileges and conditions as may be determined in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges and conditions as may be for the time being provided by the Articles of Association of the Company.

## **TRANSFER AND TRANSMISSION OF SHARES**

- 4. The Board of Directors of the Company shall have the right not to register any transfer of shares on which the Company has a lien. The Board may decline to register the transfer of a share not being fully paid-up to a person of whom they do not approve.

5. So far as it concerns any share held by any person as a nominee of the MPTRIFC or to any other than MPTRIFC requiring him to transfer any such share to the MPTRIFC or to any other person or persons nominated by MPTRIFC or upon any such person becoming of unsound mind or becoming or being adjudicated an insolvent or dying, or on such person, being a Company being wound up voluntarily or by the court or subject to the supervision of court, the following provisions shall take effect namely;
  - a. The MPTRIFC at any time serve the Company with a requisition to enforce the transfer of any such share.
  - b. The Company shall thereupon forthwith give to the holder of such share, or where the holder has become or has been adjudicated an insolvent, to the assignee of his estate and effects or where the holder is dead, to his heirs or legal representative or where the holder, being a Company, has been wound up as aforesaid, to its Liquidator, notice in writing of the requisition within 14 days afterwards, the holder, or as the case may be, the committee or guardian or assignee or heirs or legal representative of such holder, shall execute in favour of the MPTRIFC or any person nominated by the MPTRIFC, a proper transfer form in respect of such share and hand over the same along with the relative certificate in respect of such share to the MPTRIFC or such other person or persons as may be nominated by him in that behalf may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder or of his estate and the same shall be deemed to have been duly and properly executed for and on behalf of such holder or of his estate and thereupon the holder of this estate shall cease to have any interest whatsoever in such share and the certificate of such share, if not handed over as aforesaid, shall thereupon stand cancelled and become void and of no effect, and the Company shall be entitled thereafter to issue a new certificate in lieu thereof in favour of the MPTRIFC or of such person or persons as he may nominate.

#### **GENERAL POWERS OF MPTRIFC TO ISSUE DIRECTIONS TO THE BOARD**

7. Notwithstanding anything contained in any of these articles, the MPTRIFC may from time to time, issue such directions or instructions as it may consider necessary in regard to the affairs and conduct of the business of the Company or Directors thereof and in like manner may vary and annul any such direction or instruction. The Directors shall duly comply with and give immediate effect to directions or instructions so issued.

## **MEMBERSHIP ENTRANCE FEE & SUBSCRIPTIONS**

### **8. (a) ENTRANCE FEE :**

A Onetime entrance fee will be payable by an individual and corporate members. Honorary members will be exempted from payment of entrance fees. Once paid, the entrance fee shall not be refundable. The entrance fee will be fixed from time to time by the general body.

### **(b) ANNUAL SUBSCRIPTION :**

Annual subscription will be payable by an individuals and corporate members each year. Honorary members will be exempted from payment of annual subscription. Once paid the annual subscription shall not be refundable. The annual subscription will be fixed from time to time by general body.

Annual subscription will become payable on 1<sup>st</sup> day of April, each year. Thirty (30) days grace period will be permitted for payment. Subscriptions may be payable within 60 days thereafter with a late payment fee of Rs. 100/-, Non-payment of subscription on expiry of 60 days from the due date may lead to termination of membership.

## **DIRECTORS**

### **9. The first Directors are as under:**

- (i)** Shri Vinod Kumar Pandit.
- (ii)** Shri Ram Prakash Sharma.
- (iii)** Smt. Sushma Nath

### **10. NO. OF DIRECTORS, APPOINTMENT AND REMOVAL OF DIRECTOR**

Any number of Directors shall not be less than two and not more than twelve. But the number can be increased or decreased by the MPTRIFC subject to the provisions of the Act. All the directors except the Chairman and the Managing Director shall be nominated by the MPTRIFC subject to approval by the Governor. The Chairman and the Managing Director shall be appointed by the Governor, provided that till the first Chairman is appointed, the Managing Director shall be the Chairman of the Company.

The Directors shall not be required to retire by rotation. The Governor shall have the power to remove any Director at any time in their absolute

discretion. With regard to the Directors nominated by the MPTRIFC the latter may at any time remove or dismiss any such Director from office and appoint another in his place subject to approval by the Governor.

**11. ALTERNATE DIRECTORS**

(a) The Board of Directors shall have power to appoint an alternate Director to act for the original Director nominated by the MPTRIFC during the absence of the latter from India for a period of not less than 3 months.

(b) The Directors appointed shall be paid such salary and allowances, as may be determined by the Governor or the MPTRIFC in the case of Directors nominated by the MPTRIFC.

(c) The Directors shall not be required to hold any qualification shares.

**12. APPOINTMENT OF NOMINEE DIRECTOR**

Notwithstanding anything to the contrary contained in these articles, so long as any money remains to be paid by the Company to any of the institutions, or so long as such Institution holds share in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Financial Institution on behalf of the Company remains outstanding, the Financial Institution shall have a right to appoint, from time to time, any person or persons, as a Director or Directors, whole time or non-whole-time on the Board of the Company, and to remove from office such person or persons so appointed and to appoint any person/s in his or their place/s. Such Nominee Director shall not be required to hold any qualification share and the Company shall have no power to remove such Nominee Director from office. Such Nominee director shall not be liable to retire by rotation. Subject as aforesaid, the Nominee Director/s of the Company shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

**13. APPOINTMENT OF MANAGING DIRECTOR/BOARD OF MANAGEMENT**

(a) The Governor shall appoint one or more Directors to be the Managing Director of the Company or shall appoint a Board of Management consisting of two or more Directors for conduct or management of the Company subject to the control, direction and supervision of the Board of Director. The Managing Director/Board of Management so appointed may be authorized by the Board of Directors to exercise

such powers and direction in relation to the affairs of the Company as are especially delegated to him/them by the Board of Directors and are not required to be done by the Board of Directors of the Company or at the general meeting under the Act.

- (b) The Managing Director shall be a whole time employee of the Company and shall be paid such salary and allowances as may be approved by the Governor.

## **GENERAL MEETINGS**

### **14. ANNUAL GENERAL MEETINGS**

- (a) The Financial Year of the Company shall be from April 1<sup>st</sup> to March 31<sup>st</sup>, and the accounts of the Company shall be balanced up to 31<sup>st</sup> of March, each year.
- (b) The Annual General Meeting of the Company shall be held within six month after the expiry of each financial year, provided not more than fifteen month shall elapse between the date of one annual general meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the rights conferred upon the Registrar of Companies under the provisions of the Act to extend the time within which any annual general meeting should be held. Every annual general meeting shall be called at the registered office of the Company or at such place in India as to Board of Directors may decide, for the purpose of transaction of the following business:
  - (i) To consider the Annual Report of the Company and the audited statement of account and the auditor's report (if not already incorporated in the audited statement of account) for the year ending March 31, previous thereto.
  - (ii) To appoint an auditor or auditor for the ensuing year and to fix his or their remuneration.
  - (iii) To consider and decide on any resolution which may be duly submitted to the meeting as hereinafter provided.
- (c) No resolution other than the resolution relating to the adoption of the Annual report and account, the election of the Chairman and Vice-Chairman and the appointment of the auditor or auditors shall be moved at the Annual general meeting unless a notice in writing signed by the members who propose and second it and setting out the

resolution has been sent to the secretary on or before the day specified for the purpose by the secretary, in consultation with the Committee.

**15. EXTRAORDINARY GENERAL MEETING**

- (a) An Extraordinary General Meeting may be called by the Board of Directors at any time as they think fit.
- (b) An Extraordinary General Meeting shall be called by the Board of Directors upon a requisition by such number of members of the Company for the time being as on the date of deposit of the requisition not less than one tenth of the total voting power of all the members having on said date a right to vote in regard to the matter.

**17. PROCEDURE FOR GENERAL MEETING**

- (a) Notice of every Annual or Extraordinary General Meeting specifying the place, day and time of the meeting, and a statement of business to be transacted at the meeting, shall be given to all the members not less than Twenty one clear days before the day fixed for holding such meeting, in a manner hereinafter mentioned. But the accidental omission to give notice to or the non-receipt of notice by, any member shall not invalidate the proceedings at any meeting. If all member that are firms or companies give their previous consents by letters or telegrams, the annual or any other general meeting may be held on such shorter notice as may be agreed to.
- (b) At all annual or extraordinary general meeting, the Chairman of the Company shall preside. Failing the members present shall elect a Chairman for the meeting.
- (c) At all general meeting the quorum shall be two members present in person.
- (d) If within half an hour from the time appointed for the General Meeting, if quorum is not present, the meeting, if convened upon the requisition of members shall be dissolved. In any other case, it shall stand adjourned to the same day, time and place in the next week. At such adjourned meeting the members present, shall dispose of the work which was to have taken place in the original meeting, and the members present thereupon shall form a quorum, being not less than Two.



- (e) At every general meeting, every member being an individual shall be present in person and every member being a firm or Company shall be entitled to be represented by any of its registered representatives or any other responsible officers specially authorised in writing for the purpose. Every member whether individual, firm or Company shall have only one vote each. Provided however, that in the case of a tie, the Chairman shall have one additional casting vote.
- (f) At any meeting, a resolution put to vote, shall be decided by a show of hands, unless a poll is (before or on the declaration of the result by the show of hands) demanded by the Chairman or by at least Two members, and unless a poll is so demanded, a declaration by the Chairman that the resolution has on a show of hands been carried unanimously or by a particular majority, or lost, an entry to the effect in the books of the proceedings of the meetings of the Company and signed by the Chairman shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour, or against that resolution.

## **MINUTES**

- 18. Minutes of all proceedings of every meeting of the Board of Directors and Members shall be made by secretary within 30 days the conclusion of every such meeting, entries thereto, in books kept for the purpose with their pages consecutively numbered. The last page of the records shall be signed by the Chairman of the said meeting or the Chairman of the succeeding meeting.
- 19. The minutes of every meeting shall contain fair and correct recording of the proceeding thereat, but nothing shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting-
  - (a) is or can reasonably be regarded as defamatory of any person;
  - (b) is irrelevant or immaterial to the proceedings; or
  - (c) is detrimental to the interests of the Company. The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified above.

## **BOOKS OF ACCOUNT AND AUDIT**

20. The Board of Directors shall keep or cause to be kept at the office of the Company or at such other place in India as the Board of Directors thinks fit, proper books of account with respect to;
- (a) all sums of money received and expended and all matters in respect of which the receipts and expenditure taken place;
  - (b) all sale and purchase of goods by the Company; and
  - (c) all assets and liabilities of the Company.
21. The accounts of the Company shall be audited at least once a year by a duly qualified auditor or auditors who shall be appointed by the members at each annual general meeting, for the ensuing financial year and their remuneration fixed. A vacancy occurring in the course of year shall be filled by the Board of Directors.

## **POWERS OF BOARD OF DIRECTORS**

31. The Board of Directors shall have full powers to do all such acts as they may deem necessary and conducive or incidental to the attainment and promotion of any of the object of the Company, and shall have full control over all activities and functions of the Company as laid down in the Memorandum, and shall have full control of the staff, funds and properties of the Company and power to transact all business of the Company and to incur all necessary expenditure.
32. Any member of the Board of Directors or any officer of the Association shall not be personally liable for any bona fide acts of Commission or omission, or for any decisions taken, and shall be indemnified in respect of any losses arising from acts performed or decision taken on behalf of the Company.
34. The Board of Directors shall have to power to initiate legal proceeding or appear on behalf of the Company in any Court of law or Tribunal or any constitutionally established judicial or quasi-judicial authority in respect of legal activities which are of common interest to the members of the Company. Provided further that the Board of Directors may appoint any person who may be a member or a representative of any member unit registered with the

Company, or any servant of the Company or any other person, to represent the Company before any Court of law of Tribunal or any constitutionally established judicial or quasi-judicial authority, and all acts performed by such person or persons shall have the same validity as if performed by the Board of Directors itself.

35. In furtherance of and without prejudice to the general powers conferred or implied under these Articles, it is hereby expressly declared that the Board of Directors may exercise such power and perform such duties as the following:
- (a) To appoint representative of the Company for serving on any Board, Government or otherwise, on which the Company has been invited to be represented and to act for the Company for any specific purpose.
  - (b) To appoint Lawyers and Solicitors to the Company and to consult them whenever the Committee deems it expedient to do so and to pay their fees.
  - (c) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, of any claims or payments by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereof.
  - (d) To open any account or accounts with such bank as the Board may select or appoint, and to authorise any person or persons being representatives of members or servants of the Company to operate such account or accounts, to make, sign, draw, accept, endorse or otherwise execute cheques, promissory notes, drafts, bills of exchange, bill of lading and other negotiable instruments and also to make and give receipts, releases and other discharges for monies payable to the Company and for claims and demands of the Company.
  - (e) To deal with or invest any money of the Company not immediately required for the purpose thereof upon such security or without security and in such manner as considered fit, and from time to time vary or realise such investments. Save as provided in section 49 of the Act, all investments shall be made and held in the Association's own name.
  - (f) To appoint and at discretion, remove or suspend, such managers, secretaries, officers, assistants and other servants or agents for permanent, temporary or special services as deemed necessary from

time to time and to determine their powers and duties and to fix their salaries, emoluments or remuneration and other conditions of service.

- (g) To make, vary and repeal bye-laws or rules for the regulation of the business of the Company or any department or section thereof and the conduct and terms of service of the officers or servants of the Association.
- (h) To make, vary and repeal bye-laws or rules for the regulation of the business of the Association or any department or section thereof and the conduct and terms of service of the officers or servants of the Association.
- (i) To purchase all articles and things which may from time to time be required by the Association and pay for the same in cash or otherwise as may be deemed expedient.
- (j) To purchase or otherwise acquire for the Company any property, right or privilege which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or other acquisition, to accept such title as the Board of Directors may believe or may be advised to be reasonably satisfactory.
- (k) To undertake on behalf of the Company payment of all rents and performance of all covenants, conditions and agreements contained in or reserved by any deed or contract to which to the Company may be a party, or which may have been assigned to the Company to insure and keep insured, if deemed expedient, all or any of the buildings, articles or other property of the Company; and to execute all deeds and agreements, contracts, receipt and other documents that may be deemed necessary or expedient for the purpose of the Company.
- (l) To determine the manner in which bills notes, receipts, acceptances, endorsements, cheques, releases contracts, and documents shall be signed or executed by or on behalf of the Company.
- (m) To execute in the name of and on behalf of the Company in favour of any member of the Board of Directors or other persons who may incur or be about to incur any personal liability for the benefits of the Company, such mortgages of the Company's property (present and future) with such conditions as they may deem expedient.

- (n) To establish and support or aid any establishments, associations, institutions, funds or trusts calculated to benefit employees or ex-employees of the Company or their dependents or connections of such persons, and to grant pensions and allowances and to make any other payments as may be considered expedient.
- (o) Subject to the provisions of the Act, for and in relation to the matters aforesaid or otherwise for the purpose or Association to enter into all such negotiations and contracts and to rescind and vary all such contracts, and execute to do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

#### **POWER TO MAKE RULES AND REGULATIONS**

- 36. The Company in general meeting may make Rules and Regulations for better conduct of the Company, however provided that the said Rules and Regulations shall not be inconsistent with these articles, and may from time to time repeal or alter the same.

#### **PROXY**

- 37. Any member of the Company entitled to attend and vote at a meeting of the Company may appoint another person as his proxy to attend and vote instead of himself. Such proxy shall also have a right to speak at the meeting. For appointment of a proxy, instrument appointing a proxy should be deposited with the Company at least one hour before the meeting.

#### **CIRCULAR RESOLUTION**

- 38. Save as otherwise expressly provided in the Act, a resolution in writing circulated to all the members of a Committee of Directors and signed by a majority of such of them as are entitled to vote on the resolution, shall be as valid as if it has been passed at a meeting of the Directors or the Committee of Directors duly constituted, provided that such resolutions shall be signed by at least one officer of the **MPTRIFC** who may for the time being be the Director of the Company.

#### **APPOINTMENT OF CHAIRMAN AND REMUNERATION**

- 39. The Governor shall appoint the Chairman of the Company. The Chairman of the Director's meeting may nominate a Vice-Chairman. If at any meeting the

Chairman and Vice-Chairman both are not present within fifteen minutes after the time for holding the same the Directors present may choose one of them to be the Chairman of the meeting. Such Chairman and Vice-Chairman shall be paid such remuneration/honorarium as may be approved by the Governor.

### **COMMITTEE OF DIRECTOR**

40. The Director may delete any of their powers to a Committee consisting of such members 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 be imposed upon them by the Directors (The proceedings of such a committee shall be placed before the Board of Directors at its next meeting).

### **RESTRICTION ON POWERS OF THE BOARD OF DIRECTOR**

41. Subject to the provision of the act, the Chairman of the Board of Directors shall reserve for the approval of the MPTRIFC any proposal or decision of the Board of Directors in respect of any of the following matter namely:
- (a) Any programme of capital expenditure exceeding Rs.500 Lacs.
  - (b) Creation and appointment of any post carrying basic pay beyond Rs. **9300-34200+4200 /- per month.**
  - (c) Rules of the Company governing the general conditions of the service of the employees drawing basic pay exceeding **9300-34200+4200 /- per month .**
  - (d) Sale, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company.
  - (e) Formation of subsidiary Company/companies.
  - (f) Winding up of the Company.
  - (g) Any other matter which in the opinion of the chairman be of such importance as to be reserved for the approval of the MPTRIFC.

No action shall be taken by the Company in respect of any proposal or decision of the director reserved for the approval of MPTRIFC as aforesaid until approval of the same has been obtained.

42. The Directors/Managing Director or any officers authorised by Managing Director may invest in any Nationalized/Scheduled Bank or in such securities and deal with any of the money of the Company. Upon such investment being

authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they may deem fit and from time to time vary or release such investment.

### **COMMON SEAL**

43. The Board of Directors shall provide a Common seal for the purpose of the Association and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The Board of Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be affixed to any document except by the authority of a resolution of the Board of Directors and in the presence of the Chairman or a Director of the Company.