

# MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION



ISO 14001 : 2015 Certified Company

## **Karnataka Road Development Corporation Limited**

Samparka Soudha Building, No. 8  
Dr.Rajkumar Road, opposite Orion Mall, Rajajinagar 1st Block,  
Bengaluru-560010. Phone No. 080-22024000  
Email : [mdkrdcl@gmail.com](mailto:mdkrdcl@gmail.com) | Website : [www.krdcl.in](http://www.krdcl.in)  
CIN : U45209KA1999SGC025497

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# MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

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ಕರ್ನಾಟಕ ರಸ್ತೆ ಅಭಿವೃದ್ಧಿ ನಿಗಮ ನಿಯಮಿತ

**Karnataka Road Development Corporation Limited**

ISO 14001 : 2015 Certified Company

Regd. Office: "Samparka Soudha", Survey No.8, (B.E.P. Premises), Dr. Rajkumar Road,  
Rajajinagar 1st Block, Bangalore - 560 010, Ph: 080-22024000, Fax: 080-22024000

E-mail: mdkrdcl@gmail.com | Website: www.krdcl.in

CIN: U45209KA1999SGCO25497







Co.No. 08/25497.



कारवार प्रारम्भ करने के लिए प्रमाणपत्र  
**Certificate for Commencement of Business**  
कम्पनी अधिनियम 1956 की धारा 149 (3) के अनुसरण में  
**Pursuant of Section 149 (3) of the Companies Act, 1956**

एतद्वारा प्रमाणित करता हूँ कि \_\_\_\_\_

जो कम्पनी अधिनियम 1956 के अधीन तरीख \_\_\_\_\_ को  
निगमित की गई थी और जिसने आज विहित प्ररूप में समयक रूप से सत्यापितघो षण फाइल  
से कर दि है कि उक्त अधिनियम की धारा 149(1) क (से) लेकर घ तक 149 (2) क लेकर  
(ग) तक की शर्तों का अनुपालन किया या है करवार प्ररंभ करने की हकदार है ।


I hereby certify that the KARNATAKA ROAD DEVELOPMENT  
CORPORATION LIMITED

which was incorporated under the Companies Act, 1956, on the 21st  
day of July 19 99 and which has this day filed a  
duly verified declaration in this prescribed form that the conditions of  
section 142(1) (a) to [b] / 149 [2] [a] to [c] of the said Act, have been  
complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तरीख \_\_\_\_\_ को \_\_\_\_\_  
दिया गया ।

Given under my hand at Bangalore \_\_\_\_\_  
this Twenty Sixth day of July one thousand  
nine hundred and Ninety Nine.



  
(B.M. ANAND).  
कम्पनियों का रजिस्ट्रार  
कर्नाटक बेंगलूर  
Registrar of Companies  
Karnataka Bangalore



**MEMORANDUM OF ASSOCIATION  
OF  
KARNATAKA ROAD DEVELOPMENT CORPORATION LIMITED  
(PUBLIC COMPANY LIMITED BY SHARES)  
INCORPORATED UNDER THE COMPANIES ACT-1956  
AS AMENDED UNDER THE COMPANIES ACT, 2013)**

1st The Name of the Company is Karnataka Road Development Corporation Limited.

2nd The Registered Office of the Company will be situated in the State of Karnataka.

3rd The objects for which the Company is established are:

**(a) The objects to be pursued by the Company on its incorporation are:**

1. To construct, erect, build, re-model, repair, execute, develop, improve/administer, manage, control, maintain, demolish, grade, curve, pave, macadamize, cement; highways, express routes, roads, paths, streets, bridges, sideways, tunnels, underground railroads, alleys, courts, pavements, dams, township schemes, docks, ship yards, seaware, canal, wells, ports, reservoirs, embankments, irrigation, reclamation, improvements, sanitary, water, gas or any other structural or architectural work and also to do other similar construction, leveling or paving work at present being a part of the activities of the Public Works Department of the Government of Karnataka either under the Build Own Transfer (BOT) or Build Own Operate Transfer (BOOT) or Build Own Lease Transfer (BOLT) scheme or otherwise in a manner which will facilitate to undertake the above mentioned work.
2. To build or cause to be built Road infrastructure projects, which are economically viable and strategically important.
3. Developing, maintaining and operating road, highway bridge facility or public facility of similar nature.



**(b) Matters which are necessary for furtherance of the objects specified in Clause 3rd (a) are:**

1. To identify and promote road infrastructure schemes/projects under BOT programme or otherwise and to appoint any Government agency or any private consultant in order to collect data and information and to carry out detailed survey and prepare feasibility report and detailed estimate of the projects identified and to carry out the financial and economic viability of such projects.
2. To facilitate the BOT entrepreneur to decide, levy and collection of toll/service charges on all types of vehicles, and goods using the highways, roads, paths, streets, sideways, underground railroads, alleys, courts, pavements built or otherwise maintained and to decide the toll rates during the concession period under the BOT and such other schemes.
3. To adopt appropriate standards and specifications for the construction and maintenance of road infrastructure projects and enforce modern quality assurance procedures.
4. To undertake the construction and subsequent maintenance of the existing road infrastructure projects executed by the State Government from its funds and to retain the right of levy and collection of toll/service charges on such projects.
5. To enter into arrangement with the Government of Karnataka and/or any State or Central Government Undertaking or Municipal or local authority or otherwise which may seem conducive to the Company's objects or any of them and to obtain from any such Government, Corporation or Authority any concession, grants or decree, rights or privileges whatsoever which the Company may think fit or which may seem to the Company capable of being turned to account and to comply with work, develop, carry out, exercise and turn to account any such arrangements, concessions, grants, decrees, rights or privileges.
6. To apply or promote and obtain any Act of Parliament, charter, privilege, concession, license or any authorisation of any Government, State or Municipality, provisional order or license of the Board of Trade or other authority for enabling the Company to carry on any of its objects into effect or for extending any of the powers of the Company to carry on any of its objects into effect or for extending any of the powers of the Company or for effecting any modification of the constitution of the Company.
7. To enter into, make and perform contracts and arrangements of every kind and descriptions on such terms and conditions; which may include that me contractors will be allowed to derive benefits such as advertisement rights, road side plantations, motels, with corporate body, municipality, body public, territory, province, State

Government or Colony or dependency thereof, without limit as to amount and to obtain from the Government or authority any rights, privileges, contracts and concessions which the Company may deem desirable to obtain and to carry out, exercise or comply with any such arrangements, rights, privileges, contracts and concessions.

8. To enter into partnership or into any arrangements for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, or otherwise, with any person or Company or companies carrying on or engaged in or about to carry on, or engage in any business or transaction which this Company is authorized to carry on, engage in or any business of transaction capable of being conducted so as directly or indirectly to benefit this Company. And to, guarantee the contracts of, or otherwise assist, any such person, firm or Company and to take or otherwise acquire shares and securities of any such Company and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.
9. To purchase, take on lease, or otherwise acquire and hold either solely or jointly with others, any movable or immovable or other properties and any rights or privileges, which the Company may think necessary, expedient or convenient for the purpose of its business.
10. To sell, dispose of or transfer the business, property and/or undertaking of the Company or any part thereof for any consideration which the Company may deem fit to accept and in particular for shares, stocks, debentures, debentures stock, bonds or securities of any other Company or companies for the purpose of its or their acquiring all or any of the property, rights or liabilities of this Company or for any other purpose which may seem calculated to benefit this Company.
11. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
12. To transfer, if deemed necessary, after a specified period any road highway, bridge infrastructure project to Government, State Government undertaking or municipal or local authority.
13. To let-out on lease or on hire all or any of the property of the Company either immovable or movable.
14. To raise funds necessary for the above and other allied objects, by issue of share capital, securing loans from Government and other sources, including financial institutions and banks on reasonable rate of interest, to arrange for this utilisation and proper repayment, to obtain the grants available from the Central or/and State

Government to achieve the aforesaid objects and to raise the funds in the form of loans from Asian Development Bank, World Bank and other financial institutions.

15. To borrow or raise money from the issue of or upon bonds, debentures, bills of exchange, promissory notes or other obligations or securities of the Company, or by mortgage, hypothecation, pledge or charge of all or any part of the property of the Company or of its uncalled capital or in such other manner and their appurtenances.
16. To open Current, Savings, Fixed Deposit, Overdraft or other accounts with any bank or bankers and pay into and draw moneys from such accounts and draw, accept, endorse, discount, execute, issue and negotiate cheques, bills of exchange, promissory notes, debentures and other negotiable or transferable instruments (but not to do the business of banking as defined in the Banking Regulations Act, 1949 (Central Act 10 of 1949).
17. To receive moneys from the State Government and the Central Government or other authorities for carrying out the functions of the Company. However, the Company shall not carry on any banking or insurance business.
18. To lend and advance or give credit to such persons or Companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of any contract or obligations and the payment of money to any such persons or Companies, and generally to give guarantees and indemnities.
19. To invest any moneys of the Company not for the time being required for any of the 4 purposes of the Company in such investments (other than shares or stocks in the Company) as may, be considered proper and to hold or otherwise deal with such investments.
20. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital including brokerage and commission for obtaining applications for or taking, placing or underwriting of shares debentures^ other securities of the Company,
21. To employ brokers, commission agents and underwriters for any issue of shares, debentures or any other securities of the Company and remunerate such persons for their services by payment in cash or in any other manner allowed by law.
22. To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of,

and give or procure the giving of donations, gratuities, pension, allowance or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any Company which is subsidiary of the Company or is allied to or associated with Company or with such subsidiary Company or of any such other Company as aforesaid and wives, widow, families and dependents of any such persons and also establish, subsidise and subscribe to any institutions, associations, clubs or funds calculated to be for the benefit or to advance the interest and well being of the Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid, and or any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid.

23. To procure the Company to be recognised in any part of the world outside India.
24. To establish or promote or concur in establishing or promoting any Company or Companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares debentures or other securities of any such other Company.
25. To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, in the event of winding up subject to the provision of the Companies Act, 2013.
26. To apply for, purchase, or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, brevets, D'invention, trademarks, design, license and the like conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
27. To adopt such means of making known the business of the Company as they seem expedient and in particular by advertising in the press, by circular, by purchases and exhibition work of art or interest, by publication of books and periodicals and by granting prizes, rewards, or donations.
28. To establish and support, or aid in the establishment and support of associations to benefit employees or ex-employees of the Company, or its predecessors in business, or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance and to subscriber or guarantee

money for charitable or benevolent objects or for any exhibition or for any public objects.

29. To undertake and execute any trusts, the undertaking of which, may seem to the Company desirable, either gratuitously or otherwise.
30. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to placing or assisting to place or guaranteeing the placing of any shares in the Company capital or any debentures, stock or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business, subject to Section 40 of the Companies Act, 2013.
31. To create any reserve fund, sinking fund, insurance fund or any other special fund whether for depreciation or for repairing, improving extending or maintaining any of the property of the Company or for any other purpose conducive to the interest of the Company.
32. To place, to reserve or to distribute as dividend among the members or otherwise to apply as the directors may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the company and any moneys received in respect of dividends accrued on forfeited shares and moneys arising from the sale by the Company of forfeited shares.
33. To refer all questions, disputes or differences (whether present or future) arising between the Company and any other person whosoever in connection with or in respect of any matters either relating to the business or affairs of the Company or otherwise to arbitration either in India or abroad in such manner and upon such terms and conditions as the Company and such other person may mutually agree upon and such reference to arbitration may be made in accordance with the provisions of any law in India relating to arbitration or in accordance with any other foreign system of law or in accordance with the rules of any chamber of commerce (either India or foreign international).
34. To employ and source engineers, mechanics, masons, designers, carpenters, painters, electricians and other technicians, accountants, clerks, other officers and laborers from the existing manpower with the Public Works department, on deputation basis or otherwise, as may be found necessary for the efficient handling and carrying on the business of the Company and to employ and source the remaining manpower requirement directly as employees or consultants.

35. Employ and remunerate experts to investigate and examine the conditions, prospects, value charter and circumstances of any business or industrial concern and undertaking and generally of any assets, property or rights.
36. Subject to the provisions of the Companies Act, 2013, or any other enactment in force, to indemnify and keep indemnified officers, directors, agents, employees and servants of the Company against proceedings, costs, damages, claims and demands in respect of any thing done or ordered to be done by them for and in the interest of the Company and for any loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto.
37. To extend corporate guarantee on such terms and conditions as the Company may deem fit.

4th The liability of the member(s) is limited and this liability to the amount unpaid, if any, on the Shares held by them.

5th The authorised share capital of the Company is Rs. 5,10,00,00,000 Crores (Rupees Five Hundred and Ten Crores only) divided into 51,00,000 (Fifty One Lakhs) Equity Shares of Rs. 1,000/- each (Rupees One Thousand only).

**MEMORANDUM OF ASSOCIATION**

We, the several persons whose names and addresses are subscribed hereunder, are described below are desirous of being formed into a Company, in pursuance of this Memorandum of Association and we respectively agree to take the number of equity shares in the capital of the Company indicated against our respective names :

Sl. No.	Names, Address, Description and Occupation of the Subscriber	No. of Equity shares taken by each subscriber	Signature of the Subscriber	Witness with address & occupation
1.	N. Viswanathan S/o Shri Nalgamu Chettiar Principal Secretary Commerce & Industries Department M.S. Building, Bengaluru-560 001.	One	Sd/-	
2.	B.K. Das S/o Shri Jaganath Das CMD, KSIIDC, MSIL House Cunningham Road, Bengaluru.	One	Sd/-	
3.	S. Swatantra Rao1 S/o Shri Musalayya Principal Secretary Infrastructure Development Department M.S. Building, Bengaluru - 560 001.	One	Sd/-	
4.	N. Gokulam S/o Shri S. Natarajan Managing Director KSRTC, Transport House Shanti Nagar, Bengaluru-560 027.	One	Sd/-	
5.	Subhash Chandra Khuntia S/o Shri K.M. Khuntia Secretary, Expenditure Finance Department Vidhana Soudha, Bengaluru-560 001.	One	Sd/-	
6.	L.V. Nagarajan S/o Shri L.R. Venkataraman Managing Director KRDCL, Bengaluru.	Four	Sd/-	
7.	G. Thirumala S/o Shri G. Giriyappa Secretary, PWD M.S. Building, Bengaluru-560 001.	One	Sd/-	

Place : Bengaluru

Date :

WITNESSED

Sd/-

M.R. Gopinath

S/o M.N. Rama Rao

93, Kavitha, Seetha Circle,  
S.B.M. Colony, Bengaluru - 560 050

\*Altered vide Special Resolution passed at the Extra Ordinary General Meeting of held on 23rd July, 2016.

# ARTICLES OF ASSOCIATION OF KARNATAKA ROAD DEVELOPMENT CORPORATION LIMITED

(PUBLIC COMPANY LIMITED BY SHARES)  
(INCORPORATED UNDER THE COMPANIES ACT, 1956;  
AS AMENDED UNDER THE COMPANIES ACT, 2013)

## PRELIMINARY

### (1) In these Articles:

"The Act" and reference to any Section or provision thereof respectively means and includes the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and reference to the Section or provisions of the Act or such statutory modification.

"Affiliate" in respect of any Company, means any legal entity which, controls or is controlled by that Company, or is controlled by the same individual or entity which controls that Company. For the purposes of this definition, any entity is controlled by another entity or individual where that entity or individual owns, directly or indirectly, more than fifty percent of the shares entitled to a vote at general meetings of shareholders or has the power to cause the election of a majority of the Board of Directors of the first entity.

"Article" or "these Articles" means the Articles set out herein.

"Auditors" means and includes those persons appointed as such for the time being by the Company.

"Board" or "Board of Directors" means the Board of Directors and the Directors collectively or a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at the Board or the Directors of the Company collectively.



"Capital" means the share capital for the time being raised or authorised to be raised for the purpose of the Company.

"Chairman" means the Chairman of the General Meetings and Board as referred to, in these Articles.

"The Company" or "the Corporation" means Karnataka Road Development Corporation Limited.

"Government Company" means a company which shall have meaning assigned thereto by Section 2(45) of the Companies Act, 2013. The Company shall be a 'Government Company' belonging to the Government of Karnataka.

"The Government" means the Government of Karnataka.

"Director" means a Director appointed to the Board of the Company.

"Managing Director" means the Managing Director or Managing Directors of the Company for the time being.

"Dividend" includes any interim dividend.

"General Meeting" means the Annual General Meeting and Extraordinary General Meeting of the Company, as the case may be, as defined by the relevant provisions of the Act.

"Member" means a duly registered holder of Shares from time to time and includes the subscribers to the memorandum of the Company and beneficial owners as defined in the Depositories Act, 1996.

"Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively under the Act.

"Month" means Calendar Month.

"Office" means the registered office for the time being of the Company.

"Paid up" includes credited as paid-up.

"Person" includes corporations as well as individuals.

"Proxy" includes Attorney duly constituted under a Power of Attorney.

"The Registrar" means the Registrar of Companies of the State in which the registered office of the Company is situated for the time being.

The word "Debenture" includes Debenture-Stock.

"Seal" means the common seal for the time being of the Company.

"Shareholder" means any person(s) who is a holder of any class of Shares. The Government or its nominees shall be the Shareholder(s) of the Company unless otherwise directed by the Government.

"Shares" and "Shares in the Company" mean all classes of shares in the Capital of the Company or any class thereof, as the case may be and includes any and all the rights conferred on a person by the ownership of such shares.

"Vice Chairman" means one of the Directors appointed as Vice Chairman who shall act as Chairman of the General Meetings and Board as referred to, in these Articles in the absence of Chairman.

"Year" means the calendar year, and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

Words importing the masculine gender also include the feminine gender.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

"In writing" and "written" include printing or lithography or any other modes of representing or reproducing words in visible form.

- (2) Unless the context otherwise requires, words or expressions contained in these Articles of Association shall bear the same meaning as in the Act, or any statutory modification thereof in force on the date on which these Articles become binding on the Company.

**1. APPLICATION OF TABLE 'F'**

For the matters not provided herein, the provisions contained in Table 'F' shall apply to the Company.

**2. PUBLIC COMPANY**

The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013, with a minimum Paid up Capital of Rupees Five lakhs or such higher paid up capital as may be prescribed and accordingly:

- (i) Does not restrict the right to transfer its shares;
- (ii) Does not limit the number of its members to be two hundred:  
Provided further that-
  - (a) persons who are in the employment of the Company; and
  - (b) persons who, having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and
- (iii) does not prohibit any invitation to the public to subscribe for any securities of the Company;

**3. SHARE CAPITAL & SHARE CERTIFICATES**

- (1) The Authorised Share Capital of the Company shall be such amount as stated in the Company's Memorandum from time to time, with such rights, privileges and conditions attaching thereto as may be determined by the Company in General Meeting, and if no direction be given, as the Directors may determine and all such decisions shall be as per the directions of the Government.
- (2) The Shares of the Company shall be under the Control of the Board, subject to the provisions of the Act and Articles contained herein. The Board may issue, allot, or otherwise dispose off Shares in such manner as it may deem proper as may be directed by the Government.
- (3) Share Certificates :
  - (i) Every member or allottee shall be entitled without payment, to receive one or more certificates. The Company shall complete and have ready for delivery such certificates within the time limits under the Act. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment, if any, or its fractional coupons of requisite value, save in cases of issue against letters of acceptance or of

renunciation or in cases of issue of bonus shares PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnify and the payment of out of pocket expenses incurred by the Company in investigating the evidence. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other persons appointed by the Board for the purpose and the two Directors or their attorney and the Secretary or other person shall sign the share certificates provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than Managing or whole time Director, Particulars of every share certificate issued shall be entered in the Register of members against the name of the person to whom it has been issued indicating the date of issue.

- (ii) Any two or more joint allottee or holders of a share, shall for the purpose of this article, be treated as a single member and the certificate of any share which may be the subject of joint ownership, may be delivered to any of such joint owners on behalf of all of them.
- (iii) The Managing Director of the Company for the time being or if the Company has no Managing Director, every Director of the Company, shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates.
- (iv) Renewal of share certificate

No Certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized unless the certificate in lieu of which it is issued is surrendered to the Company. The Company may charge such fee, if any, not exceeding Rs. 2/- per certificate issued on splitting or consolidation of share certificates or in replacement of share certificates that are torn, defaced, lost or destroyed as the Board thinks fit:

PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been duly utilised.

#### 4. TRANSFER OF SHARES

- (1) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in Depository. The Government shall direct transfers of any shares and the Board shall comply with such direction.

#### 5. TRANSMISSION OF SHARES

- (1) On the death of sole member, his nominee(s), if any, shall be the only person(s) recognised by the Company as having any title to his interest in the shares to the exclusion of succession laws applicable to the deceased member. This will be subject to Article 4 above.
- (2) Every member shall deliver to the Company a nomination in accordance with and subject to the Rules made by the Board.
- (3) In case, the nomination is not made as provided above, it shall be deemed that a nomination has been made by the deceased member himself, in the following order of precedence:
  - a. a spouse, if any;
  - b. child or children, if any, jointly;EXPLANATION: This includes both unmarried and married children of both sexes.

#### 6. NOMINATION

Equity holders of Shares/Debentures may nominate a person to whom its Shares in, or the debentures of the Company, shall vest, in accordance with the provisions contained in Companies Act, 2013.

#### 7. SHARES IN ELECTRONIC FORM

##### (A). Definition:

“**Depository**” shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.

“**Beneficial Owner**” shall mean the beneficial owner as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

“**Shareholder**” or “**Member**” means the duly registered holder of the shares from time to time and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.

**'SEBI Board'** means the Securities and Exchange Board of India;

**'Bye-laws'** means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996:

**'Depositories Act'** means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force:

**'Record'** includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations:

**'Regulations'** means the regulations made by the SEBI Board;

**'Security'** means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

## **(B). Dematerialisation of securities**

Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialize its securities in a dematerialised form, pursuant to the Depositories Act and the rules framed there under:

- 5(e) 'The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised in future or issued in future in dematerialised form'.
- 5(f) 'The Company shall be entitled to dematerialize its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares, debentures and other securities, in a in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any'.

## **(C). Option to receive security certificates or hold securities with Depository**

- (1) Every person subscribing to the securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
- (2) Where a person opts to hold a security with a Depository, the company shall intimate such depository the details of allotment of the security, and on receipt of such information the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

**(D). Securities in depositories to be in fungible form**

- (1) All securities held by a Depository shall be dematerialised and shall be in fungible form.
- (2) Nothing contained in Section 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.
- (3) In case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form, the provisions of the Depositories Act, 1996, shall apply”.

**(E). Rights of Depositors and Beneficial Owners**

- (1) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of security on behalf of a beneficial owner.
- (2) Save as otherwise provided in clause (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.
- (3) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities held by a Depository.
- (4) Nothing contained in the foregoing Article shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the records of Depository.

**(F). Depository to furnish information**

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in this behalf.

**(G). Option to opt out in respect of any such security**

- (1) If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly.
- (2) The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company.
- (3) The Company shall, within (30) days of the receipt of intimation from a Depository and fulfilment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee, as the case may be.

**(H). Section 56 of the Act not to apply**

Notwithstanding anything to the contrary contained in the Articles:

Nothing contained in Section 56 of the Act shall apply to a transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

**(I). Registers and Index of beneficial owners**

- (1) The Register and index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of members for the purposes of the Act and these Articles.
- (2) Except as ordered by a court of competent jurisdiction or by Law required, the Company shall be entitled to treat the person whose name appears on the Register of members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust, or equity and equitable contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.
- (3) The Company shall keep a Register and index of Members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by Law including in any form of electronic media. The Company shall be entitled to keep in any State or Country outside India, a branch Register of members resident in that State or Country.



- (4) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form. The transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered on the Register of Members in respect thereof.

## **8. DIVIDEND**

### **DIVISION OF PROFITS**

- 8.1. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.

### **THE COMPANY IN GENERAL MEETING MAY DECLARE A DIVIDEND**

- 8.2. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

### **DIVIDENDS ONLY TO BE PAID OUT OF PROFITS**

- 8.3. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profit of the Company and remaining undistributed or out of both, provided that;
- (a) If the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;
- (b) If the company has incurred any loss in any previous financial year or years, the amounts of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both case after providing for depreciation in accordance with the provisions of Section 123 of the Act or against both.

### **INTERIM DIVIDEND**

- 8.4. The Board may subject to provisions of the Act, from time to time, pay to the members, such interim dividend as in its judgement the position of the Company justifies.

### **CAPITAL PAID UP IN ADVANCE AT INTEREST NOT TO EARN DIVIDEND**

- 8.5. Where capital is paid in advance of call, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits or voting rights.

### **DIVIDEND IN PROPORTION TO AMOUNT PAID-UP**

- 8.6. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend accordingly.

### **RETENTION OF DIVIDENDS UNTIL COMPLETION OF TRANSFER**

- 8.7. The Board may retain the dividends payable upon shares in respect of which any person is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

### **DIVIDEND ETC., TO JOINT HOLDERS**

- 8.8. Any one of several persons who are registered as the Joint holders of any share may give effectual receipts for all dividends or bonus or other moneys payable in respect of such shares.

**NO MEMBER TO RECEIVE DIVIDEND WHILE INDEBTED TO THE COMPANY AND COMPANY'S RIGHT OF REIMBURSEMENT THEREOF**

- 8.9. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares, or otherwise, however, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of the money so due from him to the Company.

**TRANSFER OF SHARES MUST BE REGISTERED**

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

**DIVIDEND HOW REMITTED**

- 8.11. Unless otherwise directed, any dividend may be paid by Cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in Register in respect of the joint holders. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission; or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means.

**UNCLAIMED DIVIDEND**

- 8.12. Any amount remains unpaid in the Dividend Account as mentioned in the Article '8.14 and 8.15' below, may be treated in the manner prescribed under the Act.

**NO INTEREST ON DIVIDENDS**

- 8.13. No unpaid dividend shall bear interest as against the Company.

### **TRANSFER TO SPECIAL BANK ACCOUNT**

- 8.14. The Company after having declared the dividend must transfer the unpaid or unclaimed dividend, if any, to special account in a scheduled Bank to be named suitably to represent the Unpaid Dividend Account of Karnataka Road Development Corporation Limited within 7 days after the expiry of 30 days commencing from the date of declaration of dividend.

### **TRANSFER TO GENERAL REVENUE ACCOUNT**

- 8.15. If any dividend remains unpaid or unclaimed for a period of seven years after the amount is transferred to the special bank Account, the amount remaining in the special bank Account will have to be transferred to the General Revenue Account of the Central Government (including such specified accounts), containing the details of the share-holders who have not been paid the dividend and the amount of dividend unclaimed.

### **DIVIDEND AND CALL TOGETHER**

- 8.16. Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged, between the company and the member, be set off against the calls.

## **9. CAPITALIZATION OF RESERVE**

- (1) The Company in General Meeting, may upon the recommendation of the Board, resolve:
- a. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - b. That such sum be accordingly set free for the distribution in the manner specified in Section (2) amongst the members who have been entitled thereto, if distributed by way of dividend and in the same proportions.

- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Section (3), either in or towards:
  - a. Paying up any amounts for the time being unpaid on any shares held by such members respectively
  - b. Paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or
  - c. Partly in the way specified in sub Section (a) and partly in that specified in sub Section
  
- (3) A share premium account and a capital redemption reserve account may for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.
  
- (4) The Board shall give effect to the resolution passed by the company in pursuance of this article.

## **10. NUMBER OF DIRECTORS**

There shall be a minimum of 3 and maximum of 12 Directors comprising of only Official Directors and Technical Experts with qualifications, knowledge, experience, in addition to Nominee Directors of the financial institutions.

## **11. APPOINTMENT AND TENURE OF DIRECTORS**

- a. The Company is a Government Company, and accordingly the provisions of the Act relating to retirement of Directors by rotation shall not apply thereto.
  
- b. Such persons, as may be nominated by the Government of Karnataka, from time to time shall be the Directors of the Company. The Government of Karnataka may at its discretion at any time direct that any such person (including Chairman and/or Vice Chairman) shall cease to be a Director of the Company. Upon delivery of such direction at the registered office of the Company, the tenure of the person so named as Director of the Company shall cease. Save as aforesaid the Government of Karnataka shall have the right to fill in any vacancy in the Board caused by resignation, removal, death or otherwise.

- c. The first Directors of the Company shall be
1. Shri S. C. Khuntia  
S/o. Shri K. M. Khuntia  
Secretary Expenditure,  
Finance Department Government of Karnataka,  
Vidhana Soudha Bangalore - 560 001
  2. Shri N. Viswanathan  
S/o. Shri Nalgamu Chettiar  
Principal Secretary,  
Commerce & Industries Department Government of Karnataka  
M. S. Building  
Bangalore - 560 00
  3. Shri Swatantra Rao  
S/o. Shri Musalayya Principal Secretary  
Infrastructure Development Department  
Government of Karnataka  
M. S. Building Bangalore - 560 001
  4. Shri Tirumala  
S/o. Shri G. Giryappa  
Secretary, Public Works Department Government of Karnataka  
M.S. Building Bangalore - 560 001
  5. Shri B K Das  
S/o. Shri Jaganath Das Managing Director, KSIIDC  
Cunningham Road, Bangalore - 560 001
  6. Shri N.Gokulram  
S/o. Shri S. Natarajan  
Managing Director, KSRTC  
K. H. Road, Bangalore - 560 001
  7. Shri L. V. Nagarajan  
S/o. Shri L. R. Venkataraman Special Officer  
Karnataka Road Development Corporation Ltd  
PWD Annexe 3rd Floor, K.R.Circle, Bangalore

- (2) "Chairman": The Government may from time to time designate Hon'ble Minister of Public Works Department, Government of Karnataka as Chairman of the Company or such other person as Chairman.
- (3) Functions of Chairman will include presiding over the Meetings of the Board of Directors, General Meetings of the Company as the Government may direct.
- (4) Chairman may also discharge such other functions as the Government or the Board may assign from time to time
- (5) The Directors shall cease to be Directors in case of death, resignation or removal as per the Act or disqualification or withdrawal of nomination by the Government or other nominating authority.
- (6) Based on the directions of the Government, the Board may appoint additional Directors in accordance with the provisions of Section 161 (1) of the Companies Act, 2013 for the benefit of the Company in general, and in particular, when there is no quorum at the Board Meeting, and such meeting has to be conducted without adjournment.
- (7) The Board may appoint Alternate Directors as and when required subject to the provisions of Section 161 (2) of the Companies Act, 2013.
- (8) Nominee Director
  - (a) Notwithstanding the absolute rights of the Government to nominate and withdraw the Directors on the Board and anything contained in the Articles hereof, financial institutions or banks who have granted long term loans to the Company may appoint Nominee Directors, during the period of their loans remaining unpaid, subject to the provisions of Section 25 of the Industrial Finance Corporation Act, 1948 and Section 27 of the Finance Corporation Act, 1951, as the case may be, or such agreement or arrangement, as has been mutually agreed upon.
  - (b) The Nominee Directors so appointed shall not retire by rotation.
  - (c) The Nominee Directors shall have the same rights and privileges in respect of voting rights at the Board Meetings, payment of sitting fee and reimbursement of travelling expenses in the same manner as admissible to other directors.

**12. QUALIFICATION OF DIRECTORS**

No Director shall be required to hold qualification shares.

**13. SITTING FEE & COMMISSION**

- (1) The Company may pay sitting fees or such other compensation to any Director for attending the Board, Committee or General Meetings of the Company as may be decided by the Board of Directors from time to time in line with the prevailing guidelines/directions of the Government.

The Directors may however be paid all travelling, hotel and other expenses properly incurred by them:

In attending and returning from meetings of the Board or any committee thereof or General Meeting of the Company; or

In connection with the activities of the Company.

**14. APPOINTMENT OF MANAGING DIRECTOR**

- (1) Subject to the provisions of the Act, Government may appoint any person to be the Managing Director for such period and on such terms and conditions as the Government may determine. The Managing Director will be the Chief Executive.
- (2) The Government may also, subject to the Act, appoint one or more persons to the office of the Whole time Director by any designation whatsoever for such period and on such terms and conditions, including remuneration and privileges, as the Government may determine. The Board shall take steps to comply with such directions and with the Act.
- (3) The Board may vest in such appointee(s) such powers and discretion as may be deemed necessary and expedient.
- (4) The Managing Director shall also not without the approval of the Board, exercise the powers to:
- a) Borrow moneys
  - b) Invest the funds of the Company and
  - c) Make loans.



## 15. POWERS OF THE BOARD

- (1) Subject to the prevailing guidelines/directions of the Government, without prejudice to the general powers conferred on the Board by the Act and the Articles of Association of the Company, the Board shall have the following powers:
- (a) to borrow, with or without security, from any source, without any restrictions as to ceiling, however, subject to the provisions of the Act;
  - (b) to make loans or lend money to anyone with security and interest as may be deemed appropriate to achieve the objectives of the Company;
  - (c) to invest the funds of the Company in any manner as may be deemed appropriate to achieve the objectives of the Company;
  - (d) to give guarantee or provide any security for any amount, with or without consideration;
  - (e) to draw, make, accept, negotiate, endorse, discount, assign, execute, issue, buy or sell, promissory notes, bills of exchange, bills of lading and other negotiable instruments;
  - (f) to make donations in any form, statutorily required or otherwise for the purpose of contribution to:
    - (1) financial health of the Company; or
    - (2) welfare of the members and the employees of the Company (and their families) present or past;
  - (g) to remit or give time for the payment, any debt due by a Director, customer or buyer or an employee;
  - (h) to write off any bad debts;
  - (i) to pay preliminary expenses, including those of any Company promoted by the Company;
  - (j) to adopt, execute any or all the pre-incorporation contracts;
  - (k) to delegate any or all the powers contained herein to any functional Directors, with an authority for further sub-delegation;
  - (l) to purchase any property movable or immovable in India,
  - (m) to appoint an attorney(ies) of the Company, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) as may be deemed proper and to revoke such appointments;
  - (n) to frame rules where required by the provisions of these Articles; and
  - (o) Generally to do all deeds and things as the expedience of the business warrants.

- (2) Without obtaining the previous approval of the Government in that behalf, the Company shall not directly or indirectly make any loan to or give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by:
- a) Any Director of the Company or any partner or relative of any such director.
  - b) Any firm in which any such director or relative is a partner.
  - c) Any private Company of which any such director is a director or member.
  - d) Any body corporate at a general meeting of which not less than twenty five percent of the total voting power may be exercised or controlled by any such director or by two' or more such directors together or
  - e) Any body corporate the board of directors, managing director or manager whereof, is accustomed to act in accordance with the directions or of any director or directors of the Company.
- (3) The Board of Directors may appoint such number of personnel as it considers necessary or desirable for efficient performance of its functions and to determine the terms and conditions of appointment of their service.
- (4) With regard to deputation of personnel under any cadre above the rank of Executive Engineer in the Public Works Department or Irrigation Department prior approval of the Government shall be obtained before making any such deputation.

## **16. AUTHORITY TO CALL BOARD MEETINGS**

- (1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (2) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

## **17. MEETINGS**

The Board and General Meetings of the Company can be convened through video conference as per the Act.

## **18. QUORUM**

- (1) Five members present in person at the General Meeting shall be the quorum for such a meeting of the Company.
- The Government, if and so long as it holds shares in the Company, may by an order in writing, authorise any of its officers to act as its representative at any General Meeting of the Company. The officer so authorised shall be entitled to exercise the same

powers on behalf of the Government as if he was an individual shareholder of the Company personally present. A copy of any order made under this article shall be deposited at the Registered Office of the Company before the time fixed for the Meeting and the due revocation of an order shall in no way prohibit the issue of another order by the Government and the deposit of a copy thereof at the Registered Office of the Company within the time limit by this article.

- (2) Two Directors or one third of the total number of Directors as on the date whichever is higher shall be the quorum for the meetings of the Board/Committee.
- (3) If at the adjourned General Meeting a quorum is not present within half-an-hour from the time appointed for holding the meeting, the members present shall be a quorum.

## **19. PERIOD OF NOTICE FOR CALLING GENERAL MEETING**

- (1) A written notice of not less than 21 (Twenty one) days shall, for every General Meeting, be given to the members to their addresses recorded in the Register of Members or through electronic mode. However, the General Meeting may be convened by giving shorter notice with the consent of the Shareholders as per the provisions of the Act.
- (2) The period of notice, provided in the foregoing sub-article, shall include the day of posting and delivery of a notice and the day of holding the meeting, and the 48 hours time of postal transit.
- (3) A notice, in pursuance of sub-article (i) shall be required to be given for every adjourned meeting of the Company.

## **20. CONTENTS OF NOTICE AND PERSONS TO WHOM IT IS TO BE SERVED**

- (1) Every notice of a General Meeting shall specify the place, the day, and the time of the meeting and the agenda of business to be transacted thereat.
- (2) Notice of every General Meeting shall be served on the members of the Company, who are entitled to vote thereat, and the Auditors of the Company, in case of the Annual General Meeting.

## **21. ACCOUNTS**

- (1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the account and books of the Company or any of them shall be open to the inspection of members (not being Directors).

- (2) No member (not being a Director) shall have any rights of inspection any accounts or books of accounts of the Company except as conferred by the law or authorised by the Board or by the Company in General Meeting.
- (3) The Directors shall in all respects comply with the provisions of Sections 128,129,133,134, 135 and 136 of the Act, and the Statement of Profit and Loss, Balance Sheet and Auditors Report and every other documents required by law to be annexed or attached, as the case may be, to the Balance Sheet shall be sent to every member of the Company at least 21 days before the date of the General Meeting of the Company at which they are to be laid.

## **22. BUY BACK OF SHARES**

The Company may purchase its own securities in accordance with the provisions contained in Sections 68 to 70 of the Act and the rules made there under in pursuance of the guidelines issued by the Central Government.

## **23. AUDIT**

- (1) The Auditors of the Company shall be appointed as per the Act. Notwithstanding anything contained in Section 139 of the Act or in the foregoing provisions of this Article so long as the Company is a Government Company within the meaning of Section 2(45) of the Act, the provisions of Sections 139, 143, 394 and 395 of the Act shall be complied with, and the auditor or auditors of the Company shall be appointed or reappointed by the Central Government on advice of the Comptroller and Auditor General of India. .
- (2) The remuneration of the auditors of the Company shall be fixed by the Company in General Meeting except that the remunerations of any auditors appointed to fill any casual vacancy may be fixed by the Directors.
- (3) The Comptroller and Auditor General of India shall have power, so long as the Company is a Government Company within the meaning of Section 2(45)of the Act:
  - (a) to direct the manner in which the Company's accounts shall be audited by the auditor and to give such auditor instructions in regard to any matter relating to the performance of his function as such;
  - (b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf; and for the purpose of such audit, to have access at all reasonable times, to allow accounts, account books, vouchers, documents and other of the Company

and to require information or additional information to be furnished to any person or persons so authorised on such matters, by such person or persons in such form as the Comptroller and Auditor General of India may by general, special order, direct.

- (4) The auditor aforesaid shall submit a copy of his audit report to the Comptroller and Auditor General of India, who shall have right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report will be placed before the annual general meeting of the Company at the same time and in the same manner as the audit report.
- (5) So long as the Company is a Government Company within the meaning of Section 2(45) of the Act, the Company shall forward to the Government the audit report as also comments upon or supplement to the audit report, if any, received by it from Comptroller and Auditor General of India.

## **24. WINDING UP**

- (1) If the Company shall be wound up and the assets available for distribution among the members as such shall Distribution of assets be insufficient to repay 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 at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up, paid-up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of members registered in respect of shares issued upon special terms and conditions.
- (2) If the Government is of the opinion that continuance of the Company is not necessary either because, it is satisfied that the purposes for which the Company was established have been substantially achieved or for any other reason whatsoever it may direct the Company to pass the resolution to wind up the Company with effect from such date as may be specified by the Government. The Company shall pass a resolution accordingly and shall take all requisite steps to implement the resolution in accordance with the provisions of the Act.

- (3) Subject to the provisions of the Act upon such resolution being passed:
- (a) all properties, funds and dues which are vested in or realizable by the Company shall vest in or be realizable by the Government;
  - (b) all liabilities which are enforceable against the Company shall be enforceable against the Government; and
  - (c) every permanent and temporary employee deputed by the Government and working in the Company shall stand reverted to the services of the Government.
- (4) The provisions of this article shall be supplemental to, and not in derogation of, the provisions of the Act.

## **25. INDEMNITY**

Every Officer, Manager, Director or Agent of the Company, be and is hereby indemnified out of the assets of the Company against any liability incurred by him in discharging his acts bonafide.

## **26. COMMON SEAL**

The Common Seal of the Company shall be affixed to any instrument (if such affixing has been authorised by a resolution of the Board or of a Committee of the Board) in the presence of one Director or the Company Secretary of the Company or such other person duly authorised by the Board, if any, and such Director or the Secretary or the said authorised person shall sign every instrument to which the Common Seal of the Company is so affixed in his presence.

## **27. GOVERNMENT'S POWERS TO ISSUE DIRECTIVE TO THE COMPANY**

- (1) The Government shall have right to issue directions to the Company from time to time as it may think fit in the interest of the Company.
- (2) Notwithstanding anything contained in any of these Articles the Government may from time to time issue such directions or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company.
- (3) The Company shall give effect to the directives or instructions so issued.

- (4) In particular the Government will have the powers to give directions to the Company on the following:
- (i) As to the exercises and performance of the functions in matters involving national security or substantial public interest;
  - (ii) To give directions to the Company regarding the service conditions of the staff which the Government may consider necessary in the interest of the Company
  - (iii) To give directions to the Company regarding creation of high posts and fixation and pay scales and other service conditions of persons appointed thereto which the Government may consider necessary in the interest of the Company. For the purposes of this clause, the expression high post shall mean a post of Class A Officer under the Company;
  - (iv) To call for such returns, account, and other information with respect to the property and activities of the Company as may be required from time to time:
  - (v) To approve the Company's annual plans for development and its budget: and
  - (vi) To approve agreements involving foreign collaboration proposes;
  - (vii) Formation of subsidiary Company as defined under the Companies Act, 2013.
  - (viii) Approval of capital investment by the Company in respect of any single work where the total capital outlay exceeds Rupees 100 Crores.

**28. RESTRICTIVE CLAUSE**

238. No member shall be entitled to visit or inspect any works of the Company without the permission of the director or to require discovery of any information respecting any details of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade, secretary process, or any other matter which may relate to the conduct of the business of the Company and on which in the opinion of the Company and on which the opinion of the director, it would be expedient in the interest of the Company or in public interest to disclose.

**29. GENERAL CLAUSE**

239. Wherever in the Companies Act, 1956, it has been provided that nay company shall have any right, privilege or authority or that any company cannot carry out any transaction unless it is so authorised by its Articles then and in the case this Article hereby authorises and empowers this company to have such right privilege or authority and to carry out such transactions as have been permitted by the Companies Act, 1956 without there being any other specific Article in that behalf herein provided.

We the undersigned several person,s whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Articles of Association.

Sl. No.	Signature & Names of the Subscriber	Occupation and address of the Subscriber
1.	Sd/- N. Viswanathan	S/o Shri Nalgamu Chettiar Principal Secretary Commerce & Industries Department M.S. Building, Bengaluru - 560 001.
2	Sd/- B.K. Das	S/o Shri Jaganath Das CMD, KSIIDC, MSIL House Cunningham Road, Bengaluru
3	Sd/- S. Swatantra Rao	S/o Shri Musalayya Principal Secretary Infrastructure Development Department M.S. Building, Bengaluru - 560 001.
4	Sd/- Gokulam	S/o Shri Natarajan Managing Director KSRTC, Transport House Shanthi Nagar, Bangalore - 560 027.
5	Sd/- L.V. Nagarajan	S/o Shri K.M. Khuntia Secretary, Expenditure Finance Department Vidhana Soudha, Bengaluru - 56 001.



**ARTICLES OF ASSOCIATION**

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Sl. No.	Signature & Names of the Subscriber	Occupation and address of the Subscriber
6.	Sd/- G. Thirumala	S/o Shri G. Giriyappa Secretary, PWD M.S. Building, Bengaluru - 560 001.

Dated this the Saturday of 17th July 1999 at Bengaluru.

Witness to the above signatures with address, description and occupation.

Sd/-  
M.R. Gopinath  
S/o M.N. Rama Rao  
93, Kavitha, Seetha Circle,  
S.B.M. Colony, Bengaluru - 560 050

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\* Altered vide Special Resolution passed at the Extra Ordinary General Meeting held on 23rd July, 2016.

\*\* Altered vide Special Resolution passed at the Annual General Meeting held on 28th September, 2018.

