

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
ROAD INFRASTRUCTURE COMPANY KERALA LIMITED

PRELIMINARY

- 1 In these Articles unless there be something in the subject or context inconsistent therewith:

“The Company” means Road Infrastructure Company Kerala Limited **Interpretation**

“The Act” means the Companies Act (1 of 1956) or Acts for the time being in force containing the provisions of the legislature in relation to companies and affecting the company.

“The Governor” means the Governor of Kerala.

“The Government” means the Government of Kerala.

“The Chairman” means the Chairman of the Board of Directors for the time being of the company.

“The Office” means the Registered Office for the time being of the Company.

“The Board” means the Board of Directors of the Company.

“Directors” means the Directors for the time being of the Company.

“In writing” or “written” includes printing, lithography and other modes of representing or reproducing words in a visible form.

“Month” means a Calendar month and “year” means the period from 1st of April of each year to the 31st March of the succeeding year.

“Seal” means the Common Seal for the time being of the Company and as regards the transaction of the business of the company outside India, the Official Seal which shall be used in accordance with the provisions of Section 50 to the Companies Act 1956.

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2 The Regulations contained in Table "A" of Schedule I to the Companies Act 1956, so far as the same may be applicable to a private company as defined in the Act, shall apply to this company subject to the modifications hereinafter contained. **Table A will apply**

3 Subject to the provisions of the Act and the Memorandum of Association and subject to the approval of the Governor, the company may by special resolution, alter and make provisions instead of or in addition to any of the regulations of the company whether comprised in these Articles or not. **Alteration of the Articles**

A PRIVATE COMPANY

4 The Company is a Private Company within the meaning of Section 3 (1) (iii) of the Companies Act, 1956 with a minimum paid-up capital of one lakh rupees or such higher paid-up capital as may be prescribed and accordingly,

(a) restricts the right to transfer its shares, if any; **Transfer of shares restricted**

(b) limits the number of its Members to fifty not including **Number of members**

(i) persons who are in employment of the Company; and

(ii) persons who, having been formerly in the employment of the Company, were Members of the Company while in that employment and have continued to be Members after the employment ceased; and

(c) prohibits any invitation to the public to subscribe for any shares in or debentures of the Company; **Prohibits public subscription**

(d) prohibits any invitation or acceptance of deposits from persons other than its Members, Directors or their relatives; **Prohibits invitation or acceptance of deposits**

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

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

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SHARE CAPITAL

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- (a) The Authorised Share Capital of the Company is Rs 50,00,000/- (Rupees Fifty Lakhs only) divided into 50000 Fifty thousand) Equity Shares of Rs 100/- (Rupees Hundred only) each. **Capital**
- (b) The capital of the company will be shared between the Govt. of Kerala and the Kerala Road Fund Board, of which not less than 51% of the shares will be held by Govt. of Kerala and balance by Kerala Road Fund Board.
- 7 Subject to the provisions of the Act and subject to the approval of the Governor, the Board of Directors shall have the powers to increase or reduce the share capital of the Company. **Powers to increase or reduce the capital**
- 8 The shares shall be under the control of the Board, who may, with the approval of the Governor in that behalf and subject to the provisions hereinafter contained, allot or otherwise dispose of the same to such persons on such terms and conditions and at such time as the Directors think fit. **Allotment and disposal of shares**
- 9 The right of members to transfer their shares shall be restricted as follows: **Restriction on transfer of shares**
- i) A share may be transferred by a member to a person approved by the Governor.
 - ii) Subject as aforesaid, the Directors may refuse to register any proposed transfer of shares.

BORROWING POWERS OF THE COMPANY

- 10 Subject to the directions of the Governor, the Board may from time to time borrow any sum or sums of money and/or secure the repayment of such sum or sums of money in such manner and upon such terms and conditions as they think fit and in particular by the issue of bonds or by any mortgage, charge or other security on the undertakings of the Company (both present and future) including its uncalled capital for the time being. **Borrowing powers**
- 11 Bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. **Securities assignable**
- 12 Subject to the provisions of the Act, and to the approval of the Governor, any Bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings and allotment **Issue of securities**

GENERAL MEETING

- 13 The annual general meeting of the Company shall be held in accordance with the provisions of Section 166 of the Act. **Annual General Meeting**
- 14 The Board may, whenever they think fit, and shall, when so required by the Governor, call Extraordinary General Meeting to-transact such business as are not required to be transacted in an Annual General Meeting. **Extraordinary General Meeting**
- 15 At least 21 clear days' notice in writing specifying the place, day and hour of meeting with a statement of the business to be transacted at the meeting shall be served on every member in the manner provided in the Act. But with the consent in writing of all the members entitled to receive notice of same, any particular meeting may be convened by such shorter notice and in such manner as those members may think fit. **Notice of meeting**
- 16 The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meeting. **Omission or non-receipt of notice**
- 17 Two members present in person of whom one shall be a representative of the Governor shall be the quorum for a general meeting. **Quorum**
- 19 i) The Chairman of the Board of Directors shall be entitled to the chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman, then the members present shall choose one of their number to be Chairman. **Chairman at a meeting**
- ii) The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. **Adjournment of the Meeting**
- iii) When a meeting is adjourned for 7 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

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DIRECTORS

- 20 Unless otherwise determined by the Governor the number of directors including the Chairman, the Managing Director and such whole time Directors as the Governor may consider necessary, shall not be less than two and not more than nine. All the Directors including the whole time Directors shall be appointed by the Governor. **Number of directors**
- 21 The directors are not required to hold any qualification shares. **Director's share qualification**

APPOINTMENT OF DIRECTORS

- 22
- i) Subject to the provisions of The Companies Act, 1956, the Governor shall have the right to appoint the Directors, excluding the nominee Directors to the Board of the
 - ii) The Governor shall have the power to change or withdraw any Director appointed by him at any time at his absolute discretion and appoint another person in the vacancy resulting there from.
 - iii) The First Directors of the Company shall be the representatives of the Government of Kerala, viz.,
 1. Mr. Manoj Joshi
 2. Mr. Harikesh Padmam Chandrasekharan Nair
 - iv) The Managerial Personnel, including the Managing Director and the whole time Directors be paid such salary and allowances as the Governor may from time to time determine. **Remuneration of Director**
 - v) The sitting fee payable to the non official Directors in the Board shall be such amount as may be fixed by the Governor from time to time within the guidelines issued by the Government and until a sitting fee is determined, they shall not be entitled to any sitting fee. However no sitting fee be paid to Officers of the State Government for attending the Board of the Company.
 - vi) Officers of State Government serving in the Board of the Company shall be paid TA, DA and other allowances, if any, eligible as per the Kerala Service Rules, on submission of tour details.

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vii) The Governor shall have the power to remove any Director including the Chairman and Managing Director, from office at any time subject to the terms of appointment of the Chairman and or Managing Director or whole time Director. The Chairman and/or Managing Director or any whole time Director after he ceases to hold the office of Chairman and/or Managing Director or any whole time Director as the case may be, ipso facto and immediately ceases to be the Director unless the Governor otherwise determine.

**Removal of
Directors**

viii) The Governor shall have the right to fill any vacancy in the Office of the Directors caused by retirement, removal, resignation, death or otherwise.

23 Notwithstanding anything contained above, financial institutions or corporate bodies set up for promoting and extending financial assistance, may from time to time nominate/ appoint/ withdraw/ remove at their discretion, one each of their representative to the Board of the Company, subject to the terms contained in the agreements entered into between them and the Company so long as the Company owes monies to them or otherwise required and such Directors shall be included in the maximum fixed in Article 20. Such Directors shall not exceed three in number.

Nominee Directors

24 a) CHAIRMAN

The Minister in charge of Public Works Department in the Government of Kerala shall be the Chairman and the Secretary to Government for Public Works Department shall be Vice-Chairman of the Board of Directors of the Company, until otherwise decided by the Governor.

If at any meeting of the Board of Directors, both the Chairman and Vice-Chairman are not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be the Chairman of that meeting.

b) DELEGATION OF POWERS OF BOARD TO COMMITTEES

The Board may, subject to the provisions of the Act, delegate any of its powers to the Managing Director, or a committee(s) consisting of such member or members of its body as it think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

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c) MANAGING DIRECTOR

- (1) The Governor may appoint a Managing Director, for such period and upon such terms as the Governor may think fit for the conduct and management of the affairs of the Company, subject to the control and supervision of the Board of Directors. The Managing Director shall be a person who **Appointment of Managing Director**
- (a) belongs to the All India Service or
 - (b) has the experience in the construction of Roads & Highway Projects not below the rank of Chief Engineer or
 - (c) has the experience in Project Development of Public Private Partnership Projects with a minimum of 10 years of service in the senior management positions.
- (2) The Managing Director shall be paid such salary and allowances as may be fixed by the Governor.
- (3) In the absence of the Managing Director on leave or otherwise, the Board may with the previous approval of the Governor, empower any other Director or principal officer of the Company to perform all or any of the functions and duties of the Managing Director; provided that where such absence is not likely to exceed three months, the previous approval of the Governor shall not be necessary.

PROCEEDING OF THE BOARD OF DIRECTORS

- 25 The Board of Directors may meet together for the transaction of business once at least in every three months and at least four such meetings shall be held every year. **Meetings of Board**

- 26 Until otherwise determined, one third of the total strength of the directors (any fraction contained in that one third being rounded off as one) or two directors whichever is higher, shall be a quorum, provided that such quorum shall not be complete unless at least one official representing the Public Works Department or the Finance Department of the Government of Kerala, who is for the time being director, is present. **Quorum**

- 27 GENERAL POWERS OF COMPANY - VESTED IN DIRECTORS

Subject to the provision of the Act, the Board of Directors shall be entitled to exercise all such powers and to do all such

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acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power to do any act or thing which is directed or required, by any provision of the Act or by the Memorandum or Articles of Association of the Company or otherwise, to be exercised or done by the Company in General Meeting, provided further that in exercising any such order or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Memorandum of Association or the Company, or in any regulations not inconsistent therewith and duly made there under including regulations made by the Company in General Meeting.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which has been valid if that regulation had not been made.

28 The company shall not exercise the following powers except with the prior approval of the Governor: **Powers of the Governor**

- 1) Sale, lease, exchange, mortgage and/or disposal otherwise of the whole or substantially the whole of the undertaking of the company.
- 2) Formation of subsidiary company/companies.
- 3) To enter into agreements involving foreign collaboration by the company.
- 4) To implement capital projects costing Rs 50 Crores and above. Provided that in cases where detailed project reports have been prepared with the estimates of different component parts and such reports have been approved by the Governor, it shall not be necessary to apply to the Governor for sanction again for implementing the different component parts.
- 5) Division of capital into different classes of shares.
- 6) Foreign tours by Directors or employees of the company for business matters or for study purpose or otherwise.
- 7) Winding up of the company.
- 8) Promotion of company/companies.
- 9) The annual revenue budget of the company in case there is an element of deficit which is proposed to be met by obtaining funds from the Government.
- 10) Matters relating to the revision of scales of pay, T.A., D.A

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etc. of the employees of the company and allied matters.

- 11) Rules of the company governing the conditions of service of the employees of the company, provident fund and other rules, creation of reserve and special funds.
- 12) Creation and appointment to any post carrying a minimum scale of pay of Rs. 25,000/- and above.
- 13) Matters relating to introduction/revision of schemes for creating benefits involving additional expenditure to the employees, staff etc., of the company.
- 14) Any other matter which in the opinion of the Chairman be of such importance as to be reserved for approval of the Governor.
- 15) Amendments to Memorandum of Association and Articles of Association.

29 LEGAL PROCEEDINGS

The Managing Director or any other person duly authorized by the Board of Directors shall be entitled to make, give, sign and execute all and every warrant to sue or defend on behalf of the Company, all and every legal proceedings and compositions or compromise agreement and submission to, arbitration as may be requisite, and for the purpose aforesaid the Managing Director, or such other person may be empowered to use their or his own name on behalf of the Company, and they or he shall be saved harmless and indemnified out of the funds and property of the Company, from and against all costs and damages which they or he may incur or be liable to by reason of their or his name being soused as aforesaid.

30 COMPANY SECRETARY

The Board shall have power to appoint a Company Secretary a person with prescribed qualifications to perform the duties of the Secretary as provided in the Companies Act, 1956 for such periods and on such terms and conditions. As regard remuneration as they may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board of Directors and the Managing Director,

31 BORROWING POWERS

Subject to the consent of Company in General Meeting as provided in Sections 292 and 293 of the Act the Board of





Directors may, from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

32 COMMON SEAL

The Company shall have a common seal and the Board shall provide for its safe custody at the registered office.

The seal of the company shall not be affixed to any instrument **Seal** except by the authority of a resolution of the Board of Directors and in the presence of at least one director and the said director shall sign every instrument to which the seal is so affixed in his presence.

33 RESERVE FUND

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

34 The Board of Directors may, with the approval of the Governor, and subject to the sanction of the company in general meeting and subject to the provisions of Section 205 of the Act, declare a dividend or bonus to be paid or credited as paid up on the shares of the company according to the respective rights of different classes of shares. No larger dividend shall be declared than is recommended by the Board. **Dividend**

35 The Board of Directors may, with the approval of the Governor, from time to time pay to the members such interim dividends as appear to them justified by the profits of the **Interim dividend**

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ACCOUNTS

- 36 The company shall in compliance with Section 209 of the Act cause to be kept and maintained proper books of accounts with respect to: **Books of Accounts**
- a) All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place.
 - b) All sales and purchases of goods by the company.
 - c) The assets and liabilities of the company.
- 37 Books of account shall be kept at the Registered office of the company or at such place in India, as the directors shall think fit and shall be open to inspection by the directors during business hours. **Keeping of Accounts and Inspections by Directors**

AUDIT

- 38 Once at least in every financial year the accounts of the company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors, as provided in the Act. **Accounts to be audited annually**
- 39 The company shall submit a copy of the balance sheet and profit and loss account with a copy of the Auditor's Report to the Finance Secretary, Government of Kerala who shall have the right to comment upon or supplement to the audit report in such manner as he thinks fit. Any such comment upon or supplement to the auditor's report shall be placed before the Annual General Meeting of the company at the same time and in the same manner as the audit report. **Submission of Annual Accounts to the Finance Secretary, Government of Kerala**

GENERAL

- 40 Notwithstanding anything contained in any of these articles, the Governor may from time to time, issue such directions or instructions as he may consider necessary in regard to the affairs or the 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 such directions or instructions so issued. **Directions and instructions of the Governor**
- 41 No member shall be entitled to require discovery of any information respecting any detail of company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which in the opinion of the directors it will be inexpedient in the interest of the members of the company to communicate to the public. **Secrecy Clause**
- 42 i) Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the company shall be indemnified by the **Indemnity**

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

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

Directors and Officers to be indemnified

- 43 Subject to the provisions of Section 201 of the Act, no Director, Manager, Officer or employee of the company shall be liable for the acts, receipts, neglects or defaults of any other Director, Manager, Officer or employee for joining in any receipt or other act of conformity or for any loss or expenses happening to the company through insufficiency or deficiency of the title to any property acquired by order of the directors for or on behalf of the company for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested, or for any loss or damage arising from the bankruptcy insolvency or tortious act of any person or company, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by an error judgment or oversight on his or their part, or for any other loss or damage or misfortune whatever, which shall happen in the execution of the duties of his or their office or in relation thereto unless the same happens through his own dishonesty, negligence, default, misfeasance, breach of duty or breach of trust.

Liability of Directors and Officers

44 WINDING UP

Subject to the provisions of the Act as to preferential payments the assets of the Company shall on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall, unless the Articles otherwise provide, be distributed among the members according to their rights and interests in the Company.

Attended

Manoj Jethu

Sl.No.	Name, Father's name, Address and Occupation of the subscriber	Signature of the subscriber
1	Governor of Kerala Represented by Secretary, PWD, Mangalash Age 45 years, S/o Brahm Dutt Joshi, Quater No 7, Govt Quater Jawahar Nagar, Kowdiar PO Trivandrum Kerala 695003 Din 02103601	Mangalash
2	Mr. Harikesh Padman Chandra- sekharan Nair, Aged 42 years, S/o Kesavapillai Chandrasekharan Nair, 18, Gangothi, Athara Nagar, Vellooyambalam, Trivandrum, Kerala - 695010, Chief Executive Officer, Kerala Road Fund Board DIN 02259562	<u>Harikesh</u>

Dated this the 8th March of 2012. witness to the above two signatures.
Both the subscribers were present before me at Trivandrum and signed
on this date.

SMRITHI. A.

Dr. P. N. NJANACHANDRAN NAIR,
T.C. 14/1691, DEVIPRIYA, FORA-C-7, VAZHUTHACAUD,
TRIVANDRUM - 14, PIN - 695014, KERALA,
PRACTISING COMPANY SECRETARY
MEMBERSHIP No. ACS 22562
CP. NO: 8141