

# ARTICLES OF ASSOCIATION

## JAMMU AND KASHMIR POLICE HOUSING CORPORATION LIMITED

(Limited by Shares-Incorporated under the Companies Act 1956)

### PRELIMINARY

#### INTERPRETATIONS

1. i) In these Articles:
  - a) "The Act" means Companies Act 1956.
  - b) "Board" means Board of Directors of the Company.
- ii) Unless the Context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or in any statutory modifications thereof in force at the date on which these regulations become binding on the Company.
2. i) Subject as hereinafter provided, regulations contained in Table "A" in the First Schedule to the Companies Act 1956, in so far they are Applicable to Private Limited Government Companies, shall apply to this Company.
- ii) The Company is a Private Company within the meaning of Section 3(i)[iii] of the Companies Act. 1956 and as such;
  - a. It shall not issue any Invitation to the Public to Subscribe to its Share Capital.
  - b. The number of members shall not exceed fifty except that one or more persons hold share jointly, they shall be treated as one person and the persons who are in employment of the Company and persons who have been formerly in the employment of the Company were members of the Company

while in employment and have continued to be members after employment ceased, shall not be counted on this behalf.

- c. Transfer of Shares is restricted as hereinafter provided.
- iii) The Company shall be a Government Company within the meaning of Section 617 of the Act and the provisions of the Act in so far as they are applicable to a Government Company shall be applicable to this Company.

### **Capital**

- 3. The authorised share capital of the Company is Rs. 5,00,00,000/- (Rs. Five Crores) only divided into 5,00,000/- Five Lacs) Equity shares of Rs. 100/- (One Hundred) each.
- 4. The Company shall have the right and powers to increase, cancel or reduce the capital, to divide shares in the capital for the time being into several classes and to attach there to respectively such preferential, qualified or special rights privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company and to cancel, consolidate or sub-divide the shares and issue shares of higher or lower denominations in accordance with the provisions of the Companies Act. 1956.
- 5. The shares of the Company shall be under the control of the Directors who may allot or otherwise dispose off the same.
- 6. Every person whose name is entered as a member in the Register of members shall, without payment be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid up thereon.
- 7. **The Board:**
  - a. The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the money uncalled and unpaid upon any shares held by him; and
  - b. Upon all or any of the moneys so advanced, may [until the same would, but for such advance, become presently payable] pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, such per cent per

annum, as may be agreed upon between the Board and the member paying the sum in advance.

8. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

**9. Alteration of Capital:**

The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

10. The company may, by ordinary resolution.
  - a. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b. Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, subject, nevertheless, to the provisions of clause (d) of Sub-section (1) of Section 94;
  - c. Cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person.
11. The company may by special resolution reduce in any manner and with, and subject to, any incident authorised and consent required by law:-
  - a. its Share Capital;
  - b. any Capital Redemption reserve account; or
  - c. any Share Premium account.

**12. General Meetings:**

All general meetings other than annual general meeting shall be called extra-ordinary general meetings.

13. The Board may, whenever it thinks fit, call an extraordinary general meeting.

**14. Proceedings at General Meetings:**

- i) No Business shall be shall be transacted at any general meeting unless quorum of members is present at the time when the meeting proceeds to business.
- ii) Save as herein otherwise provided, two members present in person shall be a quorum.

**15. Dividends and Reserves**

The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

16. The Board may from time to time pay to the members such interim dividends as it appears to be justified by the profits of the Company.
17. The Board may before recommending any dividend, set aside out of the Profits of the company such sums as it thinks proper as a reserve, which shall at the discretion of the Board, be applicable for any purpose to which the Profits of the Company may be properly applied.
18. **Capitalisation of Profits:-**
  - 1) The Company in general meeting may, upon the recommendation of the Board, resolve:-
    - a) that it desirable to capitalise 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 distribution in the manner specified in clause (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 clause (3) either in or towards 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 proportions aforesaid.
19. **Borrowing Power:**

Subject to the provisions of the Act, the Directors may borrow or raise money to any extent in such manner as they may deem fit and in particular by the issue of debentures, preptual or otherwise, including debentures or debenture stock and in security of any such money so borrowed raised or received to mortgage, pledge, or charge the whole or any part of the properties assets or revenue of the company, present or future including its uncalled capital.

  1. **Directors.**

The company shall have not less than two and not more than fifteen Directors including all kinds of Directors.
21. Any individual, whether a member of the company or not, may be appointed as a Director and no qualification by way of share holding shall be required from any Director.

- 22.a. The Govt. shall be entitled to appoint all the Directors for the time being and shall be entitled to remove all or any of them at any time.
- b. The following shall be the first Directors of the Company:  
Sh. Madan Lal (IPS) (Inspector General of Police)  
Sh. S.C. Jandial (Financial Advisor & Chief Account Officer, Home Deptt. J&K Govt.
23. The Company may also co-opt one or more persons as Directors who may be nominated on the Board under a deed of agreement with the financiers/ collaborators or if he holds any technical qualification etc. Such Directors shall not be required to hold any qualification shares.
- 24.1) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- 2) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them.
- a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- b. in connection with the business of the company.
25. Management:  
The business of the company shall be managed by the Directors, who may pay all expenses, incurred in setting up and registering the company and may exercise all such powers of the company as are not provided by the Act. Or any statutory modification thereof for the time being in force or any other Act or by these articles, required to be exercised by the Company in general meeting.
- 26.i) The Government shall appoint the sitting DGP as Chairman and an IPS Officer of or above the rank of IGP as Managing Director of the Company, for such period and upon such terms and conditions they may think fit, for the conduct of the business of the Company subject to the control and supervision of the Board of Directors. The Managing Director may be authorised by the Board to exercise such powers as are specifically delegated to him. The posts of Chairman and Managing Director may be held by the same person.

- ii) The Managing Director of the Corporation shall be its ex-officio Director and Vice-Chairman, if he is not the Chairman of the corporation.
- 27 All meetings of the Directors and of the Shareholders shall be presided over by the Chairman. If at any meeting the Chairman is not present the Directors/ Shareholders present will elect a Chairman for that meeting.
- 28 Without prejudice to the generality of the above provisions, the Board shall reserve for the decision of the Government any proposal for:
- i) Sale, lease or any other disposal of the whole or substantially the whole of the undertaking of the Company;
  - ii) Formation of a subsidiary company,
  - iii) Winding up of the company;
  - iv) Amalgamation with another Company;
29. Notwithstanding anything contained in any of these articles, the Government may, from time to time, subject to the provisions of the Act issue such Directives as it may consider necessary in regard to finance, conduct of the business of the company, or Directors thereof or on any other matter which Government may consider it necessary and in like manner may vary or alter any such directives. The Directors shall give immediate effect to the directives so issued and report compliance to the Government.
30. Save otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers signed by all the Directors in India shall be as valid and effectual as if it had been passed at the meeting of the Board.
31. **Common Seal:**
- a. The Board shall provide a seal for the purpose of the Company, be called "Common Seal" and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being.
  - b. The Common Seal of the Company shall not be affixed to any instrument except in the presence of authority of a resolution of

the Board and expect in the presence of atleast two Directors of the Company and Secretary/ authorised signatatory.

**32. Indemnity:**

Every Director, Managing Director, Agent, Auditor, Secretary or other Officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses and liabilities which he may sustain or incur in execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending himself against any proceedings whether Civil or Criminal, in which judgement is gen in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the Court and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto.

**33. Winding up:**

If the Company shall be wound up, either by a special resolution of the Company or for any other reason whatsoever, all the assets and liabilities of the Company/ Corporation shall vest in the State.

S.No.	Name, Address,& Occupation Designation of Subscriber	Signature of the Subscriber	Signature of the witness
1.	Madan Lal-IPS S/O: Sh. Rangila Ram Inspector Genl. Of Police, PHQ J&K-Jammu	Sd/-	Sd/- Amarjeet Singh of M/S Amarjeet Singh & C Chartered Acctts. Amrit Building VIR MARG.
2.	Mirza Hamit Iqbal-IPS S/O: Late Mirza Mehar Ali. Dy. Inspector Genl. Of Police PHQ J&K, Jammu	Sd/-	Jammu