

MEMORANDUM OF ASSOCIATION

AND

ARTICLES OF ASSOCIATION

OF

DREDGING CORPORATION OF INDIA LIMITED

(As Amended upto 29th September, 2000)



FORM I.R

CERTIFICATE OF INCORPORATION

No.8129 OF 1975-76

I hereby certify that DREDGING CORPORATION OF INDIA LTD.
is this day incorporated under the Companies Act, 1956 (No. 1 of
1956) and that the Company is Limited.

Given under my hand at NEW DELHI this TWENTY - NINTH
(29TH)
day of MARCH One thousand nine hundred and SEVENTY-SIX
(CHAITRA) (SAKA 1898)

SEAL OF
Registrar of Companies
DELHI & HARYANA

Sd/-
S.KUMAR
Registrar of Companies
DELHI & HARYANA

MEMORANDUM OF ASSOCIATION

OF

DREDGING CORPORATION OF INDIA LIMITED

- I. The name of the Company is Dredging Corporation of India Limited.
- II. The Registered office of the Company will be situated in the Union Territory of Delhi
- III. The objects of the Company to be pursued by it on its incorporation are:
 - A. MAIN OBJECTS
 1. To acquire and take over from the Government of India the MOT (Ministry of Shipping and Transport) Dredger Pool and Central Dredging Organisation along with all or any of the assets, liabilities, responsibilities and commitments of the Government of India in connection therewith on which terms and Conditions as may be determined between the Government and the Company on its incorporation.
 2. To carry on all or any other business of owners, operators, contractors, charterers, agents, builders, wrights, brokers, repairers, refitters, vendors and/or salvagers of dredgers and dredging equipment of all kinds including equipment afloat and ashore, ships, oil tankers, supporting craft, tugs, survey ships, light ships, barges, launches, lighters, floating cranes, bouys, supply vessels, drilling platforms, submercibles, amphibian vehicles, helicopters, marine structures of all kinds, pipe lines and special purpose vessels.
 3. To carry on all or any of business of dredging, drilling, blasting, land reclamation, shore nourishment, ocean, harbour and Inland towage, marine salvage, marine construction, subsea structures, surveys and associated work on land, in and under water in any part of the world.
 4. To carry on all or any business of proprietors, managers and/or operators of moorings, wharves, jetties and piers.
 5. To carry on the business of engineers, manufacturers, repairers, assemblers, processors and/or fitters of engines, boilers, machinery and equipments and components thereof for dredgers and vessels of all kinds and uses.

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6. To carry on the business of consultants in all fields in which the Company is engaged or authorised to engage in, including dredging, dredger operation and management, dredging equipment design, marine, mechanical, electrical, civil, metallurgical and electronic engineering, naval architecture, manufacture of ancillary items and equipment, land reclamation and associated works, harbour engineering, beach nourishment and shore protection, manufacture of dredgers, salvage equipment and ancillaries therefor, planning, layout, repair, design or work necessary for execution of all the above works for the benefit of the Company itself or for an outside party with or without remuneration.

B. THE OBJECTS INCIDENTAL OR ANCILLARY FOR THE ATTAINMENT OF THE MAIN OBJECTS ARE:

1. To construct, equip, maintain, repair, alter, improve, furnish and refit site establishment, wharves, jetties, workshops, warehouses and stores for carrying on the business of the Company.
2. To purchase, acquire, take on lease, rent, construct, equip, execute, develop, administer, maintain, manage or control in any part of the world, works and conveniences of all kinds including therein roads, ways, railways, bridges, water courses, irrigation and drainage works, reservoirs, water rights, factories, warehouses, postal services, newspapers and other publications and all other works calculated directly or indirectly to advance the interest of the Company and to contribute to the expenses, subsidised or otherwise, aid or take part in such operations, provided that no telegraph, telephone and postal business shall be carried out in India without the licence of the Government of India.
3. To pay all the costs, charges and expenses of and incidental to the promotion, formation, registration and establishment of the Company.
4. To acquire, hold and dispose of or deal with lands, buildings, plants, machinery, personal estates and effects in connection with the business of the Company.
5. To pay for any properties, rights or privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash or otherwise.
6. To undertake payment of all rents and performance and observance of all covenants, conditions and agreements contained in or reserved by any lease or leases which may be granted or assigned to or may be otherwise acquired by the Company.
7. To underwrite, purchase by original subscription, participation in syndicates, tender, exchange or otherwise acquire, hold, dispose of, deal with and from time to time vary,

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realise or transfer the shares, stocks, securities, funds, debenture- stocks, bonds, obligation, evidence of indebtedness, right to participate in profits or other similar documents issued by any Government authority, corporation, body or body of persons or by any other Company carrying on or entitled to carry on the business carried on by this Company or any other business capable of being conducted so as directly or indirectly to benefit this Company, and to subscribe for the same otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

8. To sell or dispose of the undertaking of the Company and all or any of the property or effects of the Company on such conditions as the Company may think fit and, in particular, for shares, debentures or securities of any other Company having objects altogether or in part similar to those of this Company.
9. In the event of winding up, to distribute any of the properties of the Company among the members in specie or kind, but so that no distribution amounting to reduction of the capital be made except with the sanction-(if any) for the time being required by the law.
10. To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account or otherwise, deal with all or any part of the properties and rights of the company.
11. To borrow, raise or secure the payment of money or machinery or services in such manner as the Company shall think fit and particularly by the issue of debentures and debenture stocks, perpetual, terminable or convertible, into shares of the Company and in security of any such money to be borrowed, raised or received, mortgaged, pledged or charged, the whole or any part of the property, assets or revenue of the Company, present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities.
12. To carry on the business of borrowing, raising or taking up money, the lending or advancing of money on securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, warrants, certificates, scrip and other instruments, and securities whether transferable or negotiable or not, subject to the provision that notwithstanding any contents in the memorandum, the Company shall not carry on any business, falling within the purview of the Banking Regulation Act and the Indian Insurance Act.
13. To accumulate funds and to invest or otherwise employ money belonging to or with the Company in the purchase or acquisition of any shares, securities or other investments

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whatsoever whether movable or immovable, upon such terms as may be thought proper from time to time and to vary all or any such investments in such manner as the Company may think fit.

14. To create any depreciation funds, reserve funds, sinking fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for special dividends of equalising dividends or for any other purpose whatsoever and to transfer any such fund or part thereof to any of the other funds herein mentioned.
15. To purchase or otherwise acquire and undertake the whole or any part of business, property and liabilities of any person, firm or Company carrying on any business which the Company is authorised to carry on and possessed of property suitable for any of the purposes of the Company.
16. To amalgamate or enter into partnership or any joint venture or profit sharing arrangement with and to operate in any way with or assists or subsidise any Company or firm having objects altogether or in part similar to those of this Company.
17. To form, incorporate or promote any company or companies having amongst its or other objects, the carrying on of all or any of the business which the Company is authorised to carry on or the acquisition of any or all the properties, rights and assets of the Company or the undertaking of any of the obligations or liabilities of the Company or the acquisition of any other object or objects which, in the opinion of the Company, could or might directly or indirectly assist the Company in the management of its business or in the development of its properties or prove advantageous to the Company and to pay all or any of the costs and expenses incurred in connection with such promotion or incorporation or to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered for and in respect of such promotion or incorporation.
18. To transact and carry on all kinds of agency business and to be appointed and act as agents, of any company concerns and to do perform all the singular and several duties services and authorities appertaining to such offices respectively and to comply with and become bound by all restrictions, limitations and conditions appertaining to such offices respectively or imposed by the terms of any agreement or agreements entered into for any of the purposes aforesaid.
19. To enter into agreement upon such terms and conditions suitable or necessary with any foreign or Indian individual, corporate body, or any private, public or government, company

for any consultancy in all or any of the technical, economic and other aspects of any work, process or operation which the Company is engaged in or proposes to engage in and remunerate them on the basis of work or time and to meet all the expenditure in connection with their work like those for collection of data, processing the data and preparation of reports.

20. To apply for, purchase or by other means acquire and protect, prolong and review any patents, patent rights brevets d'inventions, licences, trade marks, protections, concessions and the like conferring any exclusive or non- exclusive or limited rights to use of any secret or other information as to any invention, which may seem capable of being directly or indirectly to be of benefit to the Company and to use, turn to account and manufacture under or grant licences or privileges in respect of them and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
21. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertisements in press, by circulations, by purchases and exhibitions of works of art or interests, by publications, books and periodicals and by holding competitions, granting prizes, rewards, donations, benefits, premiums or special privileges may seem expedient and either gratuitously or otherwise.
22. To establish, provide, maintain and educate or otherwise subsidise educational and training institutions, research laboratories and experimental workshops for scientific and technical research and experiments to undertake and carry on scientific and technical researches experiments and tests of all kinds that may be considered likely to assist any business that the Company is authorised to carry on by providing, subsidising, and endowing or assisting laboratories, workshops, libraries, lectures, meetings, conferences, educational and training institutions and by providing or contributing to the award of 'scholarships, prizes, grants or otherwise.
23. To guarantee or become liable for the performance of the obligations of any payment of money, unsecured or secured by or payable under in respect of dividends and interest on any shares, stock, debentures, securities, promissory notes, bonds, debenture stock, contracts, mortgages charges, obligations, instruments, or securities of any Company, corporation or association or of persons in any case in which such guarantee may be considered directly or indirectly to further objects of the Company.
24. To ensure any of the properties, undertakings, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever against losses, damages, risks and liabilities of all kinds which may effect this Company.

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25. To draw, make, accept, negotiate, discount and execute bills of exchange, Government of India and other promissory notes bills of lading, warrants, debentures and other negotiable or transferable instruments or securities. However, the Company shall not do the business of banking within the meaning of Banking Regulation Act, 1949.
26. To establish, maintain and support or aid in the establishment and support of associations, institutions, funds, and conveniences calculated to benefit the employees, contractors or members this Company or dependants or connection of such persons and to grant compensation and allowances and to make payments towards insurance and or subscribe or guarantee money for the charitable or benevolent objects, for places of instruction, recreation, medical attention or for any National or Public purposes or for and exhibition of any public, general or useful objects as the Company think fit. However, the Company shall not make contribution to any political party or for political purpose to any individual or body.
27. To aid pecuniarily or otherwise any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles relating to this Company in particular and in any industry or trade in general.
28. To obtain, apply for, arrange for the issue or enactment of order or Act of legislature or Act of authority in Parliament or with authorities, National, Local, Municipal or of any place of the world where the Company may have interest or with rules, chief property holders or any persons for purpose of directly or indirectly carrying out any of the objects of the Company or effecting any modifications in the Constitution of the Company or further interests of its members, opposing any such steps taken by any other company, firm or persons which may be considered likely directly or indirectly to prejudice the interest of the Company and to obtain powers, authorities, protections, financial and other help necessary or expedient to carry out or extend any of the objects of the Company or any other purposes which may seem expedient and to obtain any charters, subsidies, loans, indemnities, grants, contracts, decrees, rights, sanctions, licences or concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain, carryout, exercise and comply with any such arrangements, charters, grants, contracts, decrees, rights, sanctions, privileges, licences or concessions and the terms and in particular to comply with any condition for the purpose of sharing of profits of the Company with any such Government, State, authority or persons or for restricting the dividends on shares of the Company, and to establish and maintain agencies, branches and local registers to procure registration or recognition to the Company and to carry on business in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local companies or partnership or as may be thought desirable.

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29. To establish, maintain or extend, any association, institution or fund in any way connected with any particular trade or business or with the commerce generally including any association, institutions, fund for the protection of interests of the Company against the losses by bad debts, strikes, combinations, fire, accidents or otherwise or for the benefit of the share-holders, employees and ex-employees or their families or dependants and particularly friendly, cooperative and other societies, and to contribute to any funds raised by public or local subscriptions or for any purpose whatsoever.
30. To open bank account(s) in any bank in India or abroad.
31. To deal in all kinds of articles and things required for the purposes of any such business as aforesaid or commonly dealt in by persons engaged in any such business and to carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's properties or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turn to account any property movable or immovable belonging to the Company or in which the Company may be interested.

C. THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:

1. To carry on all or any business of carriers by land, sea and air, forwarding agents, shipping agents, insurance brokers, under writers, importers and exporters, stockists and dealers in goods, stores, equipments, commodities, articles, merchandise and properties of all kinds and descriptions.
2. To carry on the business of electrical engineers and contractors, producers and suppliers of electricity, manufacturers of and dealers in railway, tramways electric, magnetic, galvanic and other apparatus, mechanical engineers of light, heat, sound and power, to construct railway, tramways and work the same by steam, gas, oil, electricity or other power.
3. To carry on the business of iron founders, mechanical engineers and manufacturers of agricultural implements and other machinery, tools and precision instruments, brass founders, metal workers, rolling mill operators, boiler makers, millwrights, machinists, iron and steel converters smiths, wood workers, builders, painters, printers, carriers and to buy, sell, manufacture, repair convert, alter, lend, on hire and deal in machinery, implements, rolling-stock, tools, accessories and hardware of all kinds and to manufacture plant, tools, goods and things for any of the purposes of business of the Company.
4. To carry on, as authorised by the Ministry of Defence (including the Department of Defence

- Production), the business of armament manufacturers, in all its branches and guns and gun carriages, torpedoes, tanks and armoured cars and other vehicles and machine guns, rifles and small arms, and all descriptions of ordinance armaments, arms, weapons, ammunitions, explosives and ammunition of war and all components, parts, spare parts, equipments thereof and accessories thereto or apparatus for use in connection therewith.
5. To purchase, acquire on contract, carry out, maintain, improve, manage, work, control and superintend restaurants, buffets, refreshment rooms, cafeterias, hostels, markets, exchanges, mint shops, public and private buildings of recreation or instructions, huts, coolie lines, houses, bustees, villages and conveniences, newspapers, and other publications, to carry on the business of general provisions- merchants, licensed victuallers and tobacconists and to appropriate, use or layout land belonging to the Company for streets and other conveniences and present any such land so laid out to the public or to any persons or Company conditionally or unconditionally as the Company thinks fit.
 6. To carry on the trades or business of miners, smelters, to acquire any right, privilege or intent thereto and movable and immovable properties of any description in connection with above and to search for, get, work, raise, make marketable buy, sell, return to account and deal with coke, coal, lime stone, lime brick, earth, bricks, pipes, tiles, fire brick, cement, oil and substances.
 7. To lend money on mortgage of immovable property or on hypothecation or pledge of movable property, with or without security, to such persons on such terms as may seem expedient.
- IV. The liability of the members is limited.
- V. The share capital of the Company is *Rs.30,00,00,000 (Rs.Thirty Crores only) divided into Rs.3,00,00,000 (Rs.Three Crores only) Equity shares of Rs.10/- (Rs.Ten only) each.

Note: *Article V amended in Extra ordinary General Meeting Held on 10-3-92.

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

Name, address, description and occupation of subscriber	Number of shares taken by each subscriber	Signature of the subscribers	Name, address, description and occupation of witness	Signature of witness
1. The President of India through Shri K.Sivaraj, Joint Secretary to the Govt. of India, Ministry of Shipping & Transport, Parliament Street, New Delhi. Son of Shri V.S.Krishnaswamy, Occupation- Government service.	Ten	(sd)		
2. Shri A.B.Datar, Joint Secretary to the Govt. of India, Ministry of Finance (Department of Expenditure), 1, Parliament Street, New Delhi. Son of late Shri B.N.Datar, Occupation-Government service.	One	(sd)		
3. Shri V.R.Mehta, Director, Ministry of Shipping and Transport, Parliament Street, New Delhi-1. Son of late Shri H.R.Mehta, Occupation-Government service.	One	(sd)		
4. Shri N.Chakraborty, Director (MECH), Ministry of Shipping and Transport, Parliament Street, New Delhi-1. Son of late Shri U.C.Chakraborty, Occupation-Government service.	One	(sd)		
5. Shri V.Dwarakavas, Under Secretary to the Govt. of India, Ministry of Shipping and Transport, Parliament Street, New Delhi-1. Son of late Dr.V.Ramanujachari, Occupation-Government service.	One	(sd)		
Total	Fourteen Equity Shares			

I witness the signature of all the subscribers (sd)

N.P.Rustagi, Section Officer, Ministry of Shipping & Transport, Parliament Street, New Delhi.
Son of Shri S.P.Rustagi
Occupation - Government Service

ARTICLES OF ASSOCIATION
OF
DREDGING CORPORATION OF INDIA LIMITED

1. Subject as herein under provided, the Regulations contained in Table " A" in the first Schedule to the Act shall apply to this Company.

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**3. The Share Capital of the Company is Rs.30,00,00,000 (Rs. Thirty Crores only) divided into Rs.3,00,00,000 (Three crores only) Equity shares of Rs. 10/- (Rs. ten only) each with such rights, privileges and conditions attached thereto as are provided by the Companies Act, 1956, to increase, reduce or modify the said capital and to divide the share of the Company for the time being into several classes and attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Companies Act 1956 and to vary, modify or abrogate any such rights, privileges conditions in such manner as may for the time being provided by the Companies Act 1956.

***4. The President shall authorise the amount of share capital to be raised and the terms and conditions under which it should be raised. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose of them on such terms and conditions as they consider fit, subject to such directions as the President may issue from time to time and to the provisions of the Act and these Articles.

Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

5. The Company, in general meeting may, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as resolutions shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 87 and 88 of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Board shall comply with the provisions of Section 97 of the Act. Except so far as otherwise provided,

* Deleted in Extra Ordinary General Meeting held on 10-3-92.

** Amended in Extra Ordinary General Meeting held on 10-3-92.

*** Substituted in 16th Annual General Meeting held on 29-9-92.

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any new capital raised and the share issued in that regard shall be subject to all conditions to which the existing capital and the shares are subject to.

6. The Company may, subject to the provisions of Sections 100 to 105, both inclusive of the Act, from time to time, by special resolution reduce its capital in any authorised manner and in particular pay off any part of the capital on the footing that it may be called up again or otherwise.
- *7. The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that this article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provision of this clause.

CALLS ON AND FORFEITURE OF SHARES

- *8. All the provisions contained in Schedule 1, Table A of the Act in respect of calls of shares and forfeiture thereof shall apply to the company except the provision to Regulation 13(i) thereof.

Moneys paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the company.

No unclaimed dividend shall be forfeited by the Board and the company shall comply with all the provisions of Section 205-A of the Act in respect of all unclaimed or unpaid dividend.

TRANSFER AND TRANSMISSION OF SHARES

- *10. Subject to the provisions of Section 111 of the Act, the Board may, at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any Transfer of shares, whether fully paid or not (notwithstanding that the proposed Transferee be already a member), but in such cases it shall, within one month from the date on which the instrument of Transfer was lodged with the Company, send to the Transferee and the Transferor notice of the refusal to register such transfer, provided that registration of a transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever except a lien on the shares.

*7,8 & 10 substituted in 16th Annual General Meeting held on 29-9-92.

9 deleted in Extra Ordinary General Meeting held on 10-3-92.

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In the case of death of any one or more of the persons named in the Register as the joint holders of any share, the survivor or the survivors shall be the only persons recognised by the Company as having any title to interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any person.

*10A Holding/Transfer/Transmission of shares in electronic form.

Notwithstanding any provisions contained in these Articles regarding holding/transfer/transmission of shares, the provisions of the Depositories act, 1996 as amended from time to time and the rules and regulations as framed there under shall apply for holding/transfer/transmission of shares in electronic form.

GENERAL MEETING

13. At every Annual General Meeting of the Company, there will be laid on the table, the Director's Report, Audited Statement of Accounts, Auditor's Report and the comments of the Comptroller and Auditor General of India thereon. The ordinary business of the Annual General Meeting shall be the consideration of these documents and declaration of a dividend. All meetings of the Company other than the Annual General Meeting shall be called Extra-ordinary General Meetings. The Directors may, whenever they think fit, convene an Extra ordinary General Meeting.
- *14. No business shall be transacted at General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person, shall constitute a quorum.
15. (a)The Chairman of the Board shall preside as Chairman at every General Meeting of the Company.
(b)If there is no such Chairman or if he is unwilling to act as chairman or if he is unable to be present owing to unavoidable circumstances, the relevant provisions of Schedule I Table A of the Act shall apply.
16. (a)The President may, so long as he is member of the Company within the meaning of the Act, authorise from time to time such persons, whether a member of the Company or not as he thinks fit to act as his representative at any General Meeting of the Company or at any meeting of any class of members of the Company.
(b)The President may, if he is a creditor (including a holder of debentures) of the Company within the meaning of the Act authorise from time to time such person as he thinks fit to act as his representative at any meeting of any creditors of the Company held in pursuance of the Act of

N.B. *Article 10A added in 24th Annual general Meeting held on 29-09-2000

Articles 11 & 12 deleted in Extra Ordinary General Meeting held on 10-3-92.

* Article 14 amended in Extra Ordinary General Meeting held on 10-3-92.

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any rules made therein or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

- (c) The President may, from time to time, revoke or cancel any authorisation made in sub-clause [a] or sub-clause [b] of this Article and make any fresh authorisation or authorisations.
- (d) The production at the meeting of the Company or at the meeting of any creditors of the Company of an order made executed in the name of the President authenticated as provided by the Constitution of India in respect of such authorization, revocation or cancellation as aforesaid shall be accepted by the Company as sufficient and conclusive evidence thereof.
- (e) Any person authorised by the President to represent him as aforesaid may, if so authorised by the order of the President appoint another person [Whether a member or not), as a proxy or substituted authority, whether special or general, to represent the President as aforesaid.
- (f) Any person authorised or appointed as aforesaid shall be entitled to exercise the same rights or powers including the right to vote by proxy, on behalf of the President.

VOTE OF MEMBERS

- 17. Upon a show of hands, every member present in person shall have one vote and upon poll, the voting rights of member, shall be laid down as in Section 87 of the Act. Votes on behalf of the President shall be given as provided in Article 16.

BOARD OF DIRECTORS

- 18. (a) The number of Directors of the Company shall not be less than four and, until otherwise determined by the Company in General Meeting, it shall not be more than twelve.
- (b) It shall not be compulsory for any Director to be the holder of any shares in the Company until and unless the Company in General Meeting, otherwise resolves.
- 19. (a) The Chairman of the Board of Directors and the Government representatives, including at least one Finance representative, shall be appointed by the President of India. Other Members of the Board of Directors shall be appointed or reappointed by the President of India in consultation with the Chairman of the Board of Directors. The Directors shall be appointed for such period and shall be paid such remuneration as the President of India may, from time to time, determine.
- (b) The President of India at his discretion may appoint the same person or two different persons as the Chairman of the Board of Directors and the Managing Director of the Company for such

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period and on such terms and conditions as he may think fit and may revoke such appointment. The Chairman and the Managing Director appointed shall be entitled to hold office till the expiry of their respective tenures unless either or both is/are removed earlier by the President of India and any vacancy arising either by death, removal, resignation or otherwise may be filled by fresh appointment by the President of India.

- (c) The President of India may from time to time remove any Director from Office before the expiry of the period referred to in Article 19 [a) and may appoint another in his place. The President of India may also fillup any vacancy caused by the death, resignation, retirement or otherwise of a Director.
20. In place of a Director who is out of India or is about to go out of India or who expects to be absent for not less than three months from the State in which the meetings of the Directors are ordinarily held, the President of India may, in accordance with Article 19, appoint any person to be an Alternate Director during the absence out of India or absence of not less than 3 months from the State in which the meetings of the Directors are ordinarily held, of the Director concerned and such appointment shall have effect, and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to vote there at accordingly and he shall ipso facto vacate office if and when the original Director returns to India or vacates office as Director.
21. Regulation 66 of Table A in Schedule 1 to the Act is specifically excluded and shall not apply.
22. The continuing Directors may act notwithstanding any vacancy in the Board, but if the number falls below two, the Directors shall not act so long as the number of Directors is below the minimum.
23. The Board may, subject to provisions of sections 292 and 297 of the Act, delegate any of its powers to a Committee consisting of such member or members of the Board of Directors as they think fit. Any Committee so formed, shall, in the exercise of powers so delegated, conform to any regulation imposed on it by the Board. The proceedings of such a Committee shall be placed before the board at their next meeting.
24. The Board may as and when it thinks fit make any bye-laws not inconsistent with the provisions of the Memorandum and Articles of Association of Company in regard to conduct of business of the Company or of the Board thereof and may in like manner vary and amend such bye-laws.

MANAGEMENT OF BUSINESS

25. Subject to the provisions of the Act and to such directives and/or instructions as the President may issue from time to time under these Articles, the business of the Company shall be managed by the Board of Directors who may exercise all such powers and do all such acts and

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things as the Company is authorised to exercise and do and who may, from time to time delegate such powers to the Chairman and/or Managing Directors as may be necessary for proper conduct of the business of the Company.

Provided that the Board of Directors shall not exercise any powers or do any act or thing which is directed as required, whether by this or any other Act or by the Memorandum or Articles of the Company or otherwise to be exercised or done by the Company in the Annual General Meeting.

26. Notwithstanding anything contained in these articles, the Chairman shall reserve for the consideration of the President the following matters relating to the working of the Company, namely
- (a) Calling up unpaid capital or increase in the authorised capital of the Company or issuing of any un-issued shares forming part of the original authorised capital and fixing the terms and conditions on which the capital is to be raised.
 - (b) *
 - (c) Appointment of any foreign national.
 - (d) Disposal of any property having an original book value of Rs.25 lakhs and above.
 - (e) Formation of subsidiary companies.
 - (f) Any proposal for action relating to reduction of capital.
 - (g) Implementation of the Company's five year plans and annual plans of development and capital budget.
 - (h) Agreements involving any foreign collaboration or consultancy proposed to be entered into by the company.
 - (i) Appointments of persons who have already attained the age of 58 years to post carrying a monthly salary of Rs.5700** and above.
 - (j) Voluntary winding up of the Company.
 - (k) Any important matter relating to the Company's establishment.
 - (l) Any other matter which in his opinion involves an important issue of general policy.
 - (m) Entering into partnership and/or arrangement for sharing profit.
 - (n) Taking or otherwise acquiring and holding share in any other Company.
 - (o) Division of Capital into different classes of shares.
 - (p) Promotion of a new company.

* Article 26 (b) deleted in 15th Annual General Meeting held on 26-9-91.

** Article 26 (i) amended in 17th Annual General Meeting held on 28-9-93.

(7)

No action shall be taken by the Company, in respect of any matter reserved for consideration of the President as aforesaid until his approval to the same has been obtained.

27. Notwithstanding anything contained in the other Article, the Board of Directors shall be competent to:
- (a) authorise, without reference to Government, the undertaking of works of capital nature where Detailed Project Report have been approved by Government and to invite and accept tenders relating to works included in the approved Detailed Project Report, including variations, if any, in the approved estimates provided such variations are not more than 10% for any particular component part and do not substantially change the scope of project.
 - (b) authorise the undertaking of works of a Capital nature (other than township assets and other items involving policy matters where specific Government approval is required) not covered by Clause(a) above, if required to be taken up in advance of the preparation of a Detailed Project Report or otherwise as individual works, not exceeding *Rs.10 Crores provided that
 - (i) the funds required will be found within the budget allocation for the Company for that financial year, and
 - (ii) the expenditure on such works in subsequent years will be the first call on the respective allocation.

PRESIDENT'S RIGHTS TO ISSUE DIRECTIVE

28. Notwithstanding anything contained in these Articles, the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directions or instructions so issued. In particular, the President shall have the powers
- (i) To give directions to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest.
 - (ii) To call for such reports, accounts and other information with respect to property and activities of the Company, as may be required from time to time.
29. The Company shall, whenever its Revenue Budget for any financial year shows an element of deficit which is proposed to be met by obtaining funds from the Government, submit the same to the President for approval.

COMMON SEAL

30. (a) The Board shall provide a common seal for the Company and for the safe custody of the seal and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

* Articles 27(b) amended in 10th Annual General Meeting held on 19th Sept. 1986.

(8)

- (b) The common seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf. Subject to the provision of Law, at least one Director shall be present during the affixing of the seal and sign every instrument to which the seal is affixed and every such instrument shall be countersigned by the Secretary and in his absence by some other persons appointed by the Board.

AUDIT

31. The Auditor or Auditors of the Company shall be appointed or reappointed by the Central government on the advice of the Comptroller and Auditor General of India and their appointment, remuneration, powers and duties shall be regulated by sections 224 to 233 and 619 of the Act.

INDEMNITY

32. (a) Subject to the provisions of the Act, every Director, Managing Director, Manager and other officers or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Board to pay out of the funds of the Company, all costs, losses, damages and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done, by him as such Director, any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generality of the foregoing provisions, against, all liabilities incurred by him as such Director, Managing Director, Manager or other officer or servant in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted by the Court.
- (b) Subject to the provisions of the Act, no Director of the Company, Managing Director, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act of conformity or for any loss of expenses, happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board for on behalf of the Company or 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 bankruptcy, insolvency or tortuous act of any person, company or Corporation with whom any moneys securities of effects shall be entrusted or deposited or any loss caused by an error of judgement on his or their part or any other loss or damage or misfortune, whatever, which shall happen in the execution of duties of his or their office or any relation thereto, unless the same happens through his own dishonesty, negligence, default, breach of duty or breach of trust.

SECRECY

33. (a) Every Director, Manager, Auditor, Members of the Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Directors, before entering upon duties, sign a declaration pledging himself to observe a strict secrecy, respecting all transactions of the company with its customers and state of account with individuals and any matter relating thereto and shall by such declaration pledge himself not to reveal any of the matter which might come to his knowledge in the discharge of his duties, except when required to do so by the Directors at any meeting or by a Court of Law and to persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles.
- (b) No member or other person (unless he is a Director or other person in management of the affairs of the Company) can inspect or examine the Company's premises or other property of the Company without permission of Directors of the Company or officers authorised by the Directors for the time being to require discovery of or any information respecting any detail of the Company of or any information respecting any detail of the nature of the business of the Company and which, in the opinion of the Directors or of officers, authorised by the directors, it will be inexpedient in the interest of the members of the Company to communicate.

Name, address, description and occupation of subscriber	Number of shares taken by each subscriber	Signature of the subscribers	Name, address, description and occupation of witness	Signature of witness
1. The President of India through Shri K. Sivaraj, Joint Secretary to the Govt. of India, Ministry of Shipping & Transport, Parliament Street, New Delhi. Son of Shri V.S.Krishnaswamy, Occupation- Government service.	Ten	(sd)		
2. Shri A.B.Datar, Joint Secretary to the Govt. of India, Ministry of Finance (Department of Expenditure), 1, Parliament Street, New Delhi. Son of late Shri B.N.Datar, Occupation-Government service.	One	(sd)		
3. Shri V.R.Mehta, Director, Ministry of Shipping and Transport, Parliament Street, New Delhi-1. Son of late Shri H.R.Mehta, Occupation-Government service.	One	(sd)		
4. Shri N.Chakraborty, Director (MECH), Ministry of Shipping and Transport, Parliament Street, New Delhi-1. Son of late Shri U.C.Chakraborty, Occupation-Government service.	One	(sd)		
5. Shri V.Dwarakavas, Under Secretary to the Govt. of India, Ministry of Shipping and Transport, Parliament Street, New Delhi-1. Son of late Dr. V.Ramanujachari, Occupation-Government service.	One	(sd)		
Total	Fourteen Equity Shares			

I witness the signature of all the subscribers (sd)

N.P.Rustagi, Section Officer, Ministry of Shipping & Transport, Parliament Street, New Delhi.
Son of Shri S.P.Rustagi
Occupation - Government Service

