

THE COMPANIES ACT, 1956,

COMPANY LIMITED BY SHARES,

Memorandum of Association of Bihar State Industrial Development Corporation, Limited.

I. The name of the Company is "Bihar State Industrial Development Corporation Limited".

II. The Registered Office of the Company will be situated in the State of Bihar.

III. The objects for which the Company is established are :—

A. To acquire and take over as a going concern the business now being carried on at Sindri under the name and style of "The Bihar Government Superphosphate Factory" and also the "High Tension Insulator Project" at Ranchi established by the Bihar Government, together with all the assets, rights privileges and liabilities in connection with the said factory and the project from the Government of Bihar.

B. (1) To promote, establish and execute industries, projects or enterprises for manufacture and production of plant, machinery, tools implements, materials, substances, goods or things of any description which in the opinion of the Company are likely to promote or advance the Industrial Development of Bihar.

(2) To promote and operate schemes for Industrial Development of Bihar and for that purpose to prepare and get or cause to be prepared reports, blueprints, statistics and other information.

(3) To aid, assist and finance any industrial undertaking, project or enterprise, whether owned or run by Government, statutory body, private Company, firm or individual with capital, credit, means or resources for prosecution of its work and business.

(4) To promote and establish companies and associations for the prosecution or execution of industrial undertakings, works, projects and enterprises of any description, whether of a private or public character, which in the opinion of the Company would contribute to the industrial development of Bihar, and to acquire and dispose of shares and interest in such companies or associations or in any other companies or associations or in the undertakings thereof.

(5) To carry on all kinds of exploration business, and in particular to search for, prospect, examine and explore mines and grounds supposed to contain minerals or precious stones, and to search for and obtain information in regard to mines, mining claims, mining districts and localities and to purchase or otherwise acquire, and to sell, dispose off, and deal with mines and mining rights, and property supposed to contain minerals or precious stones of all kinds, and undertakings connected therewith and to work, exercise, develop and turn to account mines and mining rights, and any undertakings connected therewith, and to buy, sell, refine, manipulate and deal in minerals of all kinds.

(6) To employ and remunerate experts to investigate and examine into the condition, prospects, value, character and circumstances, of any business or industrial concern and undertaking, and generally of any assets, property or rights.

- (7) To carry on the business of engineers and manufacturers of agricultural and other machinery, plants, implements, and tools, equipments, apparatuses and accessories rolling stock and other like goods and the production and working of metals and minerals of all kinds and the production manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company.
- (8) To sell, dispose of or transfer any industrial undertaking, project or factory to any company or association or concern on such terms and conditions as may be determined by the Company.
- (9) To invest the capital of the Company in or to deal with shares, stocks, bonds, debentures, obligations and other securities of any company or association formed for establishing, executing or working of any industrial undertaking approved by the Company,
- (10) Subject to section 384 of the Act, to act as Managers or direct the management, control and supervision of any company, association or concern by nominating directors, controllers, supervisors, advisers or otherwise, or to collaborate with any company or association or concern formed for carrying on any manufacturing or other business within the objects of the Company.
- (11) To enter into any partnership or arrangement for joint working in business, sharing of profits, pooling of any industrial undertaking, joint adventure or reciprocal concession or amalgamation, with any other company firm, or person, carrying on or engaged in any manufacture or other business within the objects of this Company or similar hereto.
- (12) To establish, promote, subsidise and otherwise assist, any company or companies, syndicate or other concern for the purpose of setting up any industry or running any industrial undertaking, acquiring any property or furthering any of the objects of this Company.
- (13) To sell, dispose of, let on lease or on hire or transfer the business, property and undertaking of the Company, or any part thereof, for cash, stock or shares of any other Company or for any other consideration which the Company may deem fit to accept.
- (14) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, otherwise deal with, all or any part of the property and rights of the Company.
- (15) To accept stock or shares in, or the debentures, mortgage debentures or other securities of any other Company in payment or part payment for any services rendered or for any sale made to or debt owing from any such Company.
- (16) To grant or guarantee loans or advances to any company, association or concern engaged in any industry or to assist its development or expansion or to enable it to undertake and start new industry approved by the Company.
- (17) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (18) To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the company is authorised to carry on, possessed of property suitable for the purposes of this Company.
- (19) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company, or which the Company

shall consider to be in the nature of preliminary expenses including therein the cost of advertising, commissions and brokerage for placing or assisting to place shares or debentures brokerage, printing and stationery and expenses attendant upon the formation of agencies.

(20) Upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters and to provide for the remuneration of such persons for their services by payment in cash, or by the issue of shares, debentures or other securities of the Company, or by the granting of options to take the same, or in any other manner allowed by law.

(21) Generally to purchase, take on lease or in exchange, hire, or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easements, machinery, plants and stock-in-trade.

(22) To construct, maintain, and alter any buildings, or works, necessary or convenient for the purposes of the Company.

(23) To construct, improve, maintain, develop, work, manage, carry out or control any roads, ways, tramways, railways, branches or sidings bridges, reservoirs, water sources, wharves, manufactories, warehouses, electric works, shops, stores, and other works and conveniences, which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.

(24) To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up, and improving buildings, and by planting, paving, draining, farming, cultivating and letting on building lease or building agreement, and by advancing money to and entering into contracts and arrangements of all kinds with builders and others.

(25) To apply for and take out, purchase or otherwise acquire any trade mark, patents, patent rights, inventions, copyright, designs or secret processes, which may be useful for the Company's objects, and to grant licences to use the same, and to work, develop, carry out, exercise and turn to account the same.

(26) To enter into any arrangement with Government of India, Government of Bihar or any other Government or State or Local Authority for the purpose of carrying out the objects of the Company or furthering its interests and to obtain from such Government or Authority or person, any charters, subsidies, loans, indemnities, grants, contracts, licences, rights, concessions, privileges or immunities which the Company may think it desirable to obtain and exercise and comply with any such arrangements, rights, privileges and concessions.

(27) To manufacture, buy, sell, import, export, instal, work and generally deal in, any plant, machinery, substances, tools, materials, goods or things of any description, which in the opinion of the Company may be conveniently dealt with by the Company in connection with any of its objects.

(28) To issue, or guarantee the issue of, or the payment of interest on the shares, debentures, debenture stock, or other securities or obligations of any company or association, and to pay or provide for brokerage commission, and underwriting in respect of any such issue.

(29) To draw, make, accept, endorse, discount, negotiate and execute and to buy, sell and deal in promissory notes, bills of exchange, bills of lading and other negotiable or transferable instruments.

(30) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property (both present and future), including its uncalled capital and to purchase, redeem, or pay off any such securities.

(31) To receive grants, loans, advances or other moneys or deposit, or otherwise from State or Central Government, Banks, Companies, Trusts, or individuals with or without allowance of interest thereon.

(32) To lend money 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 contracts by any such persons or companies, provided that such lending shall not be for the purposes of banking business.

(33) To invest the moneys of the Company, not immediately required, in such manner, other than in the Shares of this Company, as from time to time may be determined.

(34) To acquire by subscription, purchase or otherwise, and to accept and take, hold and sell, shares or stock in any company, society or undertaking the objects of which shall, either in whole or in part, be similar to those of this Company, or such as may be likely to directly or indirectly promote or advance the interests of this Company.

(35) To establish, maintain, subscribe to or subsidise or become member of training institutions, research laboratories, research institutions and experimental workshops for scientific and technical research and experiments.

(36) To instal and work, pilot, prototype or semiscale units or full commercial plants to develop a particular invention or inventions.

(37) To carry on the business of carriers by land.

(38) To act as agents for Government or other authorities or any manufacturers, merchants, and others and to transact and carry on agency business of every kind and of any description.

(39) To employ or pay experts, foreign consultants, etc., in connection with the planning and development of all or any of the business connected with the Company's operations.

(40) To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund whether for depreciation or for repairing, improving, extending, or maintaining any of the property of the Company or for redemption of debentures or redeemable preference shares or for special dividends or for 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.

(41) To use trade marks or trade name or brands for the products and goods of the Company and adopt such means of making known the businesses and products of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in newspapers, magazines, periodicals, by circulars, by purchase and exhibition of works of art or interest, by opening stalls and exhibitions, by publication and distribution of books and periodicals, calendars, almanacs and diaries, by distributing samples and by granting prizes, rewards and donations.

(42) To apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institutions or fund in anywise connected with any particular trade or business with scientific research, industry or commerce.

(43) To appropriate, use or let out land belonging to the company for streets, park, pleasure grounds, allotments and other conveniences and to present any such land so laid out to the public or to any persons or company conditionally or unconditionally as the company thinks fit.

(44) To establish, maintain and operate general educational institutions and hostels for the benefit of the children of the employees or ex-employees of the company, their dependents or connections of such persons and others and to make grants and awards and grant scholarships.

(45) To establish, maintain and operate technical training institutions and hostels for technical staff of all categories and to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks technical and other personnel likely to be useful to or assist in any business which the company is authorised to carry on.

(46) To acquire or take over with or without consideration and carry on the business of managers, secretaries, treasurers, agents or managing agents by themselves or in partnership with other company or partnership or concern, whose objects may be similar, in part or in whole, to those of the Company.

(47) To let out on lease or hire, all or any of the property of the Company either immoveable or moveable including and all and every description of apparatus or appliances.

(48) To grant funds, annuities, pension, allowances, gratuities and bonuses to any employees or ex-employees including Directors and Ex-Directors of the Company or their relations, connections or dependents of any such persons or its predecessors in business and to establish or support associations, institutions, clubs, schools, hospitals, dispensaries, canteens, hotels, restaurants, houses, dwellings, chawls, funds, schemes and trusts (religious, scientific, educational, provident or otherwise) which may be considered calculated to benefit and such persons or the public or otherwise advance the interests of the Company or of its members and to establish and contribute to any scheme for the purchase by trustee of shares in the company to be held for the benefit of the Company's employees and to lend money to the Company's employees to enable them to purchase shares of the Company and to formulate and carry into effect any scheme for sharing the profit of the Company with its employees or any of them and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful objects or earmark a portion of the profits of the Company or create a fund or funds for any such objects or purposes.

(49) To establish agencies in India and elsewhere and to regulate and discontinue the same.

(50) Generally to do all such other matters and things as may appear to be incidental or conducive to the attainment of the above objects or any of them or consequential upon the exercise of its powers or discharge of its duties. AND it is hereby declared that in the interpretation of this clause the powers conferred on the Company by any paragraph shall not be restricted by reference to any other paragraph or to the name of the Company, or by the juxtaposition of two or more objects, and that in the event of any ambiguity this clause and every paragraph hereof shall be construed in such a way as to widen and not restrict, the powers of the Company.

IV. The liability of the members is limited.

V. The Capital of the Company is Rs. 15,00,00,000 divided into 1,50,000 equity shares of Rs. 1,000/— each with power to issue any of the shares in the capital, original or increased, with or subject to any preferential, special, or qualified rights or conditions as regards dividends, repayment of capital, voting or otherwise.

(Amended vide Board's Resolution No. 187/3275 dated 25. 5. 79 Governor's approval vide Industries Deptt. Memo No. 14791 dated 24. 10. 80 and confirmed in A.G. Meeting held on 30. 12. 80).

We the several persons, whose names 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 of subscriber	Address and description and occupation, if any	Number of shares taken	Signature of Subscriber	Signature of witnesses and their addresses description & occupation
1. Governor of Bihar	B. N. Sinha Secretary to the Government of Bihar Department of Industries and Co-operation, for and on behalf of the Governor of Bihar.	999 equity shares.	...	
2. Shri S. Dutta ...	Secretary to the Government of Bihar, Finance Department.	1 equity share.	...	
Total...		1000 equity shares	...	

Dated 5th day of November 1960.

THE COMPANIES ACT, 1956.

COMPANY LIMITED BY SHARES.
ARTICLES OF ASSOCIATION
OF
BIHAR STATE INDUSTRIAL DEVELOPMENT
CORPORATION LIMITED.

PRELIMINARY

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

"The Company" means the above named company.

"The Act" means the Companies Act (I 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 Bihar.

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

"Dividend" includes Bonus.

"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 financial year of the company for the time being.

"The Register" means the Register to be kept pursuant to Section 150 of the Companies Act.

"Ordinary Resolution" and "Special Resolution" have the meanings assigned thereto respectively by Section 189 of the Companies Act. Words importing masculine gender include the feminine gender. Subject as aforesaid, any words or expressions defined in the Act shall except where the Subject, or context forbids, bear the same meaning in these Articles.

2. The regulation contained in Table A in the First Schedule to the Act shall not apply to the Company.

3. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject as aforesaid and to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special resolution, as prescribed or permitted by the Act, be such as are contained in these Articles.

4. The Company is to be a Private Company and accordingly :—

- (a) The number of members of the Company (exclusive of the employees of the company and persons, who having been formerly in the employment of the company were members of the Company while in the employment ceased) is not to exceed fifty, but where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article be treated as a single member.

- (b) Any invitation to the public to subscribe for any shares in or debentures or debenture stock of the Company is hereby prohibited.
- (c) The right of transfer of shares shall be restricted as hereinafter provided.

CAPITAL

5. The capital of the Company is Rs 15,00,00,000 (fifteen Crores) divided into 1,50,000 (one lakh fifty thousand) equity shares of Rs. 1,000 (One thousand) each.

(Amended vide Board's Resolution No. 187/3275 dated 25.5.79. Approval by the Governor of Bihar vide Industries Deptt. Memo No. 14791 dated 24.10.80, and A. G. Meeting held on 30.12.80).

6. None of the funds of the Company shall be employed directly or indirectly in the purchase of or lent on the security of shares of the Company, and the Company shall not, except as authorised by section 77 of the Companies Act, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company.

7. The shares shall be under the control of the Directors, who may, with the approval of the Governor in that behalf and subject to the provision hereinafter contained, allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and with full powers to give to any person the call of any shares whether at par or at premium or (subject to the provisions of the Act) at a discount and for such time and for such consideration as the Directors think fit.

8. The Company shall have power to issue preference carrying a right to redemption out of profits or out of proceeds of a fresh issue of shares, or liable to be so redeemed at the option of the Company and the Directors may, with the prior approval of the Governor and subject to the provisions of section 80 of the Companies Act, exercise such power on such terms and in such manner as may be provided by the Articles.

9. In the event of the issue of preference shares by the Company as provided in article 8 above—the holders of the preference shares shall be entitled to be paid out of the profits which the directors shall determine by way of dividend at the rate of 6 percent per annum and to a right, on a winding up, to be paid all arrears of preferential dividends, whether earned or declared or not, down to the commencement of the winding up, and also to be repaid the amount of Capital paid up or credited as paid up on the preference shares held by them respectively in priority to any other rights in the profits or assets of the Company. Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to preferential payment over the equity shares in the event of the winding up of the Company, the holders of equity shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such shares, and all surplus assets thereafter shall belong to the equity shares in proportion to the amount paid up or credited as paid up on such equity shares respectively at the commencement of the winding up.

10. If at any time the capital is divided into different classes of shares of the rights attached to any class (unless otherwise provided by the term of issue of the shares of that class), may subject to the provisions of the Act and whether or not the Company is wound up be varied—

- (a) With the consent in writing of the holder of not less than three-fourth of the issued shares of that class, or,
- (b) With the sanction of a resolution passed at a separate meeting of the holders of those shares and supported by the vote of the holder, not being less than three-fourth of those shares.

To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons

at least holding or representing by proxy one third of the issued shares of the class in question. This Article is not by implication to curtail the power of modification which the Company would have if the Article were omitted.

SHARE CERTIFICATE

11. Every person whose name is entered as a member in the register of members shall, without payment, be entitled to receive within three months after allotment or registration of transfer a certificate under the seal of the Company, in such form as the Directors shall prescribe or approve, specifying the shares held by him and the amount paid thereon.

Provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one or several joint holders shall be sufficient delivery to all.

12. Every certificate of shares shall specify the number and denoting number of the shares in respect of which it is issued and the amount paid up thereon and shall be signed by two Directors and the Secretary or some other person appointed by the Directors.

13. If a share certificate is defaced, lost destroyed, it may be renewed on payment of such fee, if any, not exceeding fifty Paise, and on such terms, if any as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

COMMISSION AND BROKERAGE

14. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stock of the Company but so that if the commission in respect of shares shall be paid or payable out of capital or out of the profits, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission in case of shares shall not exceed 5 percent of the price at which the shares are issued and in case of debentures 2 1/2 percent of the price at which the debentures are issued. The commission may be paid or satisfied in cash or in shares, debentures or debenture stock of the Company.

CALLS, LIEN AND FORFEITURE OF SHARES

15. The Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the person and at the times and places appointed by the Directors. A call may be made payable by instalments.

Provided, however, that the Directors may from time to time at their discretion extend the time fixed for the payment of any call.

16. If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof the holder for time being or allottee of the share in respect of which a call shall have been made shall pay interest on the same at such rate not exceeding 6 percent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

17. The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A call may be revoked or postponed at the discretion of the Directors.

19. Any sum which by the terms of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

20. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company in general meeting, 6 percent per annum) as the members paying such sum in advance and the Directors agree upon, and the Directors may at any time repay the amount so advanced upon giving to such members three months' notice in writing.

21. The Company shall have first and paramount lien on every share (not being a fully-paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of single person, for all money presently payable by him or his estate to the Company, but the Directors may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

22. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice, in writing stating and demanding payment of such part of amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled by reason of his death or insolvency to the share.

23. The proceeds of the sale shall be applied on payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase-money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

24. (i) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

(ii) the notice aforesaid shall :—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made; and

- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.

(iv) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit.

(v) At any time before a sale or disposal as aforesaid, the Directors may cancel the forfeiture on such terms as they think fit.

25. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all money which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full and such money in respect of the shares.

26. (i) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.

(iii) The transferee shall thereupon be registered as the holder of the share.

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be effected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

27. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum, by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES.

28. The right of members to transfer their shares shall be restricted as follows :—

- (i) A share may be transferred by a member or other person entitled to transfer to a person approved by the Governor.
- (ii) Subject as aforesaid, the Directors may refuse to register any proposed transfer of shares.

29. If the Directors refuse to register the transfer of any shares they shall within two months, send to the transferee and transferor notice of the refusal.

30. Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trusts or equi y

or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

31. The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the register of members in respect thereof.

32. Shares in the Company shall be transferred in the following form, or in any usual or common form which the Directors approve.

BIHAR STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED.

"I.....of.....in consideration of the sum of rupees.....paid to me by.....of.....
.....(hereinafter called "The said transferee") do hereby transfer to the said transferee the share (or shares) numbered.....to.....
.....inclusive in the undertaking called Bihar State Industrial Development Corporation Ltd., to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution thereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hands the.....
.....day of.....Witness to the signature of, etc."

33. Nothing contained in Article 28 shall prejudice any power of the Company to register as shareholder any person to whom the right to any share in the Company has been transmitted by operation of law.

34. Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred and such evidence as the Company may require to prove the title of the transferor, or his right to transfer the shares.

35. All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall, on demand, be returned to the person depositing the same.

36. A fee not exceeding two rupees may be charged for each transfer and shall, if required by the Directors, be paid before the registration thereof.

37. The transfer books and register of members may be closed for any time or times not exceeding in the whole 45 days in each year but not exceeding 30 days at a time after giving not less than seven days notice in terms of section 154 of the Act.

38. Subject to the provisions of Section III of the Act, the Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in an ordinary transfer presented for registration.

INCREASE REDUCTION AND ALTRATION OF CAPITAL

39. Subject to the approval of the Governor, the Directors may, with the sanction of the Company in general meeting, increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.

40. Subject to such directions as may be issued by the Governor in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct.

41. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.

42. Subject to the approval of the Governor the Company may in general meeting alter the conditions of its Memorandum as follows :—

- (a) Consolidate and divide all and any of its share capital into shares of larger amounts than its existing shares;
- (b) Subdivide shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf. Subject to these Articles the resolution by which any shares are subdivided may determine that as between the holders of the shares resulting from such subdivision one or more of shares may be given any preference or advantages or otherwise over the others or any other such shares.
- (c) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

43. Subject to the provisions of section 100 to 104 of the Act the Company may, from time to time, with the approval of the Governor, by special resolution reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the shares or otherwise as may seem expedient, and capital may be paid off upon the footing that may be called up again or otherwise and the Directors may, subject to the provisions of the Act, accept surrender of shares.

BORROWING POWERS.

44. Subject to the approval of the Governor and subject to the provisions of section 292 of the Act, the Directors may from time to time borrow or secure the payment of any sum or sums of money for the purposes of the Company.

45. The Directors may, subject to the approval of the Governor, secure the repayment of such money in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual, or redeemable debentures or debenture-stock, or any mortgage, charge or other security on the undertaking of the whole or any part of property of Company (both present and future) including its uncalled capital for the time being.

46. Debentures, debenture-stock, 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.

47. Subject to the approval of the Governor and subject to the provisions of section 76 of the Act, any bonds, debentures, debenture-stocks or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise.

48. Whenever any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the share holders or otherwise, to obtain priority over such prior charge.

49. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or

cause to be executed any mortgage, charge or security over or affecting the whole or an part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETINGS.

50. The first annual general meeting of the Company shall be held by the Company within 18 months of its incorporation and thereafter the annual general meeting of the Company shall be held within 6 months after the expiry of each financial year. Except as provided under the Act no greater interval than 15 months shall be allowed to lapse between two annual general meetings. It shall be held during business hours on a day that is not a public holiday. The notice calling the meeting shall specify it as the Annual General Meeting. The other general meetings, which may be called at such time and place as may be determined by the Directors, shall be called Extraordinary General Meetings.

51. The Directors may, whenever they think fit, and shall, when required by the Governor, call an Extraordinary General Meeting, and Extraordinary General Meeting shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by the Act. If at any time there are not within India, sufficient Directors capable of acting to form a quorum, any Director or any one member of the Company may call an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be called by the Directors.

52. Subject to the provisions relating to special resolution hereinafter contained, at least seven 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 hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same, any particular meeting may be convened by shorter notice and in such manner as those members may think fit.

Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by section 189 (2) of the Act not less than twenty-one days notice of such meeting specifying the intention to propose the resolution as a special resolution shall be served.

Provided, further, that if all the members entitled to attend and vote at such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one days notice has been given.

53. The accidental omission to give any such notice to or the nonreceipt of any such notice by any member shall not invalidate the proceedings at any meeting.

54. The business of annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors to declare dividends and to transact any other business which under these Articles ought to be transacted at an annual general meeting. All other business transacted at an ordinary general meeting and all business transacted at an extraordinary general meeting shall be transacted in accordance with section 173 of the Act.

55. Two members present in person of whom one shall be a representative of the Governor shall be a quorum for a general meeting.

56. (i) The Governor, so long as he is a share-holder of the Company, may, from time to time, appoint one or more persons (who need not be members or members of the Company) to represent him at all or any meetings of the Company-

(ii) Any one of the persons appointed under sub-clause (i) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the Governor at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.

(iii) The Governor may, from time to time, cancel any appointment made under sub-clause (i) of this Article and make fresh appointments.

(iv) The production at the meeting of an order of the Governor evidenced as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.

(v) Any person appointed by the Governor under this Article may, if so authorised by such order, appoint a proxy, whether specially or generally.

57. The Chairman of the 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.

58. If within half an hour after the time appointed for the holding of a general meeting a quorum be not present the meeting if convened on the requisition of share-holders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or to such other day, time and place as the Directors may by notice to the share-holders appoint. If at such adjourned meeting a quorum be not present those members present shall be a quorum and may transact the business for which the meeting was called.

59. The Chairman of a general meeting may, with the consent of the meeting, adjourn the same 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 adjournment took place.

60. Subject to the provision of section 183 of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

61. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.

62. At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of the Act, and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, an entry to that effect in the books of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

63. If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

64. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

65. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

66. Any resolution passed by the Directors, notice whereof shall be given to the members in the manner in which notices are hereinafter directed to be given, and which shall, within one month after it shall have so been passed, be ratified and confirmed in writing by members entitled at a poll to threefifths of the vote shall be as valid and effectual as a resolution of a general meeting; but this clause shall not apply to a resolution for winding up the Company or to a resolution passed in respect of any matter which by the statute or by these Articles ought to be dealt with by a special resolution.

VOTES OF MEMBERS

67. Upon a show of hands, every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every share held by him. Provided that no company shall vote by proxy as long as a resolution of its Directors authorising any person to act as its representative at any meeting of the Company passed in accordance with the provisions of the Act is in force.

68. Any member who is a company present by a representative duly authorised by a resolution of the Directors of such company in accordance with the provisions of section 187 of the Act may vote on a show of hands as if he was a member of the Company. The production at the meeting of a copy of such resolution duly signed by one Director of such company and certified by him as being a true copy of the resolution shall at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

69. Any person entitled under transmission clause (Article 33 hereof) to transfer any share may vote at a meeting in respect thereof as if he was the registered holder of such shares provided that at least 72 hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

70. Where there are joint registered holders of any share, any one of such person may vote at any meeting, either personally or by proxy in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.

71. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on poll, by his committee or other legal guardian and any such committee or guardian may, on poll, vote by proxy.

72. A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate be under its seal or be signed by an officer or an attorney duly authorised by it.

73. The instrument appointing a proxy and the power of attorney, other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the office of the Company not less than 72 hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution except in the case of adjournment of any meeting first held provisionally to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 72 hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than 72 hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney require him to produce the original power of attorney or authority and unless the same is there-upon deposited with the Company attorneys all not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

74. If and such instrument of appointment be confined to the subject of appointing proxy or substitute for voting at meeting of the Company it shall permanently or for such time as the Directors may determine be in the custody of the Company and if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

75. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve :—

**THE BIHAR STATE INDUSTRIAL DEVELOPMENT
CORPORATION LTD.**

“I.....of.....in the district of.....being a member of the above named company, hereby appoint.....of.....as my proxy to vote for me and on my behalf at the Ordinary/Extraordinary General Meeting of the Company to be held on the.....day of.....and any adjournment thereof.”

Signed this.....day of.....

76. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

77. No member shall be entitled to be present, or to vote on any question either personally or by proxy, or as proxy, for another member, at any meeting or upon a poll, or be reckoned in quorum whilst any call or other sum shall be due and payable to the Company in respect of the shares of such member.

78. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting whatsoever.

Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

79. Subject to the provisions of section 252 of the Act, the Governor shall from time to time determine in writing the number of Directors which shall not be less than two or more than 12. (twelve) Directors are not required to hold any qualification shares.

(Amended in E.O.G. Meeting held on 9-7.1983. Governors approval vide Industries Deptt. letter No. 6852 dated 20-4-83.

80. (i) Except as provided in Article 82 hereunder, the Directors (including the Chairman) shall be appointed by the Governor and shall be paid such salary and/or allowances as the Governor may from time to time determine subject to the provisions of section 314 of the Act.

(ii) At every annual general meeting of the Company every Directors appointed by the Governor shall, unless he has been appointed to any office under Article 96 hereunder, retire from office. A Director appointed under Article 96 shall retire on his ceasing to hold the office thereof. A retiring Director shall be eligible for reappointment.

(iii) The Governor shall have the power to remove any Director appointed by him from office at any time in his absolute discretion.

(iv) The vacancy, in the office of a Director appointed by the Governor caused by retirement, removal, resignation, death or otherwise, may be filled by the Governor by fresh appointment.

81. Subject to the provisions of the Act and the directives or instructions, if any the Governor may issue from time to time as contained in Article 143, the business of the Company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the Company and who may exercise all such powers and do all such acts and things as the Company is authorised to exercise and do, provided that the Directors shall not exercise any power or do any act or thing which is directed or required, whether by the Companies Act, 1956, or any other Act or by the Memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in general meeting.

Provided further that in exercise of any such power of doing any such act or thing, the Directors shall be subject to the provisions contained in that behalf in the Companies Act or any other Act, or in the Memorandum or Articles of the Company, or in any regulations made by the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

82. In place of 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 meetings of the Directors are ordinarily held, the Board may appoint any person to be an Alternate Director during his absence out of India or his absence of not less than three months from the State in which the meetings of the Directors are ordinarily held and such appointment shall have effect and such appointee whilst he hold office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and to vote thereat accordingly, and he shall 'ipso facto' vacate office if and when the original Director returns to India or vacates office as a Director.

83. The Office of a Director shall be vacated if,

- (a) he is found to be of unsound mind by Court of competent jurisdiction;
- (b) he applies to be adjudicated an insolvent;
- (c) he is adjudged an insolvent;
- (d) he is convicted by any Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months.

- (e) he absents himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Directors;
- (f) he fails to disclose the nature of his concern or interest in any contract or arrangements or proposed contract or arrangements entered into or to be entered into by or behalf of the Company as required under section 299 of the Act;
- (g) he becomes disqualified by an order of the Court under section 203 of the Act;
- (h) he is removed in pursuance of section 284 of the Act;
- (i) he is concerned or participates in the profits of any contract with the Company;
- (j) he fails to pay any call in respect of shares of the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the call;
- (k) he fails to obtain within the time specified in sub-section (1) of section, 270, or at any time thereafter ceases to hold; the share qualification, if any, required of him by the article of the Company :

Provided, however, no Director shall vacate his office by reasons of his becoming a member of any company which has entered into contract with or done any work for the Company of which he is a Director but a Director shall not vote in respect of any such contract or work and if he does so vote, his vote shall not be counted.

84. The disqualification referred to in sub-clauses (c), (d) and (g) of Article 83 above shall not take effect :—

- (a) for thirty days from the date of adjudication, sentence or order;
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or
- (c) where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of.

85. A Director of this Company may be or become a Director of any company promoted by this company or in which it may be interested as a vendor, member or otherwise.

86. The Directors may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, provided that the Directors shall hold a meeting at least once in every three calendar months. A Director may, and the Secretary on the requisition of any Director shall at any time, convene a meeting of the Directors. Unless otherwise expressly provided in the Act, questions arising at any meeting shall be decided by a majority of votes, the Chairman shall have a second or casting vote.

The quorum necessary for the transaction of the business of the Directors shall be one-third of the total strength or 2 Directors whichever is higher provided in section 287 of the Act. Provided that such quorum shall not be deemed to be complete unless 2 Directors nominated by the Governor are present as Directors.

87. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of summoning a general meeting of the Company, but for no other purpose.

88. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all/or any of the authorities, powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.

89. Save as otherwise expressly provided in the Act, a resolution in writing signed by all the Directors or of the members of a committee of Directors or by a majority of such of them as are entitled to vote on the resolution shall be as valid as if it had been passed at a meeting of the Directors or the Committee of Directors duly called and constituted provided that such resolution shall be signed by at least 2 officers of the Government of Bihar who may for the time being be the Directors.

90. If no Chairman is appointed by the Governor, or if at any meeting the Chairman is not present within 5 minutes after the time for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

91. The Directors may, Subject to the provisions of section 292 and 297 of the Act, delegate any of the powers to a committee consisting of such member or members of their body as they think fit and may, from time to time, revoke such delegation any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors. The proceedings of such a committee shall be placed before the Board of Directors at its next meeting.

92. A committee may elect a Chairman of its meetings; if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

93. A committee may meet and adjourn as it may think proper. Questions arising at any meeting shall be determined by a majority of vote of the members present and in case of any equality of votes, the Chairman shall have second casting vote.

94. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director provided that nothing in this article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

95. (a) The Chairman shall reserve for the decision of the Governor proposals or decisions of the Directors in any matter which in the opinion, of any Director is of such importance as to be reserved for the approval of the Governor. No action shall be taken by the Company in respect of any proposal or decision of the Directors reserved for the approval of the Governor as aforesaid until the approval to the same has been obtained.

(b) Without prejudice to the generality of the above provision, the Directors shall reserve for the decision of the Governor—

95. (b) (i) Any programme of Capital expenditure exceeding Rs. 30,00,000/— (Rupees thirty lakhs) only.

(Amended vide Board's Resolution No. 196/3437 dated 19-6-81. Governor's approval vide Industries Deptt. Letter No. 5202 dated 25-3-82).

(ii) Creation of and appointment to all posts whose maximum salary exceeds Rs. 1,600/—.

(Amended vide 14th A. G. meeting held on 10-10-75 and approved by the Governor vide Industries Deptt. letter No. 6571 dated 20-3-76).

(iii) Rules of the Company governing conditions of service of the employees' provident fund and other rules, creation of reserve and special funds;

(iv) The sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking/undertakings of the Company.

(v) Formation of a subsidiary Company.

(vi) The division of capital into different classes of shares.

(c) Without prejudice to the general powers conferred by the articles hereinbefore and hereinafter, it is hereby express'y declared that the Directors shall, subject to the provisions of those articles and of the Companies Act, have the following powers, that is to say powers :—

(i) To pay costs, charges, and expenses preliminary and incidental to the promotion, and formation, establishment and registration of the Company.

(ii) To purchase or otherwise acquire for the Company any property, rights, or privileges, which the Company is authorised to acquire, at such price and generally on such terms and conditions as they think fit.

(iii) At their discretion, to pay for any property, rights, or privileges acquired by or services rendered to, the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up or thereon as may be agreed upon: and any such bonds debentures, or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital, or not so charged.

(iv) To secure fulfilment of any contracts or agreements entered into by the Company, by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such other manner as they may think fit.

(v) To appoint, and at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary, or special services, as they may from time to time think fit and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and for such amount as they think fit.

(vi) To accept from any member on such terms and conditions as shall be agreed. surrender of his shares or stock or any part thereof.

(vii) To appoint any person or persons, whether incorporated or not, to accept and hold in trust for the company any property belonging to the Company, or in which it is interested, or any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trusts or trustees.

(viii) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the company, or its officers, or otherwise concerning the affairs of the company, and also to compound and allow time for payment or satisfaction of any debt due, and of any claims or demands by or against the company.

- (ix) To refer any claims or demands by or against the Company, to arbitration and observe and perform the award.
- (x) To make and give receipts, releases and other discharges for money payable to the company, and for the claims and demands of the company.
- (xi) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and other documents.
- (xii) From time to time to provide for the management of the affairs of the company abroad in such manner as they think fit, and in particular to appoint any persons to be the attorneys or agents of the company with such powers including power to sub-delegate and upon such terms as may be thought fit.
- (xiii) To invest and deal with any of the moneys of the Company not immediately required for the purposes thereof, upon such securities not being shares in this company in such manner as they may think fit, and from time to time to vary or realise such investments.
- (xiv) To execute in the name and on behalf of the company in favour of any director or other person who may incur or be about to incur any personal liability for the benefit of the company, such mortgages of the company's property present and future as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.
- (xv) From time to time to make, vary and repeal bye-laws or the regulations of the business of the company, its officers and servants.
- (xvi) To enter into all such negotiations and contracts and rescind, and vary all such contracts, and execute and do all such acts deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid, or otherwise for the purpose of the Company.

(i) (a) The Governor may from time to time appoint one of the Directors as Chairman of the Board of Directors and one or more Directors as Managing Directors, Executive Directors, or Resident Director for such terms and on such remuneration; either by way of salary or otherwise, subject to the provisions of section 314 of the Act, as he may think fit. The Governor may at any time remove or dismiss any such Director from his office and appoint another in his place. Any such Director shall, after, he ceases to hold the office of Director from any cause, 'ipso facto' and immediately ceases to be the Chairman, Managing Director, Executive Director or Resident Director, as the case may be. Whenever the Chairman, Managing Director, Executive Director or Resident Director vacates his office, the Governor may appoint another Director to fill the vacant office.

(b) All executive powers of the Corporation shall vest in the Managing Director who shall be the Chief Executive Officer.

(c) The Chairman shall, on a request from the Chief Executive officer for calling a meeting of the Board of Directors of the Company, call the meeting within one month of such request. The proposal as proposed by the Chief Executive officer for consideration in a meeting of the Board of Directors shall be approved by the Chairman.

(Amended vide Board's resolution No. 173/2992 dated 1-6-77. Governor's approval vide Industries Department letter No. 304 dated 23-5-77).

(ii) "The Governor may, if he deems it necessary, also appoint one of the Directors as Vice-Chairman of the Company. The Vice-Chairman shall exercise the powers of the Chairman of the Company in respect of presiding over the meetings of the Board of Directors, its Committees and Sub-Committees and the General Meetings, if the Chairman is not present. The Vice-Chairman will also exercise such powers as are delegated to him by the Chairman with the approval of the Board."

(Amended vide E. O. G. Meeting held on 9-7-1983. Governors approval vide Industries Department letter No. 6171 dated 7-4-1983).

97. The Governor may appoint General Managers, or a Financial Adviser and Chief Accounts Officer of the Company for such terms and at such remuneration as he may think fit and may from time to time remove them from office and appoint others in their place. The Directors may from time to time entrust to and confer upon a General Manager or Financial Adviser and Chief Accounts Officer for the time being such of powers of the Directors as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes for such terms and conditions and with such restrictions as they may think expedient, and from time to time revoke, withdraw, alter or vary all or any of such powers.

98. Subject to the approval of the Governor, the Directors may from time to time entrust to and confer upon the Chairman, the Managing Director, Executive Director or Resident Director for the time being such of their powers exercisable under these Articles as they may think fit.

99. The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgage and charges affecting the property of the Company, or created by it and to keeping a register of the Director, and to sending to the Register an annual list of members, and summary of particulars relating thereto and notice of any consolidation or increase of share capital or conversion of shares into stock and copies of special resolutions and a copy of the register of Directors and notifications of any changes therein.

100. The Directors shall in accordance with the provisions of section 193 of the Act, cause minutes to be entered in books provided for the purpose :—

- (a) of all appointments of the officers made at the meeting of the Directors or of any committee of Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
- (c) of all resolutions and proceedings at all meetings of the Company and of the Directors and of any committee of Directors;
- (d) in the case of each resolution passed at such meeting the name of the Directors, if any, dissenting from or not consenting in the resolution; and
- (e) every Director shall sign his name in a book to be kept for that purpose.

101. Subject to restrictions placed under section 292 of the Act and to the provisions of section 289 thereof, resolutions of the Directors can be passed by circulation and they shall be as valid and effectual as if they had been passed at a meeting of the Directors duly called and constituted.

102. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Directors, and in the presence of at least one Director or of such other persons as the Directors may appoint for the purpose and any such Director or other authorised person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.

DIVIDEND AND RESERVE FUND

103. With the approval of the Governor in this behalf, the Directors 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 dividend or for special dividends or for improvements to any of the property of the Company, and for such other purposes as the Directors shall in their absolute discretion think conducive to the interest of the Company; and may divide the 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 that without being bound to keep the same separate from the other assets.

104. The Directors may invest in the Reserve Bank of India or in such securities as may be approved by the Governor and deal with any of the moneys of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit; from time to time vary or realise such investments.

105. The profits of the Company available for payment of dividend subject to any special rights relating thereto, created or authorised to be created by these presents and subject to the provision of these presents as to the reserve fund shall, with the approval of the Governor, be divisible among the members in proportion to the amount of capital held by them respectively. Provided always that (subject as aforesaid) any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

106. Where capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.

107. The Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

108. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payment, but no dividend shall exceed the amount recommended by the Directors.

109. No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the Company. The declaration of the Directors as to the amount of the profits of the company shall be conclusive.

110. The Directors may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justifies.

111. The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

112. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Article 33) entitled to become a member, or which any person under that clause is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

113. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

120. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and all dividends unclaimed for six years after having been declared may be forfeited by the Directors for the benefit of the Company, and, if the Directors think fit they may be applied in augmentation of the reserve fund. Provided however, the Directors may at any time annual such forfeiture and pay any such dividends.

ACCOUNTS

121. The Company shall in compliance with section 209 of the Act cause to be kept and maintained proper books of accounts with respect to .—

- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place,
- (b) All sales and purchases of goods by the Company.
- (c) The assets and liabilities of the Company.

122. Books of account shall be kept at the 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.

123. The Directors shall, from time to time; determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members (not being Directors) and no member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.

124. The Directors shall at some date not later than 18 months after the incorporation of the Company and subsequently once at least in every financial year lay before the Company in Annual General Meeting a balance sheet and profit and loss account, in the case of the first account since the incorporation of the Company and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months.

125. The Directors shall as per section 217 of the Act make out and attach to every balance sheet a report with respect to the state of the Company's affairs, the amount, if any which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the reserve fund, general reserve or reserve account shown specifically on the balance sheet or to a reserve fund, general reserve or reserve account to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Directors on behalf of the Directors if authorised in that behalf by the Directors and when he is not so authorised, shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub-section (1) and (2) of section 215 of the Act.

126. The profit and loss account shall, subject to the provision as laid down in section 211 of the Act and the Schedule VI referred to therein, show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance

of profit and loss may be laid before the meeting, and in case where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

127. The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company and shall deposit a copy at the office of the Company for inspection of the members of the Company during a period of at least twenty-one days before the meeting or as required under section 219 of the Act.

128. The Directors shall in all respects comply with the provisions of sections 209 to 211 and 215 to 222 of the Act, or any statutory modification thereof for the time being in force.

AUDIT

129. 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.

130. The Auditor/Auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India.

131. The Auditors of the Company shall be entitled to receive notice of and to attend and general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the Accounts.

132. (a) The Comptroller and Auditor General shall have power :—

(i) to direct the manner in which the Company's accounts shall be audited by the Auditor/Auditors and to give such Auditor/Auditors instructions in regard to any matter relating to the performance of his/their functions as such;

(ii) to conduct a supplementary or test audit of the Company's account by such person/persons as he may authorise in this behalf and for the purpose of such audit, to have access, at all reasonable times, to all account books, vouchers, documents and other papers of the Company and require information or additional information to be furnished to any person or persons and in such form as the Comptroller and Auditor General may, by general or special order, direct.

(b) The Auditor/Auditors aforesaid shall submit a copy of his/their Audit Report to the Comptroller and Auditor General, who shall have the right to comment upon or supplement the audit report in such manner as he may think fit.

(c) Any such comment upon or supplement to the Audit 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.

NOTICE

133. (a) A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.

(b) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

134. A holder of registered shares, who have no registered place of address within India may, from time to time, notify in writing to the Company an address, which shall be deemed his registered place of address, within the meaning of the last preceding article.

135. If a member has no registered address and has not supplied to the Company any address within India for giving of notice to him, a notice addressed to him and advertised in a newspaper circulating in the neighborhood of the office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

136. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder named first in the register of members in respect of the shares.

137. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

138. Notice of every general meeting shall be given in such manner as hereinbefore authorised to (a) every member of the Company except those member who having no registered address have not supplied to the Company any address for the giving of notice to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency, would be entitled to receive notice of the meeting provided the Company has due notice.

139. Every person who by operation of law, transfer or other means whatsoever; shall become entitled to any shares shall be bound by every notice in respect of such share which previously to his name and address and title to shares being notified to and registered by the Company, shall be duly given to the person from whom he derives his title to such shares.

140. The signature to any notice to be given by the Company may be written or printed.

141. Where a given number of day's notice or notices extending over any other period is required to be given, the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

WINDING UP.

142. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the 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 on the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

GENERAL.

143. 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 affair 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 directions or instructions so issued.

144. (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 Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses and expenses (including travelling 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 as between the members over all other claims.

(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 proceedings whether civil or criminal in which judgment is given in his or their favour or in which he or they are acquitted or in connection with any application under section 633 of the Act in which relief is given to him or them by the Court.

145. Subject to the provisions of section 10 of the Act no Director, Manager or officer or employee of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Manager or 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 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 of 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 happen through his own dishonesty, negligence, default, misfeasance, breach of duty or breach of trust.

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

Name of subscriber.	Address, description and occupation if any of the subscriber	No. of shares taken	Signature of the subscriber.	Signature of witness with their address, description and occupation.
(1) Governor of Bihar.		999	(B. N. Sinha, Secretary to the Government of Bihar, Department of Industries and Co-operation, for and on behalf of the Governor of Bihar.)	
(2) Secretary of the Government of Bihar, Finance Department.		1 Equity.	(S. Dutt.)	
		1,000 Equity. Shares		
	Total...			

Date 5th day of November, 1960