COMPANIES ACT, 1956

(Public Company Limited by Shares)

MEMORANDUM OF ASSOCIATION

OF

Bihar State Film Development and Finance Corporation Limited

(A GOVERNMENT OF BIHAR UNDERTAKING)

I. The name of the Company is 'BIHAR STATE FILM DEVELOPMENT AND FINANCE CORPORATION LIMITED'.

II. The registered office of the Company will be situated in the State of Bihar.

III. (A) The main objects of the Company to be pursued on its incorporation are :

1. To take over, run and manage such of those Cinemas that may be handed over to the Corporation by the Government of Bihar.

2. To carry on the business of proprietors, managers, distributors, organisers, lessors, lessees, hirers, and exhibitors of theatres, cinemas, picture-palaces and concert-halls, and to provide for the production, representation, and performance whether by mechanical means or otherwise of operas, stage plays, ballets, spectacular pieces, and other concerts, and other musical and dramatic performances and entertainments and for such purposes to enter into agreements with authors or other persons for the dramatic or other rights of operas, plays, films, operattas, ballets, pantomimes, spectacular pieces, musical compositions, and other dramatic and musical performances and entertainments, or for the representation thereof in India and elsewhere and to enter into engagements of all kinds with artists and other persons.

3. To produce motion pictures, T. V. film and programmes, plays on all subjects talking as well as silent cartoons, news, topical, commercial and educational films and to

carry on the business of producers, distributors, exhibitors, promoters of cinematographic films and Talkies of every description in all their branches and to do all things necessary and expedient in connection with these businesses.

4. To aid, counsel, assist, finance, to provide technical and financial assistance in connection with film production and running of cinemas and theaters, to provide guarantee for finance/promote the construction, running, maintenance, management of theatres, cinemas, concert halls, picture palaces, touring talking film production studies, laboratories, workshop. academy bureau, Mobile shooting and sound vans and to encourage local dialects, local artists and local shootings.

5. To manufacture, make, purchase, import or export, to take on hire or otherwise acquire and deal in films, cameras, projectors, sound recording and reproducing machines, phonographic other musical apparatus, instruments, accessories and gramaphone records, undertaking, processing and developing of negatives, positive printing and all other kinds of photochemical work, and to carry on the business of photograph artists, painters, designers, engravers, printers, films, books, music, songs, dramas of every description.

6. To build, erect, construct, purchase, take on lease or hire, reform, alter, improve or otherwise acquire and maintain film production studios, laboratories, workshops and all other kinds of buildings and instal necessary machinery and other equipment and conveniences for the purposes of the Company's trade.

(B) Objects incidental or ancillary to the attainment of Main objects :

1. To manufacture, buy, sell, treat, and deal in any or all kinds of plants, equipment, machinery, apparatus, tools, utensils, commodities, substances, articles and things necessary or useful for carrying on any of the above businesses or usually dealt by the persons engaged therein.

2. To educate, train, experiment, explore and otherwise advance scientific knowledge about art, treasure, collections and things of allied nature and to establish, run and manage schools, colleges and classes for the purposes aforesaid.

3. To prepare, advise, devise, manufacture and construct advertising devices and designs and to publish or advertise the same through any media whatsoever.

4. To enter into agreements with companies, associations, societies, organisations or persons, foreign or Indian, for securing any of the objects of the Company or for any purpose conducive to any objects.

5. To employ or engage experts, agents, Indian or foreign consultants in connection with planning and development of all or any of the objects of the Company.

6. To establish branches and agencies in India and elsewhere and to regulate their working and discontinuance thereof.

7. To acquire any undertaking such shares, stocks, debentures, debenture stocks, bonds, obligations or securities of the Government of Bihar or any company or body corporate engaged in objects similar to the Company.

8. To undertake the management of any company or companies having objects altogether or in part similar to those of the Company.

9. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purposes which may seem directly or indirectly calculated to benefit the company.

10. To enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint-venture or otherwise, with any person or persons or company carrying or engaged in any business or transactions capable of being conducted so as to directly or indirectly benefitial to the Company.

11. To invest any moneys of the Company not immediately required for the purposes of its business in such manner as may be thought fit and to lend money to such parties and on such terms, with or without security, as may be thought to be for the interest of the Company.

12. To acquire an interest in, amalgamate with, or enter into partnership or into any joint pursue arrangement, joint under-writing arrangement, or any arrangement for sharing profits, union of interests, joint venture or reciprocal concession, or for co-operation, or for limiting competition or for mutual or for co-operation, or for limiting competition or for mutual assistance with any person, firm, corporation or company and to co-operate in any way with or take or otherwise acquire and hold shares, stock, debentures, debenture stock or securities, or other interest in, or lend money to, guarantee the contracts of, or otherwise against any such person, firm, corporation, or company and to hold and retain, or sell, mortgage, convey in security, and deal with any shares, stock, debentures, debenture-stock or securities, however subject to section 391 to 394 of the Act.

13. To acquire by purchase, lease, contract, concession or otherwise any and all real estate lands, land tenents, options, grants, concessions, franchies, water and other rights, privileges, assessments, estates, interests, properties and reserves of every kind and description whatever which the company may deem necessary or appropriate in connection with the conduct of any business enumerated in this Memorandum of Association or of any other business in which the Company may lawfully engage, and to own, hold, operate, improve, exploit, reorganise, manage, grant, lease, sell exchange or otherwise dispose of the whole or any part thereof.

14. To buy, sell, import, refine, manipulate and otherwise deal with any articles of whatever description, including stores and raw materials for all or any of the objects of the Company.

15. To adopt such means of making known the products of the Company as may seem expedient and in particular and exhibition work or interest or by publication of books and periodicals and by granting prizes, rewards and donations, subject to section 293A of the Act.

16. To apply for, purchase, or otherwise acquire and obtain any patents, brevests'd inventions, licences, permissions, concessions processes, and the like, conferring

any exclusive or limited right (either in point of time or otherwise) to use the same or any secret or other information as to any invention which may seem capable of being used for any purposes of the Company and use, exercise, develop or grant licences in respect of or otherwise turn to account, any such patents, inventions, licences, concessions, permissions, processes.

17. To take all necessary and proper steps in any Legislature (Central or provincial or State) or with the authorities governmental, local, municipal, or otherwise or any place in which the Company may have interest and to carry on any negotiations or operations for the purposes of directly carrying out of jobs of the company or for effecting any modifications in the constitution of the company and to protect the interest of the Company.

18. To borrow or raise or secure the payment of moneys in such manner and on such terms and with such powers and privileges as may be thought fit and in particular by the issue of or upon bonds, debentures, bills of exchange, promissory notes or other obligations or securities of the Company and with a view thereto mortgage and charge the undertaking and all or any of the immovable property present or future, and all or any of the uncalled capital for the time being of the company and to purchase, redeem or pay off any such securities.

19. To issue and deposit any security which the company has power to issue by way of mortgage or charge to secure any sum, also by way of security for the performance of any contracts or obligations of the Company.

20. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debenture stocks, contracts, mortgages, charge, obligations, instruments and securities of any authority supreme, municipal, local or otherwise of any persons whomsoever whether incorporated or not incorporated and generally to guarantee or become sureties for the performance of any contracts or obligations in connection with the Company's business.

21. To draw, make, accept, negotiate, assign, execute and issue and to buy, sell, promissory notes, bills of exchange, bills of lading, and other negotiable or transferable instruments in connection with the business of the Company.

22. To receive moneys for financing the business of the Company on deposit, or loan upon such terms as may be thought fit, however, that the Company shall not do any banking business as defined under the Banking Regulation Act, 1949.

23. To lend moneys on property or mortgage of immovable property or on bypothecation or pledge of movable property with or without securities to such persons on such terms as may and in particular to customers or any persons having dealing with the Company but not amounting to banking business as defined under the Banking Regulations Act, 1949.

24. Subject to section 293A of the Act, to make donations to such persons or institutions and in such cases and either of cash, or any other assets as may be thought directly conducive to any of the Company's objects or otherwise expedient and in particular

to remunerate any person or corporation introducing business to the company and to subscribe or guarantee money for charitable, benevolent or useful object and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of the employees or ex-employees or of persons having dealing with the company or the dependents, relatives or connections of such persons, and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities, bonuses, either by way of annual payments or a lump-sum, and to make payments towards insurance and to form and contribute to provident and benefit funds, to or for such persons.

25. To maintain workshop, laboratories and to carry on research for the Company's activities.

26. To negotiate loans for the Company or other persons or bodies, to lend moneys, securities and other properties, to draw, make, accept, issue, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, hundies, drafts, bills of lading, warrants and other negotiable or transferable instruments, and all kinds of securities and to become sureties and guarantors for any purposes, but the company shall not do banking business as defined in the Banking Regulation Act, 1949.

27. To open any kind of account in any Bank and to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, warrants, debentures and other negotiable or transferable instruments.

(C) The objects incidentals or ancillary to the attainment of above main objects are :

1. To carry on the business of advertising agents and contractors both outdoor and in newspapers, magazines, books, screens, walls, buses and railway carriages.

2. To carry on the business of printers, publishers, decorators in connection with general advertising business and to do any other act or carry out any other contract for the promotion, continuance and advancement of the said business.

3. To purchase or otherwise acquire, either wholly or in part and to print publication, edit newspapers, magazines, pamphlets, journals, dailies, reviews, pictorials, annuals, supplements, biographies, autographies, books, treatises, pictures, circulars, encyclopaedias and other literature or works and publications and to carry on business as advertising agents, bill posters and to deal in pictures, photographers, autographers, paintings, pictorial postcards, calenders, diaries, stationery, artistic goods and to act as picture frame makers, photographers, artists, sculptors, painters, decorators, circulating library keepers.

4. To carry on the business of television, radio, television and radio equipment, accessories, parts, tools, appliances, units, materials and all other articles, things and apparatus used in connection with TV and radio and wireless sets and its repair business. To open, establish and run training schools for apprentices and others in radio, television and electrical and mechanical engineering courses.

5. To establish art galleries for the exhibition of paintings, engravings, sculptures, bronzes. enamels, jewellery, gems, coins, medals, and other works of art, and for social, musical, theatrical and other entertainments and for lectures and other purposes, whether of a like or of a different kind, which may seem expedient.

6. To form a collection of works of art suitable for exhibition in such galleries and to encourage the exhibition in such galleries of loan and other collections of works of art.

7. To buy, sell and deal in works of art of all kinds, and to provide experts advice of all kinds for customers and others.

8. To carry on all or any of the business of builders and contractors, decorators, merchants and dealers in stone, sand, lime, bricks, timber, hardware, and other building requisites, brick and tile and terra-cotta makers, jobmasters. carriers, licensed victuallers, and house agents.

IV. The liability of the members is limited.

V. The share capital of the Company is Rs. 1,00,00,000/= (Rupees One Crore) divided into 1,00,000 (one lac) Equity Shares of Rs. 100/- each.

We, the several members, whose names and addresses are subscribed hereunder, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectivety agree to make the number of shares in the capital of the Company set opposite our respective names :

Names, father's name and signature of subscribers	Address, Description and occupation of subscribers	Number of shares taken by each subscriber	Name and description and occupation and address of witnesses

Dated : Patna, the.....day of.....1983.

ARTICLES OF ASSOCIATION

Bihar State Film Development and Finance Corporation Limited

(A Government of Bihar Undertaking)

INTERPRETATION

1. Unless the context otherwise requires, words or for the time being expression contained in these Articles shall bear the same meaning as in the Companies Act, 1956 or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

2. In these Articles, unless there be something in the subject or context in consistent therewith :

(i) "The Act" means "The Companies Act, 1956" and includes, where the context so requires, any re-enactment or modifications thereof for the time being in force.

(ii) "The Company" means BIHAR STATE FILM DEVELOPMENT AND FINANCE CORPORATION LIMITED.

(iit) "The Governor" means the Governor of Bihar.

(iv) "The Director" means the Director for the time being of the Company or as the case may be, the Directors assembled at a Board, or the Directors by whatever name called.

(v) "The Board of Directors" or "the Board" means the Directors duly constituted or as the case may be, the Directors assembled at a Board.

(vi) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.

(vii) "The Managing Director" means a Director who by virtue of an agreement with the Company or of a resolution passed by the Company in general meeting or by the Board of Directors or by virtue of the Memorandum or Articles of Association is entrusted with substantial powers of management, which would not otherwise be exercisable by him and, includes a director occupying the position of Managing Director by whatever name called.

(viii) "The Seal" means the Common seal of the Company.

(ix) "Month" means a calendar month.

(x) "Proxy" includes Attorney duly constituted under a Power of Attorney.

(xi) "The Office" means the registered office for the time being of the Co mpany.

(xii) "The Register" means the register of members to be kept pursuant to Section 150 of the Companies Act, 1956.

(xiii) "Executor" or " Administrator" means a person who has obtained probate or letters of Administration as the case may be from some competent court.

(xiv) "The Registrar" means the Registrar of Companies of the State in which the Rgistered office of the Company is situated

(xv) "Year" means Calendar Year.

(xvi) "Capital" means the capital for the time being raised or authorised to be raised for the purposes of the Company.

(xvii) "Shares" means the shares or stock into which the capital is divided and interest corresponding with such shares or stock.

(xviii) "Persons" includes Corporation and Firms, as well as individuals.

(xix) "Regulations of the Company" means the regulations for the time being in force for the manag ement of the Company.

(xx) "Financial Year" means the period in respect of which

any profit and loss account of the company laid before it in annual general meeting is made up, whether that period is a year or not.

(xxi) "Bye-laws" means the Bye-laws which may be made by the Directors of the Company under these Articles and which may for the time being be in force.

(xxii) "In Writing" and "written" include printing, lithography and other modes representing or reproducing words in a visible form.

* Words importing the singular number include the plural number and vice versa.
* Words importing the masculine gender also include feminine gender.
* Marginal notes hereto shall not affect the construction hereof.

Table 'A' not to apply.

3. Save as embodied in the following Articles the Regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company.

Company to be governed by these regulations.

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

SHARE CAPITAL

Capital

5. The share Capital of the Company is Rs. 1,00,00,000/-(one crore) divided in 1,00,000 (one lac) Equity Shares of Rs. 100/ each with power to increase or reduce the capital and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.

Company's shares not to be purchased.

6. No part of the funds of the company shall be employed in purchase of or in loans upon the security of the company's shares.

Allotment of shares.

7. Subject to the provisions of the Act and these Articles shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as they think fit

Restriction on Allotments.

8. If the Company shall offer any of its shares to the public for subscription :

(a) no allotment thereof shall bo made, unless the amount stated in the prospectus as the minimum subscription has been subscribed and the sum payable on application thereof has been

paid to and received by the Company : but this provision shall no longer apply after the first allotment of shares offered to the public for subscription;

b. the amount payable on application on each share shall not be less than five percent of the nominal amount of the shares; and

c. the Company shall comply with the provisions of sub-section (4) of Section 69 of the Act.

Trusts not recognised

9. Save as herein otherwise provided, the company shall be entitled to treat the member registered in respect of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

10. The Company may exercise the powers of paying commissions conferred by section 76 of the Act, provided that the rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and shall not exceed 5% of the price at which the shares, in respect whereof the same is paid, are issued and in the case of debentures 2½% of the price at which the debentures are issued. Such commission may be paid in cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful.

Issue of shares at a discount

11. With the previous authority of the company in general meeting and the sanction of the Court and upon otherwise complying with section 79 of the Act, the Board may issue at a discount shares of a class already issued.

Payment of Instalments on shares.

12. If, by the conditions of allotmet of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the member registered in respect of the share or by his executor or administrator.

Liability of Members registered jointly in respect of shares.

13. Members who are registered jointly in respect of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares.

Share Certificates.

14. Every person whose name is entered as a member in the register shall, without payment, be entitled to a Certificate under the common seal of the Company specifying the share or shares held by him and the amount paid 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 of several joint holders shall be sufficient delivery to all.

Issue of new Shares certificate in place of one defaced, lost or destroyed.

15. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors think fit.

CALLS ON SHARES

Calls on Shares

16. The Board may from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of section 91 of the Act, make such calls as the Board thinks 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 persons at the time and places appointed by the Board. A call may be made payable by instalments and shall be deemed to have been made when the resolution of the Board authorising such call was passed at a meeting of the Board.

Failure to pay calls.

17. (i) If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the member for the time being in respect of the share for which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of 12% per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

When amount payable.

18. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at five times whether on account of the amount of share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

Calls in ADVANCE

19. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sums actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advance has been made, the company may pay interest at such rate not exceeding 6 percent per annum as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of calls shall not participate

in profits or rank for dividends. The Board may at any time repay the amount so advanced upon giving to such member not less than three months notice in writing and if the payments is not accepted by the Shareholder within the time specified in the notice interest on that amount shall cease.

Evidence in actions by Company against members

20. On the trial or hearing of any action or suit brought by the Company against any members or his representatives to recover any money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the member is, or was when the claim arose, in Company's register as a member or one of the members in respect of the share for which such claim is made, and that the amount claimed is not entered as paid in the books of the Company, that the resolution making the call is duly recorded in the Minute Book, and that notice of such call was duly given to the member or his representatives sued in pursuance of the Articles, and it shall not be necessary to prove the appointment of the Directors who made such call not that a quorum was present at the Board meeting at which any call was made duly convened or constituted nor any other matter whatsoever, but the proof of matters aforesaid shall be conclusive evidence of the debt.

Revocation of call.

21. A call may be revoked or postponed at the discretion of the Board.

FORFEITURE & LIEN

Notice for payment of call or instalment.

22. If a member fails to pay any sum payable in respect of any call on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or instalment remains unpaid, serve a notice on such member, requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of notice.

23. The notice aforesaid shall name a 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 a place at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment on or before the day so named, and at the place so appointed, the shares in respect of which such call or instalment was payable shall be liable to be forfeited.

Forfeiture of shares.

24. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter but before the payment required by

the notice has been made, include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of Forfeiture.

25. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall in any manner be invalidated by any ommission or failure to give such notice or to make such entry as aforesaid.

Forfeited shares to become property of the Company.

26. Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board thinks fit.

Board may annul Forefeiture.

27. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof on such terms as it thinks fit.

Liability on Forfeiture.

28. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding such forfeiture, remain liable to pay and shall forthwith pay to the Company all calls or instalments, interest and expenses owing upon or in respect of such share at the time of the forfeiture, together with interest thereon from time of forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board may determine, and the Board may enforce such payment thereof, without any deduction or allowance for the value of the shares at the time of forfeiture but shall not be under any obligation to do so.

Evidence of forfeiture

29. A duly verified declaration in writing that the declarant is a Director, the Managing Director or Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declartion, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration if any; given for the share on any sale or disposal thereof and may execute transfer of the share in favour of the person to whom the share is sold or disposed of, and the transferee shall be registered as a member in respect of such share. The transferee shall not be bound to see to the application of the purchase money nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of such share.

Forfeiture provision to apply to non-payment terms of issue.

30. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, 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 notified.

Company's lien on shares

31. The company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with other), and upon the proceeds of sale thereof for money called or payable at a fixed time in respect of such share whether the time of payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 9 thereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such shares.

Enforcement of lien by sale

32. For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or other legal representative, as the case may be, and default shall have been made by him or them in payment of the sum payable as aforesaid in respect of such share in payment, fulfillment or discharge of such debts, liabilities or engagement for 14 days after the date of service of such notice.

Application of proceeds of sales.

33. The net proceeds of any such sale shall be received by the Company and, after payment of the costs of such sale, be applied in or towards payment of such part of the amount in respect of which the lien exists or in or towards the payment or satisfaction of debts, liabilities, or engagements of the member concerned, and the residue, if any, shall be paid to the person entitled to the share at the date of the sale or his legal heir or representatives or executor or administrators or curator bonis or other legal curator as the case may be.

Validity of sales in exercise of lien and after forfeiture.

34. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore conferred, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register of members in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, not to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person on any ground whatsoever, and the remedy of any person aggrieved by such sale shall be in damages only and against the Company exclusively.

Board may issue new Certificate.

35. Where any share has been sold by the Board pursuant to these Articles and the Certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit.

TRANSFER AND TRANSMISSION OF SHARES

Transfer of shares.

36. The Company shall keep a book to be called the Register of Transfer and therein enter the particulars of transfers of transmission of any share.

To whom to be transferred.

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

(a) A share may be transferred by a member or other person entitled to transfer or by operation of law to a person approved by the Governor.

(b) Any director or shareholder who holds shares for and on behalf of the Governor of Bihar shall make a declaration as required under section 187 C of the Companies Act, 1956 and the rules framed thereunder and shall forthwith transfer such shares on his ceasing to be a director/shareholder of the Company on account of any reasons whatsoever including on transfer, retirement, death etc. in favour of the person about whom the directive is given by the Governor even without making such declaration.

Form of Transfer

38. Every instrument of transfer of shares shall be in the form prescribed by the Act or the Rules made thereunder and shall be in accordance with the provision of section 108 of the Act. The shares may be transferred after receiving the directive of the Governor even without the instrument of transfer being signed by the transferor (nominee shareholder).

Instrument of transfer

39. The Board may also decline to recognise any instrument of transfer unless :

The Instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transfer or to make the transfer.

INCREASE, REDUCTION & ALTERATION OF CAPITAL

Persons entitled to shares by transmission

40. In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and his legal representative where he was sole holder shall be the only person recognised by the Company as having any title to his interest in the shares, but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had jointly held by him with other persons. The Board may require any persons becoming entitled to shares in consequence of the death of any member to obtain a grant of Probate or letters of Administration or other legal representation, as the case may be, from a competent Court of India. It shall be lawful for the Board in its absolute discretion to dispense with the production of Probate or Letters of Administration or such other legal represen-

tation upon such terms as to indemnity or otherwise as the Board may think fit, without in any case being bound to do so.

Transfer of shares of insane, minor, deceased or bankrupt.

41. Any person becoming entitled to a share in consequence of the death, insanity, bankruptcy or insolvency of a member may, upon producing such evidence as the Board thinks sufficient and subject as hereinafter provided elect to be registered as a member in respect of such share or to transfer such share to some other person.

Rights of person entitled to shares by reason of death etc. of member.

42. The Directors may retain the dividends payable upon shares to which any persons becomes entitled under Article 41 until such person or his transferee shall become a member in respect of shares. Save as is provided herein, dividends shall be paid by the Company to the registered holder of such shares or to his order or his bankers, or in case a share warrant has been issued in respect of the shares in pursuance of section 114 of the Act to the bearer of such warrant or to his banker.

Election by persons becoming entitled to shares.

43. (a) If the person becoming entitled to share under Article 41 shall elect to be registered as a member in respect of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

(c) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares, shall be applicable to any such notice on transfer as aforesaid as if the death, insanity, bankruptcy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Right of successors to dividends

44. A person becoming entitled to a share by reason of the death, insanity, bankruptcy or insolvency of the member shall, subject to the provisions of the section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder in respect of the share :

PROVIDED that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

Company not liable for disregard of a notice purporting to prohibit registration of transfer.

45. The company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner

thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice purporting to prohibit registration of such transfer, and may have entered such notice or referred thereto in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered in or referred to in any book of the Company.

Fee for registration of Probate etc.

46. A fee of Rs. 2.00 shall be charged for registration of every Probate, Letters of Administration, certificate of Death or Marriage, Power of Attorney or other instrument.

INCREASE, REDUCTION AND ALTERATION OF CAPITAL

Power to increase capital.

47. The Company in general meeting may from time to time, increase its capital by the creation of new shares and of such amount as may be specified in the resolution.

Provisions relating to the issue.

48. Before the issue of any new shares, the Company in general meeting may make provisions as to the allotment and issue of new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at premium or, subject to the provision of section 79 of the Act, at a discount. In default of any such provision or so far as the Act shall permit, the new shares may be issued in conformity with the provisions of Article 7.

New Shares to rank equally with existing Shares.

49. Except in so far as otherwise provided by the conditions of issue or by the Articles, any capital raised by the creation of new shares shall be considered part of the then existing capital at the Company and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

Inequality in number of new shares.

50. If, owing to any inequality in the number of new shares to be issued and the number of shares held by members entitled to have the offer of such shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall in the absence of any direction in the resolution creating the shares, be determined by the Board.

Reduction of Capital

51. The Company may, from time to time, by special resolution reduce its capital and any capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law.

Power to sub-divide & consolidate shares.

52. The Company in general meeting may alter the conditions of its Memorandum of Association as follows, that is to say, it may—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject to the provisions of section 94 (1) (d) of the Act;

(c) cancel any shares which, at the date of passing of the resolution, 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.

Power to any rights.

53. If at any time the share capital is divided into different classes of shares, the rights attached to shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 106 and 107, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourth of the issued shares of that class (or with the sanction or special resolution passed at the separate meeting of the holders of the shares of that class. To every such separate meeting, the provision of these Articles relating to general meetings 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 issue shares of the class in question.

BORROWING POWERS

Power of Board to borrow.

54. Subject to and in compliance with the provisions of sections 292 and 293 of the Act, the Board may from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members, either in advance of calls or otherwise, and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company from anysource : Provided, however, where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves not set apart for any specific purpose the Board shall not borrow such moneys except with the consent of the Company in general meeting.

Board to determine conditions on which money may be borrowed.

55. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular., by the creation of any mortgage or charge on the undertaking of the whole or any part of the property (both present and future) including its uncalled capital for the time being.

Issue of debentures etc. at discount or with special privileges

56. Any debentures, bends or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption surrender and drawings, and may be made assignable free from any equities between the Company and the persons to whom the same may be issued. Debentures with the right of allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting. Debentures with voting rights shall, however, not be issued.

Instrument of transfer of Debentures

57. Save as provided in section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer, in the same form and on the same terms and conditions as are applicable to the transfer of shares, duly stamped and executed by the tranferor and transferee, has been delivered to the Company together with the certificate or certificates of debentures.

Notice of refusal to register transfer of debentures

58. If the Board refuses to register the transfer of any debenture, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of refusal.

Mortgage of uncalled capital

59. If any uncalled capital of the Company be included in or charged by any mortgage or other security, the Directors may, by instrument under Company's seal, authorise the person in whose favour such mortgage or security is executed, or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions herein before contained in regard to calls shall, mutatis mutandis, apply to calls made under such authority, and such authority may be exercisable, either conditionally or unconditionally, and either presently or contingently and either to the exclusion of Directors' power or otherwise and shall be assignable, if expressed so to be.

GENERAL MEETINGS OF MEMBERS

General Meeting

60. All General Meetings other than annual general meeting shall be called extraordinary general meetings.

Extraordinary General Meeting

61. The Board may, whenever it thinks fit, call an extraordinary general meeting and it shall, on the requisition of such number of members of the Company as held, at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up capital of the company as at that date carried the right of voting in regard to the matter to be considered at the meeting, fothwith proceed duly to call an extraordinary general meeting of the company and in the case of such requisition of the following provisions shall apply :

(a) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionist, and shall be deposited at the Registered Office.

The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(b) Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those matters in regard to which the requisition has been signed by the member or members herein before specified.

(c) If the Board does not within twentyone days from the date of deposit of a valid requisition in regard to any matter, proceed duly to call a meeting for the consideration of those matters on a day not later the requisitionists or such of the requisitionist as are enabled so to do by virtue of section 169 (6) (b) of the Act may themselves call the meeting but any meeting so called shall not be held after the expiration of three months from the date of the deposit of the requisition.

(d) Any meeting called under this Article by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall be held at the Registered Office.

(e) Where two or more persons hold any shares jointly, a requisition or notice calling a meeting signed by one or some, of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.

(f) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to a call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Director as were in default.

Annual General Meeting

62. Subject to the provisions of section 166 of the Act the Company shall in each year hold in addition to any other meeting a General Meeting which shall be styled as its annual General Meeting, at the intervals and in accordance with the provisions specified below and not more than 15 months shall lapse between the date of the one Annual General Meeting of the Company and that of the next provided :

(a.) i. Subject to section 210(3)(a) of the Act, that the First Annual General Meeting shall be held by the company within 18 months of its corporation.

ii. The next Annual General Meeting of the company shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held.

b. Every General meeting shall be called at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated and the notices calling the meeting shall specify it as the Annual General meeting.

PROCEEDINGS AT GENERAL MEETING

Notice of Meeting

63. (a) Save as is provided in sub-section (2) of section 171 of the Act, not less than twentyone days' notice in writing shall be given of every general meeting of the Company. Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat

(b) Notice of every meeting of the Company shall be given to every member of the Company, to the person entitled to a share in consequence of the death or insolvency of a member and to the Auditors for the time being of the Company, in the manner hereinafter provided for the giving of notice to such persons : Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in section 173 of the Act need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement of material facts has been forwarded to the members of the Company.

(c) The accidental ommission to give any such notice to or the non-receipt of the notice by any member or other person to whom it should be given, shall not invalidate the proceeding at the meeting.

Circulation of member's resolutions etc.

64. The Company shall comply with the provisions of section 188 of the Act as to giving notice of resolutions and circulating statement on the requisition of members.

Special Business

65. In the case of an annual general meeting, all business to be transacted at the meeting, with the exception of business relating to (i) the consideration of the accounts, balance sheet, and the reports of the Board and Auditors, (ii) the declaration of a dividend, (iii) the appointment of Directors in the place of those retiring and (iv) the appointment of and the fixing of the remuneration of the auditors, and in the case of any other meeting all business shall be deemed special.

Notice of Special Business

66. Where any items of business to be transacted at the meeting are deemed to be special as defined in Article 65, there shall be annexed to the notice of meeting, a statement setting out all material facts concerning each such item of business including in particular nature of the concern or interest, if any, therein of every director. Where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement of material facts. No general meeting shall be competent to discuss or transact any special business which has not been specially stated in the notice of the meeting.

Quorum to be present when business commences.

67. No business shall be transacted at any general meeting of the Company unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five members present in person shall be the quorum for a meeting of the Company.

Resolution to be passed by company in General Meeting.

68. Any act or resolution which, under these articles or the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in section 189 (1) of the Act unless either the Act or the Articles specifically require such act to be done or resolution to be passed by a specific majority or by special resolution as defined in section 189 (2) of the Act.

Chairman of General Meeting.

69. The members present at every general meeting shall elect one of them to preside over the meeting.

Dissolution and adjournment of Meetings.

70. If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon the requisition of members, shall stand dissolved; but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may by notice appoint and if at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

Power to adjourn Meeting.

71. (i) The Chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more,

notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Chairman's right to casting vote.

72. In the case of an equality of votes, whether on a show of hands or an a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.

Evidence of passing of a resolution where poll is not demanded.

73. At any general meeting unless a poll is before or on the declaration of the result of voting on any resolution on a show of hands, demanded by Chairman of his own motion, or by at least five members having the right to vote on the resolution and present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right a declaration by the Chairman that the resolution has or has not been carried, or has been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of or proportion of the votes cast in favour of or against such resolution.

Poll.

74. (a) If a poll be demanded as aforesaid, it shall be taken forthwith on a question of adjournment or election of a Chairman of the meeting and on any other question it shal be taken at such time when the demand was made, as the Chairman may direct.

(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

(c) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers, at least one of whom shall be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report thereon to him.

(d) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken. On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.

(e) The demand for a poll shall not prevent the meeting from transacting any business other than the business in respect of which a poll has been demanded.

VOTES OF MEMBERS

Vote of members.

75. Subject to any rights or restrictions for the time being attached to any class of shares, on a show of hands every member present in person including a body coporate represented by a duly authorised person in accordance with section 187 of the Act, and a member represented by a proxy as defined in Article 82 shall have one vote and on a poll every member present in person or by proxy shall have voting rights in proportion to his share of the paid-up equity capital of the Company as provided in section 87 of the Act.

Votes by joint holders

76. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

For this purpose, seniority shall be determined by order in which the names stand in the Register of Members.

Votes by and powers of representatives of Member Companies

77. A company or a body corporate (herein after in this Article called a "Member Company"), which is a member of the Company may vote by representative duly appointed in accordance with section 187 of the Act.

A person duly appointed to represent the member company at any meeting of the Company or at any meeting of any class of members of the Company, shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

Votes by and power of representatives of Government.

78. Governor of a State, if he is a member of the Company, may by an order signed by a Secretary to that Government authorise any person to attend and vote and act as his representative at any meeting of the Company or at any meeting of any class of members of the Company. A person authorised by the Secretary to the Government as aforesaid shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the Governor, whom he represents as that Governor could exercise as a member of the Company.

Votes in respect of shares of members deceased etc.

79. Any person entitled under Article 41 to transfer shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that forty-eight hours at least 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 Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at

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

Proxies permitted

80. On a poll, votes may be given either personally or by proxy or by duly authorised representative.

Time for objection to vote

81. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which any of the note objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purpose.

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

Form of proxy.

82. An instrument appointing a proxy may be in either of the forms in schedule IX to the Act or in form as near thereto as circumstances admit.

Instrument appointing proxy to be in writing.

83. (i) 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, then by such person as is authorised pursuant to section 187 of the Act.

(ii) A person may be appointed by a proxy though he is not a member of the Company. Every notice calling a general meeting shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member of the Company.

(iii) A proxy shall be appointed for a specified meeting only. A proxy is available only for the meeting to which it relates and it cannot be used for more than one meeting.

Instrument appointing a Proxy to be deposited at the office.

84. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of the power or authority, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote in respect thereof, and in default the instrument of proxy shall not be treated as valid.

When vote by proxy valid though authority revoked.

85. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal, or the revocation of 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 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 :

Provided nevertheless, that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Restrictions on Voting

86. No member shall be entitled to exercise any voting right, either personally or by proxy, at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has, exercised, any right of for feiture or lien.

Objections as on qualifications of voters

87. No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting who shall forthwith decide the same and such decision shall be final and conclusive.

BOARD OF DIRECTORS

Number of Directors.

88. The Governor shall from time to time determine in writing the number of directors of the Company. Until otherwise determined by the company in general meeting the number of Directors of the company shall not be less than 3 (three) or more than seven including nominee Directors appointed under Articles 91 and 108.

Appointment of Directors.

89. (i) (a) All rotational and non-rotational Directors shall be appointed by the Governor and shall be paid such remuneration, if any, as the Governor may from time to time determine.

(b) There shall be at least three non-rotational directors of the Board whose period of office shall be determined by the Governor.

Appointment of Chairman, Mg. Director, Whole-time Director.

(c) The Governor may from time to time appoint from amongst the directors, a Chairman and Managing Director/whole time directors, non-rotational director and determine the period for which either of them is to hold their respective office;

Removal of Directors.

(d) The Governor shall have the powers to remove any director from office at any time in his absolute discretion;

Filling up of vacancies

(e) The Governor shall have the right to fill any vacancy in the office of the Directors caused by removal, resignation, death or otherwise.

Retirement of Directors.

(ii) At every Annual General Meeting of the company all the directors except the Chairman, the Mg. Director and whole time Director non-rotational director is any, shall retire from office. The Chairman, the Mg. Director and Whole time Directors shall retire on their ceasing to hold their respective offices. A retiring Director shall be eligible for re-appointment.

No share Qualification of Directors

90. The Directors are not required to hold any qualification shares.

Appointment of Directors by Finance Corporation etc.

91. Where any investment and finance corporations as the Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India or any other Corporation or Bank of the Central or State Government make loans to the Company or give guarantees in connection with the grant of a loan to or the supply of machinery or other equipment for the Company, any such body shall be entitled to nominate a Director or Directors of the Company, who shall be called as nominee Directors of the Company if that be agreed to as a condition of the grant of a loan or giving of such guarantee. The provisions of these Articles as to retirement of directors shall not apply to such Directors. The Directors so appointed shall have the same powers and privileges as other Directors of the Company. The said Directors shall hold office at the pleasure of and shall be removable or substituted by another person by such Corporation, Bank or Government. In addition to the Director's fee provided in these Articles, such Directors shall be paid such travelling and other expenses, etc. for attending the Board's meeting as may be provided under the rules of the Corporation, Bank or Government which they represent.

Directors' Fee

92. (i) Each Director shall be paid out of the funds of the Company by way of remuneration for his services per meeting of the Board or any Committee of the Board attended by him at such rate as the Board may in consultation with and subject to the prior approval of the Governnor of Bihar from time to time decide.

(ii) The Board may allow and pay to any Director who for the time being is resident out of the place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting, such sum actually incurred as the Board may consider fair and reasonable for his expenses in connection with his attending.

Remuneration of Directors for extra service.

93. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going to or residing in any place for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a

Committee of the Board then subject to sections 198, 309, 310 and 314 of the Act the Company may subject to the prior approval of the Governor remunerate the Director so doing either by fixed sum or by a percentage of profits or otherwise and such remuneration to which he may be entitled.

Board may act notwithstanding vacancy.

94. The continuing Directors may act notwithstanding any vacancy in the Board, but if the number falls below the quorum fixed by Article for a meeting of the Board, the Board shall not except for the purpose of filling vacancies so as to increase the number of Directors, to that fixed for the quorum or of summoning a general meeting of the Company, act so long as the number is below the minimum aforesaid.

When office of Director becomes vacant.

95. The office of Director shall ipso facto become vacant if :

(a) he is found to be of unsound mind by a Court of competent jurisdiction; or

(b) he applies to be adjudicated an insolvent; or

(c) he is adjudged an insolvent; or

(d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

(e) 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 unless the Central Government has, by notification in the official Gazette, removed the disqualification incurred by such failure; or

(f) he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three from the Board; or

(g) he (whether by himself or by any person for his benefit or on his account) or any firm of which he is a partner, or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of section 295 of the Act; or

(h) he acts in contravention of section 299 of the Act; or

(i) he becomes disqualified by an order of court under section 203 of the Act; or

(j) he is removed in pursuance of section 284 of the Act; or

(k) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company; or

(l) by notice in writing to the Company he resigns his office; or

(m) having been nominated a Director by the Governor is removed or substituted by the Governor.

Notwithstanding anything in clauses (c), (d) and (i), the disqualification referred to in those clauses shall not take effected :

(a) for thirty days from the date of the adjudication or 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 until the expiry of seven days from the date of which such appeal or petition is disposed of; or

(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, or conviction and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.

Directors etc. not to hold office of Profit under the Company or its subsidiary

96. Except with the consent of the Company accorded by a special resolution :

(a) no Director of the Company shall hold any office or place of profit, and

(b) no Partner or relative of such Director, no firm in which such a Director or relative is a partner, no private company of which such a Director is a director or member and no Director or Manager of such a private company shall hold any office or place of profit carrying a total monthly remuneration of five hundred rupees or more, except that of managing director or manager :

(i) under the Company; or

(ii) under any subsidiary of the Company unless the remuneration received from such subsidiary in respect of such office or place of profit is paid over to the Company or its holding company;

Provided that it shall be sufficient if the special resolution according to the consent of the Company is passed at the general meeting of Company held for the first time after the holding of such office or place of profit;

Provided further that where a relative of a director or a firm in which such relative is a partner is appointed to an office or place of profit under the Company or a subsidiary thereof without the knowledge of the director, the consent of the Company may be obtained either in the general meeting aforesaid or within three months from the date of the appointment, whichever is later.

Directors may be Directors of Companies promoted by the Company

97. A Director of the Company may be or become a Director of any company promoted by this Company or in which it may be interested as vendor, shareholder or otherwise, and no such Director

shall be accountable for any benefits received as Director or member of such company.

Conditions under which Directors may contract with the Company

98. Subject to the provisions of section 297 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise of goods, materials, or services or from underwriting the subscription of any shares or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company, of which such Director is a member or director be void, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding office or of the fiduciary relation thereby established.

Disclosure of Directors Interest

99. Every Director, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board as required by section 299 of the Act.

Discussion and Voting by interested Directors

100. No Director shall, as a Director, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote. This prohibition shall not apply to :

(a) any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company; or

(b) any contract or arrangement entered into or to be entered into by the Company with a public company, in which the interest of the interest of the Director aforesaid consists solely in his being a director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Company or in his being a member holding not more than two per cent of the paid-up share capital of such company.

Proportion of Directors to retire by rotation

101. Not less than two-thirds of the total number of Directors shall be persons who are liable to retire by rotation.

Retirement of Directors

102. At every annual general meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one-third, shall retire from office. A retiring Director shall be eligible for re-election.

Determination of retirement of Directors

103. The Directors to retire by rotation at every annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons, who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot.

Appointment of Directors to be voted on individually

104. Save as is permitted by section 263 of the Act every resolution of the General Meeting for the appointment of a Director shall relate to one named individual only.

Vacancies to be filled at annual general meeting

105. At the annual general meeting at which a Director retires by rotation the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not filled and the meeting has not expressly resolved not to fill the vacancy the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place. If at the adjourned meeting also the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill up the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless :

(a) at the meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost; or

(b) the retiring Director has, by a notice in writing addressed to the Company or the Board expressed his unwillingness to be so re-appointed; or

(c) he is not qualified or is disqualified for appointment; or

(d) a resolution whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or

(e) the proviso to sub-section (2) of section 263 of the Act is applicable to the case.

Increase or reduction in the number of Directors

106. Subject to the provisions of sections 252, 255, 258 and 259 of the Act, the Company in general meeting may from time to time by ordinary resolution increase or reduce the number of Directors within the limits fixed by Article 88.

Power to remove Directors

107. The Company may subject to the provisions of the section 284 of the Act by ordinary resolution of which special notice according to section 190 of the Act has been given, remove any Director (not being a Director appointed by the Central Govt. under section 408 of the Act or by the Governor) before the expiry of his period of office and may by ordinary resolution of which special notice has been given, appoint another person in his place. A director so appointed shall hold office until the date up to which he hold office until the date up to which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed, the Board may at any time thereafter fill such vacancy under the provision of Article 106.

Board may fill casual vacancies

108. If the office of any Director (other than the Directors appointed by the Governor) appointed by the Company in general meeting is vacated before his term of office will expire in the normal course, the resulting vacancy may be filled by the Board at a meeting of the Board, but any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been so vacated.

Provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of the Director under Article 105.

Board may appoint additional Directors

109. The Board shall have power at any time and from time to time to appoint a person or persons as an additional director(s) provided that the total number of directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such additional directors shall hold office only upto the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company at that meeting subject to the provisions of the Act.

Rights of person other than retiring Directors to stand for directorship

110. (a) Subject to the provision of Article 88, a person, who is not a retiring Director, shall subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member intending to propose him, has not less than fourteen days before the meeting left at the Registered Office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be.

(b) The Company shall inform its members of the candidature of a person for the office of director or the intention of member to propose such person as a candidate for that office, by serving individual notices on the members not less than seven days before the meeting :

Provided that it shall not be necessary for the company to serve individual notice upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located of which one is published in the English language and the other in regional language of that place.

(c) Every person (other than a director retiring by rotation otherwise a person who has left at Registered Office of the Company a notice under section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign, and file with the Company his consent in writing to act as a Director, if appointed.

PROCEEDINGS OF THE BOARD

Meeting of Directors.

111. (i) The Board of Directors may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit, provided however, the requirement of section 285 of the Act are complied with.

(ii) Notice of every meeting of the Board shall be given in writing to every Director for the time being at his usual address in India.

Director may summon meetings

112. The Chairman, Managing Director or Secretary may at any time and shall upon the request of a Director, at any time, convene a meeting of the Board.

Chairman of

113. If at any meeting the Chairman is not present within fifteen minutes after the time for holding the same, the Directors present may choose one of their members to be Chairman of the Meeting.

Quorum

114. Subject to the provisions of section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in the one-third being rounded off as one) or two Directors, whichever is higher, provided that where at any time the number of interested directors, that is to say, the number of the Directors who are not interested present at meeting being not less than two shall be the quorum during such time. For the purpose of this Article, an alternate director shall be counted in a quorum at a meeting

at which the Director in whose place he is appointed is not present, if a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board, the meeting shall stand adjourned till such date and time as the Chairman of the Board shall appoint.

How questions to be decided

115. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of any equality of votes, the Chairman of the Board, if any, shall have a casting vote.

Delegation of powers to committees.

116. Subject to the provisions of the Act, the Board may delegate any of their powers to committees consisting of such number of members or 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, from time to time, be imposed upon it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment, shall have the like force and effect as if done by the Board.

Chairman of meeting of committee.

117. 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 fifteen minutes after the time appointed for holding the same, the members present may choose one of their members as the Chairman of the meeting.

Meeting of Committee

118. (i) A committee may meet and adjourn as it thinks proper.

Questions to be decided by majority vote.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairman shall have a second or casting vote.

Passing of resolution by circulations.

119. Save as otherwise expressly provided in the Act and in those cases where a resolution is required by section 292 of the Act to be passed at a meeting of the Board or Committee thereof, as the case may be duly convened and held, if a draft thereof in writing is circulated together with the necessary papers, if any, to all the Directors or to all members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or a Committee, as the case may be) and to all other Directors or members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

Minutes to be made.

120. (a) The Board shall, in accordance with the provisions of section 193 of the Act, cause minutes of all proceedings of every general meeting and of all proceedings of every

meeting of the Board and of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting, enteries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting by the Chairman of the succeeding meeting and, in the case of minutes of proceedings of a general meeting, by the Chair of the same meeting within the aforesaid period of thirty days or in the event of death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. In no case the minutes of proceedings of a meeting shall death or inability of the Chairman within that period, by a Director duly authorised by the Board for the purpose. In no case the minutes of proceedings of a meeting shall be attached to any such books as aforesaid by pasting or otherwise,

(b) The minutes of such meeting shall contain a fair and correct summary of proceedings thereat and all orders made by the Board or Committees of the Board and all appointments of Directors and other officers of the Company made at the meetings aforesaid shall be included in the minutes of the meeting :

Provided that no matter need be included in any such minutes which in the opinion of the Chairman of the meeting in his absolute discretion :

(i) is, or could reasonably be regarded as defamatory of any person; or

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(c) The minutes of each meeting of the Board or a committee of the Board shall also contain the names of the Directors present at the meeting and in the case of each such resolution passed at the meeting the names of the Directors, if any, dissenting from, or not concurring in, the resolution.

(d) Minutes of any meeting of the Board or Committee thereof, or of the company in general meeting if kept in accordance with the provision of section 193 of the Act, shall be evidence of the proceedings recorded therein. The book containing the minutes of all proceedings of any general meeting of the Company shall in accordance with section 196 (I) of the Companies Act be kept at

the Registered Office of the Company and shall be open to the inspection of any member without charge on all business days between the hours of 10.30 a. m. and 12.30 p. m.

POWER OF THE BOARD

General powers of the Company vesting in the Board

121. Subject to the provisions of the Act, the control of the Company's affairs shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company, and shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do :

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by Act or any other Act or by the Memorandum of Association of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meetings :

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other Act or in the Memorandum of Association of Company or in these Articles, or in any regulations not inconsistent therewith duly made thereunder, including regulations made by the Company in General Meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Provided also further that the Board shall not transfer whether by way of sale, gift or mortgage or otherwise dispose of any immovable property of the Company without prior approval in writing of the Government of Bihar.

Specific powers of the Company vested in the Board

122. Without prejudice to the general powers conferred by Article 120 and by or under any other Article or the provisions of the Act, the Board shall have the following specific powers :

(i) To carry out the objects of the Company and exercise the powers contained in clause III of the Memorandum of Association of the Company.

(ii) To have the superintendence, control and direction over Managers or Managing Directors, whole-time Directors and all other officers of the Company.

(iii) To carry on business on the vacation of office by the Managing Director or Manager of the Company, if any.

(iv) Subject to the prior approval of the Governor : (a) To authorise the undertaking the works of capital nature and to sanction capital expenditures in every case involving amount exceeding Rs. 2,00,000/-(Two lacs), (b) To borrow or raise loans from financial institutions, Banks and

other sources in every case involving an amount exceeding Rs. 2,00,000/-(Two lacs)

(v) To appoint any time and from time to time by a power of attorney under seal any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which are delegated by the Board under the Act or these Articles) and for such period and subject to such conditions as the Board may from time to time think fit with powers for such Attorneys to sub-delegate all or any of the powers, authorities and discretion vested in the Attorney's for the time being.

(vi) To acquire by lease, mortgage, purchase or exchange or otherwise any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as the Board may think fit.

(vii) Subject to the provision of section 293 of the Act, to sell, let, exchange, or otherwise dispose of absolutely or conditionally any property, rights or privileges and undertaking of the Company upon such terms and conditions and for such considerations as the Board may think fit.

(viii) To open any account or accounts with such Bank or Banks as the Board may select or appoint, to operate on such accounts, to make sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, hundies, orders, bills of exchange, bills of lading and other negotiable instruments to make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company; to make contracts and to execute deeds.

(ix) In accordance with the guidelines of Bureau of Public Enterprises and/or the State Government to create posts and to appoint officers, clerks etc. for permanent, temporary or special service as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require security in such instances and to such amount as the Board may think fit and to remove or suspend any such officers, clerks and employees as per rules.

(x) To sanction, pay and re-imburse the officers and employees of the Company in respect of any expenses incurred by them on behalf of the Company.

(xi) To invest and deal with any of the moneys of the Company to vary or release such investments subject to the provisions of section 49, 77, 292, 295, 370 and 372 of the Act.

(xii) To refer claims or demands, by or against the Company to arbitration 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 of satisfaction or any debts due and of claims or demand by or against the Company and to appoint Solicitor, Advocates, Counsel and other legal practitioners or advisors and for such purposes or for any other puposes and settle and pay their rumuneration. Provided that in every case involving the money value exceeding Rs. 50,000/- shall be referred to the Governor for his approval before any such authorisation.

(xiii) to act on behalf of the Company in all matters to insolvency in which the company is interested.

(xiv) To pay and give gratuities, pensions and allowances to any persons including any director, to his widow, children or dependants, that may appear to the Board just or proper whether any such person, widow, children or other dependants have or have not a legal claim upon the Company and whether such person is still in the service of the Company or has any funds and any premiums for the purchase or provision of any such gratuity, pension or allowance.

(xv) To establish, maintain, support and subscribe to any charitable or public object or any institution, society or club which may be for the benefit of the Company or its employees.

(xvi) To set aside portions of the profits of the Company to form a fund or funds, before recommending any dividends, for the objects mentioned above.

(xvii) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the Company respectively to any such fund and accrual employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of such fund as the Board may from time to time think fit.

(xviii) To exercise the powers conferred by section 50 of the Act with respect to having an official seal for use abroad.

(xix) To exercise powers conferred on the Company by sections 157 and 158 of the Act, with regard to the keeping of branch and foreign registers.

Power to keep Foreign Register.

123. The Company may exercise the powers conferred on it by section 157 and 158 of the Act with regard to the keeping of foreign register, and the Board may (subject to the provisions of those sections) made such regulations as it may think fit respecting the keeping of any such register.

Drawing etc. of negotiable and other instruments

124. All cheques, promissory notes, draft orders, hundies, bills of exchanges and other negotiable instruments, and all receipts release and other discharges for moneys paid or payable to the Company, and for all claims and demands of the Company shall be made, signed, drawn, accepted, endorsed or otherwise executed as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

CHAIRMAN

Power to appoint Chairman and Managing Director

125. (a) Subject to the provisions of section 269 of the Act, the Board shall, from time to time, with the concurrence of the Governor, appoint any of the Directors to be the Chairman or the same Directors as the Chairman-cum-Managing Director of the Company.

(b) Subject to the provisions of the Act, the superintendence, control and direction of the Board, the Chairman shall exercise such powers and carry out such duties as may be conferred or imposed upon him by a resolution or resolutions of the Board passed in that behalf.

To what provisions he shall be subject

126. Subject to the provisions of section 255 of the Act, the chairman of the Board shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but he shall be subject to the same provisions as to removal, etc., as the other Directors appointed by the Governor he ceases to hold the office of Director from any cause.

MANAGEMENT

Powers of Management

127. Subject to the provisions of the Act and subject also to the control and superintendence of the Board the business and affairs of the Company shall be carried out and managed by the Managing Director for the time being of the Company.

Powers to appoint Managing Director

128. Subject to the provisions of section 269 of the Act, the Board shall from time to time with the concurrence of the Governor of Bihar and save where the same person is appointed Chairman-cum-Managing Director under Article 124 (a), appoint any of the Directors to be the Managing Director of the Company.

To what provisions he shall be subject

129. Subject to the provisions of section 255 of the Act, the Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, but (subject to the provisions of any contract between him and the company), he

shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto, and immediately, cease to hold the office of Director from any cause.

Remuneration of Managing Director.

130. The Managing Director shall be paid such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), as may from time to time be determined, by the Board :

Provided that such remuneration if payable by a specified percentage of the profits shall not exceed five percent of the net profits of the Company calculated in the manner laid down in sections 349, 350 and 351 of the Act, in accordance with and subject to the provisions of section 309 and 198 of the Act.

Powers of Managing Director.

131. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in section 292 thereof, the Board may from time to time entrust to and confer upon the Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions it thinks fit; and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Certain persons not to be appointed Managing Director or wholetime Directors.

132. The Company shall not appoint or employ or continue the appointment or employment of any person as its Managing Director or whole-time Director who :

(a) is an undischarged insolvent or has at any time been adjudged an insolvent;

(b) suspends or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them.

THE SEAL

Seal and its use.

133. (i) The Board shall provide for the safe custody of the Seal.

(ii) The Seal of the Co mpany shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the Secretary or such other person as the Board may appoint for the purpose; and those two directors and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

ANNUAL RETURNS

Annual Returns.

134. The company shall comply with the provisions of sections 159 and 161 of the Act as to making and filling of Annual Returns.

RESERVES

Reserves

135. The Board may, from time to time set apart any such portion of the profits of the Company as it thinks fit as Reserves applicable at its discretion and/or to meet contingencies or for the liquidation of the debentures, debts or other liabilities of the Company, for equalisation of dividends, for rebuilding, restoring, replacing, altering, repairing, improving or maintaining the plant, buildings or any property of the Company and for such other purposes of the Company as the Board in its absolute discretion thinks, conducive to the interests of the Company: and may, subject to the provisions of section 372 of the Act, invest the several sums to set aside upon such investments (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any part thereof in the business of or for the purposes of the Company.

Investment of Reserves

136. All moneys carried to the Reserves shall nevertheless remain and be profits of the Company subject to due provisions being made for actual loss or depreciation or for the payment of dividends, and such moneys and all other moneys of the Company not immediately required for the purposes of the Company, may, subject the provisions of sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time, think proper.

CAPITALISATION OF RESERVES

Capitalisation of Reserves.

137. The Company in general meeting may upon the recommendation of the Board, resolve that any moneys, investments or other assets forming part or any Capital part of the undivided profits of the Company, standing to the credit of the Reserves or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed by way of dividend and in the same proportions as the equity share capital held by them on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed

accordingly and/or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum : provided that any sum standing to the credit of a share premium account or a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as full paid bonus shares.

Surplus Moneys.

138. The Company in general Meeting may upon the recommendation of the Directors resolve that any surplus moneys arising from the realisation of any capital assets of the Company or any investment representing the same, or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.

Fractional Certificates.

139. For the purpose of giving effect to any resolution under Articles 136, 137 and 147 the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may deem expedient to the Board. Where required a proper contract shall be filled in accordance with section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund.

INTEREST OUT OF CAPITAL

Interest out of Capital.

140. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or building, or the provision of any plant which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions imposed by section 208 of the Act and may charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provision of plant.

Division of Profits.

DIVIDENDS

141. Subject to the provisions of Article 5 and the rights of members entitled to shares, if any with preferential or special rights attached thereto, the profits, which the Company from time to time

decides to distribute in respect of any year or other period, shall be applied in the payment of a dividend on the Equity Shares of the Company and all dividends shall be appointed and paid proportionately to the amount paid or credited, as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly : Provided that where capital is paid up in advance of calls upon the footing that the same shall carry interest such capital shall not rank for dividends or confer a right to participate in profits.

Declaration on Dividends.

142. The company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provision of section 207 of the Act, fix the time for payment.

Restriction on amount of dividends.

143. No larger dividend shall be declared than recommended by the Board, but the Company in general meeting may declare a smaller dividend.

Dividends out of profits only and not carry interest.

144. Subject to the provisions of section 205 of the Act and also to the law of the land for the time being inforce no dividend shall be payable except out of the profits of the Company or out of moneys provided by the Central or a State Govt. for the payment of the dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

Profits.

145. The declaration of the Board as to the amount of net profits of the Company shall be **conclusive**.

Interim Dividend

146. The Board may from time to time pay to the members such interim dividends as in its judgement the position of the Company justifies.

Debts may be deducted.

147. (a) The Board may deduct from any dividend payable to any members all sums of moneys, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(b) The Board may retain any dividend 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.

Dividend and call

148. Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.

Dividend payable in cash.

149. No dividend shall be payable except in cash: Provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.

Transfer of shares must be registered

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

To whom Dividend payable

151. No dividend shall be paid in respect of any share except to the member registered in respect of such share or to his order or to his bankers. But nothing contained in this Article shall be deemed to require the bankers of a member to made a separate application to the Company for the payment of the dividend.

Dividend to joint holders

152. Any one of the two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.

Payment of Dividend

153. Unless otherwise directed in accordance with section 53(2) (a) of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through post within 42 days from the date of the declaration to the registered address of the member, or in the case of members registered jointly, to the registered address of the member who is first named in the register or to such person and to such address as the member or members as the case may be, may in writing direct, and every cheque or warrant shall be made payable to the order of the person to whom it is sent except :

(a) when the dividend cannot be paid by reason of operation of any law, or

(b) where a member has given direction to the Company regarding the payment of dividend and those directions cannot be complied with, or

(c) where there is a dispute regarding the right to receive the dividend, or

(d) Where the dividend has been lawfully adjusted by the Company against any sum due to it from the member, or

(e) where, for any other reason, it is not possible to pay the dividend or to post the warrant within the period aforesaid.

Unclaimed Dividends

154. In respect of unclaimed dividends the provision of section 205-A and 205-B of the Act shall be complied with.

BOOKS AND DOCUMENTS

Maintenance of books of Accounts.

155. The Board shall cause to be kept in accordance with section 209 of the act proper books of accounts with respect to—

(a) all sums of money received and explained by the Company and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchases of goods by the Company.

(c) the assets and liabilities of the Company; &

(d) such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed in the case of the Company and required by the Central Government to be included in the books of account

Location of Books of Accounts.

156. The books of account shall be kept at the Registered Office of the Company or at such other place in India as the Board may decide, and when the Board so decides the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place. The books of accounts and other books and papers shall be open to inspection by Director during business hours, and shall also be open to inspection by the Registrar or by any Officer of Government authorised by the Central Government in this behalf.

Inspection by members.

157. The Board shall, from time, to time determine whether and to what extent and at what times and places, and under what conditions or regulations the books of account and books and documents of the Company other than those referred to in Articles 119 (d) and 193 or any of them shall be open to the inspection of the member not being Directors; and non-member (not being a Director) shall have any right of inspecting any books of account or book of document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting : and no member (not being a Director), shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process of or used by the Company.

Books of Account to be preserved.

158. Subject to sub-section 4-A of section 209 of the Act, the books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

Annual Accounts and Balance Sheet.

159. 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 case of the

first account since the incorporation of the Company and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than 6 months in accordance with the provisions of section 210 of the Act.

Annual Report of Directors.

160. 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 recommended 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. The report shall be signed by the Chairman of the Directors on behalf of the Directors if authorised in that behalf by 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-sections (1) and (2) of Section 215 of the Act.

Balance Sheet to include certain particulars as to its subsidiary company.

161. There shall be attached to the Balance Sheet, a copy of all such documents which are required to be so attached by section 212 of the Act in respect of a subsidiary company, if any.

Balance Sheet & Profit & Loss A/c to be sent to members

162. The Company shall send a copy of such Balance Sheet and profit and loss account together with a copy of the auditor's report and every other document required by law to be annexed or attached, as the case may be, to the balance sheet to the registered address of every member of the company in the manner in which notices are to be given hereunder at least 21 days before the members of the company and shall deposit a copy at the Registered Office, of the Company for inspection of the members of the Company during the period of at least 21 days before that meeting.

Direction to comply with sections 209 to 211 & 215 to 222 of the Act.

163. The Directors shall in all respect 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

Accounts to be audited.

164. 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 duly appointed, subject to the provisions of section 619 of the Act.

Appointment.

165. (i) The Auditor/Auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller & Auditor General of India and his/their remuneration, rights and duties shall be regulated by section 224 to 233 of the Act.

Auditor's right to attend meetings.

(ii) The Auditors of the Company shall be entitled to receive notice of and to attend any General Meeting of the Company at which any accounts which have been examined or reported on by them are to be laid down before the Company and may take any statement or explanation they desire with respect to the Accounts.

Powers of the Comptroller & Auditor General

166. The Comptroller and Auditor General of India 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 test audit of the Company's accounts 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 accounts, account books, vouchers, documents and other papers of the company and to 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;

(iii) the auditor/auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit.

(iv) 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.

SERVICE OF NOTICE & DOCUMENTS

Notice.

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

How time be counted.

168. (i) Where a notice or other document is sent by post :

(a) service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notices or documents should be sent to him under a certificate of posting or by registered

post with or without acknowledgement due and deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and

(b) such service shall be deemed to have been effected;

(i) in the case of a notice of a meeting at the expiration of fortyeight hours after the letter containing the same is posted, and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(iii) A notice or other document advertised in a newspaper circulating in the neighbourhood of the registered office shall be deemed to be duly served on the day on which the advertisement first appeared in the newspaper.

Notice to joint holders

169. A notice or other document may be served by the Company on the member registered jointly in respect of a share by giving the notice to the member named first in the Register.

Signature may be printed

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

KEEPING OF REGISTERS & INSPECTION

Registers etc, to be maintained by Company

171. The Company shall keep and maintain at their Office in accordance with the requirements of the Act, the following Registers ;

(i) A register of Charges pursuant to section 143 of the Act.

(ii) A register of members pursuant to section 150 and, whenever the Company has more than fifty members, unless such Register of Members is in a form which itself constitute an index, an index of Members pursuant to section 151 of the Act.

(iii) A register of Debenture-holders pursuant to section 152, and whenever the Company has more than fifty debenture-holders, unless such Register of Debenture-holders itself constitutes an index, an index of Debenture-holders pursuant to section 152 (2) of the Act.

(iv) A register of Contract pursuant to section 301 of the Act.

(v) A register of Directors, Managing Director and Secretary pursuant to section 303 of the Act.

vi. A register of Directors' shareholdings pursuant to section 307 of the Act.

vii A register of Loans, etc. made by the Company to bodies corporate pursuant to section 370 of the Act.

viii. A register of Investments made by the Company in shares and debentures of bodies corporate pursuant to section 372 of the Act.

ix. A register of Investment not held by the company in shares and debentures of bodies corporate pursuant to section 372 of the Act.

x. A register of Renewed and Duplicate Certificate pursuant to Rule 7 (2) of the Companies (issue of Share Certificates) Rules, 1960, or any statutory modification or re-enactment thereof.

Supply of copies of Registration etc.

172. The Company shall comply with the provisions of section 39, 118, 163, 192, 196, 219, 301, 302, 304, 307, 362, 370 and 372 or any other provisions of the Act as to the supplying of copies of the registers, deeds, documents, instruments, returns, certificates and books, therein mentioned to the persons, therein specified when so required by such persons, on payment of charges, if any, prescribed by the said sections.

Inspection of Registers etc.

173. Where under any provisions of the Act any person whether a member of the Company or not, is entitled to inspect any register, return, certificate, deed, Instrument or document required to be kept or maintained by the Company, the person so entitled to inspection shall be permitted to inspect the same during the hours of 10.30 a. m. and 12.30 p. m. or during such hours as the Directors may from time to time prescribe on such business days as the Act requires them to be open for inspection.

Closing of Register of Members & Debenture-holders.

174. The Company may, after giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated close the Register of Members or the Register of Debenture-holders, as the case may be for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.

Issue of Duplicate Cheques, dividend warrants etc.

175. The Company may issue a duplicate cheque or dividend warrant or interest warrant on shareholder or holder of debentures furnishing such indemnity or otherwise as it may think proper.

SECRECY

Secrecy.

176. Every Director, Secretary or Trustee for the Company, its members or debenture-holders, members of a Committee, officer, servant, agent, accountant or other person employed in or about the business of the Company shall, if so required by the Board or by Managing Director before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by a Court of law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles.

WINDING UP

Distribution of assets.

177. (i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and other sanction required by the Act, divide amongst the members in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deemed fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Officers and agents right to Indemnity.

178. Every officer or agent for the time being of the company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which relief is granted to him by the Court.

Individual responsibility of Directors.

179. No director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer of the Company or for joining any receipt or other act for conformity, or for any loss or expenses happening to the Company

through the insufficiency or deficiency of title to any property acquired by the order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for 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 tortuous act of any persons with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens in the execution of the duties of his office or in relation thereto, unless the same happens through his own negligence, default, misfeance or breach of trust.

GENERAL

180. (a) The Governor of Bihar, in keeping with the statutory requirements of the Companies Act, may from time to time issue directives to the Company as to the exercise and performance of its functions in matters involving the security of the State or substantial public interest and such other directives as he may consider necessary in regard to the finances and the conduct of business and affairs of the Company and in the like manner may vary and annul any such directive(s). The Company shall give immediate effect to the directive(s) so issued.

(b) The Governor of Bihar may call for such returns, accounts and other information with respect to the property and activities of the Company as may be required by him from time to time.

Name, address, occupation and description of subscriber	Signature of Subscriber	Signature, Name address and occupation of the witness
1	2	3

Dated : Patna, the day of 1983.