

दि जूट कार्पोरेशन ऑफ इण्डिया लिमिटेड

संस्था के नियम तथा ज्ञापन

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
THE JUTE CORPORATION OF INDIA LIMITED

*Registered and incorporated as Private Limited Company
under the Companies Act, 1956 on the
2nd day of April 1971*

*(Deemed Public Company under Sec. 43A(1A)
of the Companies Act, 1956)*

पंजीकृत कार्यालय

Registered Office

१, शेक्सपीयर सरानी, कलकत्ता-७०० ०७१

1, Shakespeare Sarani, Calcutta-700071



FORM I. R.

Certificate of Incorporation

No. 27958 of 1971

I hereby certify that *The Jute Corporation of India Limited* is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at *Calcutta* this *Second* day of *April* *One thousand nine hundred and seventy one*.

Seal of the
Registrar of
Companies,
West Bengal.

Sd/- P. K. Mallik
Registrar of Companies

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MEMORANDUM OF ASSOCIATION
OF
The Jute Corporation of India Limited

- I. The name of the Company is "The Jute Corporation of India Limited".
- II. The registered office of the Company will be situated in the State of West Bengal.
- III. The objects for which the Company is established are : -

(a) **The main objects of the Company to be pursued by the Company on its incorporation**

- (1) To purchase jute and mesta grown in India and to sell and otherwise dispose of and deal in such jute and mesta.
- (2) To purchase, sell and otherwise dispose of and deal in jute and mesta imported from outside India.
- ✓(3) To export jute and mesta from India.
- (4) To generally implement such special arrangements for imports or internal trade or distribution of jute and mesta as the Central Government may specify from time to time in public interest.
- (5) To organize and undertake purchase, sale and transport of jute and mesta (imported into or grown in India) including such allied duties as may be entrusted to the Company for such purpose by the Central Government from time to time in India or anywhere else in the world.
- (6) To generally carry on business as exporters and importers of jute and mesta and exporters of jute goods.
- (7) To undertake processing of jute and mesta and manufacture of jute goods.
- (8) To undertake export of jute goods.
- (9) To support, protect maintain, increase and promote export of jute goods by such methods as may be necessary or expedient, including market studies, sending out trade missions, opening foreign offices, conducting propaganda and publicity in foreign countries.

(9A) - To undertake activities like trading and distribution of jute seeds, jute & its allied products and other agricultural inputs, including export and import, implementation of various schemes for the benefit of farmers and to give on hire storage space and machineries.

(b) **Objects incidental or ancillary to the attainment of the main objects**

- (10) To acquire by purchase or otherwise lands, buildings or any interest in immovable property for the purpose of the Company.

* As amended at the 40th Annual General Meeting held on 30th September, 2011.



- (11) To incur expenditure on market surveys or engage the services of agents/brokers to achieve any or all the objectives set out herein.
- (12) To purchase, sell, exchange, take on lease, rent, install, let out on hire, build, construct, work, execute, carry out, equip, repair, alter, improve, develop, refine manipulate, administer, prepare for market, manage, maintain, enlarge pull down, remove, replace, rebuild in India and/or elsewhere, works and conveniences of all kinds which expression includes among other things roads, railway sidings, rolling stock, wagon, ships, piers, wharfs, bridges, canteens, warehouses, stores buildings, offices and or residential places of recreation for employees vehicles of all kinds, boats, barges, lighters, roadways, factories, engines, works plants, machinery, tools, implements, utensils, appliances apparatus, products, materials, articles and things which are capable of being used in any business which the Company is competent to carry on or which are necessary or convenient for carrying on any business which the Company is authorised to carry on or which is required by any customers or persons dealing with the Company or which may seem to the Company capable of being profitably dealt with by the Company and to experiment with, render marketable and deal in all products incidental to or obtained in any business carried on by the Company and to pay for survey, preliminary or otherwise and for experiments and to pay or contribute to the expenses of acquiring, constructing, maintaining, improving any such works and conveniences.
- (13) To carry on any other business, whether trading or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- (14) To purchase taken on lease or in exchange, hire or otherwise acquire any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business or may enhance the value of any other property of the Company.
- (15) To construct buildings, erect, maintain and carry on either by the Company or other parties any works or undertakings of any description whatsoever either upon lands acquired by the Company upon other lands.
- (16) To apply for, purchase or otherwise acquire and protect and renew in any part of the world any patents, patent-rights, brevets d' invention, trade marks, designs, licences, concession and the like, conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem to be calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights

- (17) To acquire and undertake the whole or any part of the business, property, and/or liabilities of any persons or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company or business which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (18) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests co operation, joint adventure, joint marketing or reciprocal concession or for limiting competition with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (19) To improve, manage, develop, grant rights or privileges in respect of or otherwise deal with all or any part of the property and rights of the Company
- (20) To subscribe for, take or otherwise acquire and hold shares, stock, debentures or other securities of any other Company, Co-operative Society or Society registered under the Societies Registration Act, 1860.
- (21) To invest and deal with the moneys of the Company not immediately required in any manner as the Company may determine from time to time.
- (22) To lend and advance money or give credit to such persons or companies and on such terms as may seem to be expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of money of or by any such persons or companies and generally to give guarantees and indemnities. The Company shall however not carry on any banking business as laid down in the Banking Companies Act, 1949.
- (23) To receive money on deposit amounting to banking transactions or on loan and borrow or raise money from any person or Bank or Company or Governments in such manner and to such extent as the Company thinks fit and in particular by the issue of debentures or debenture stock, perpetual or otherwise, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person, company, firm or body corporate as the case may be. The Company shall, however, not carry on any banking business as laid down in Banking Companies Act, 1949.

- (24) To draw, make, accept, endorse discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable instrument.
- (25) To enter into any arrangements with any government or authorities, municipal, local or otherwise that may seem to be conducive to the objects of the Company, or any of them and to obtain from any such Governments, authority, person or company any rights, privileges, charters, contracts, licences and concessions which the company may think it desirable to obtain and to carry out exercise and comply therewith.
- (26) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory provident and/or pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the company or any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company or who are or were at any time Directors or officers of the company or of any such other company as aforesaid and the wives, widows, families and dependents of any such persons and also establish, subsidise and subscribe to any institutions, associations, clubs or funds calculated by the Company to be for the benefit of or to advance the interest and well being of the employees of the Company or of any such other Company as aforesaid and make payments to or towards the insurance of any such persons as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid.
- (27) To provide for the welfare of employees or ex-employees of the Company and their wives and families and the wives and families of their dependents or connections by building or contributing to the building of houses or dwellings or by grants-in-aid, pensions allowances, bonus or other payments by providing or subscribing or contributing towards buildings and maintenance of places of instructions and recreation, hospitals and dispensaries, medical and other assistance as the Company may think fit and to subscribe or otherwise to assist or to grant money to charitable, benevolent, religious, scientific, national, public or other institutions, objects or purposes, provided such institutions proposed to be helped with money are not pure political party organisations.
- (28) To promote and establish organisation, advisory boards and other suitable bodies as may be deemed necessary in order to carry out the aforesaid objects of the Company effectively.
- (29) To sell, lease, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for such consideration as the Company may think fit.
- (30) To act as agents, indentors and/or as trustees for any person or Company or government and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, alone or jointly with others and either by or through agents, sub contractors, trustees otherwise.

- (31) To undertake and execute any trust, the undertaking of which may seem to benefit the company either gratuitously or otherwise.
- (32) To establish and regulate branches or agencies of the Company at any place in India or elsewhere and discontinue the same.
- (33) To adopt such means of making known the commodities in which the Company deals or is interested as may seem expedient and in particular by advertising in the Press, by circulars, by purchase and exhibition of works of art or interest by publication of books and periodicals and by granting prizes, rewards and donations.
- (34) To hold or assist in holding exhibitions in India and elsewhere of the products and articles in which the Company is interested.
- (35) To collect and circulate statistics and other information relating to trade, commerce and industry.
- (36) To establish, provide maintain and conduct or otherwise subsidise research and promote studies that may be considered by the Company likely to assist the Company's business and provide grants for these purposes.
- (37) To create, or to contribute to any depreciation fund, reserve fund, sinking fund, insurance fund, development or any other special fund including funds for payment of subsidies whether for depreciation or for repairing, improving, extending or maintaining of the property of the Company or for amortisation of capital or for any other purpose conducive to the interest of the Company.
- (38) To act as Insurers or Underwriters of the property of the Company either wholly or partially and either solely or together with another or other person or persons or body or bodies and to insure the whole or any part of the property of the Company either fully or partially to protect and indemnify the Company from liability or loss in respect thereof either fully or partially and also to insure and protect and indemnify either on mutual principle or otherwise and to accept the whole or any part of the marine risk and liability of the Company as underwriters.
- (39) To buy sell, manufacture, repair, refine, manipulate, alter, improve, exchange, let out on hire, import, export and deal in all factories, engines, works, plants, machinery, wagons, rolling stock, tools, implements, utensils, appliances, apparatus, materials, substances, articles and things capable of being used in any business which the company is competent to carry on or required by any customers or persons having dealings with the Company or commonly dealt in by persons engaged in any such business which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with the same and render marketable and deal in all products residual and by-products incidental to or obtained in any of the business carried on by the Company

- (40) To purchase, charter, hire, build or otherwise acquire vehicles and vessels of any or every sort of description for use on or under land or water or in the air and to employ, equip and load the same for the carriage of merchandise of all kinds and let out, to hire and to trade with any such vehicles, vessels or any part thereof when not required for the Company's business at such rates of freight and on such terms as may be considered advantageous to the Company.
- (41) To employ and pay experts and consultants etc. (Indian and Foreign) in connection with the business of the Company.
- (42) To subsidise or contribute to or otherwise assist in or take part in the construction, maintenance, improvement, management working, control or superintendence of any operations or works or buildings useful or expedient or convenient or adoptable for the purposes of the Company which may be constructed by or may belong to or be worked by or be under the control or superintendence of others and to subsidise or otherwise assist any persons or Companies responsible for or concerned or interested in any undertaking in conjunction with the Company.
- (43) To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and tests of all kinds, to promote studies and researches, both scientific and technical investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professions or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments tests and inventions of any kind that may be considered likely to assist any business which Company is authorised to carry on.
- (44) To procure and arrange for registration, or recognition of the Company in or under the laws of any country, to appoint agencies to the Company and do all acts necessary for carrying on in any Colony, Dominion or foreign country any business of the Company, to petition either singly or jointly with others to legislature, authorities, local, municipal and other bodies, British Colonial or foreign for the purpose of getting enacted acts and laws or for obtaining decrees, interest, rights and privileges that are conducive to the interest of the Company or to protest against such petitions and transactions as are likely to be prejudicial to the interests of the Company and to take such steps as may be necessary to give the Company the rights and privileges in any part of the world as are possessed by local Companies or partnerships of similar nature.
- (45) To form, incorporate or promote any joint stock company or companies for carrying into effect any of the objects of the company and to take or otherwise acquire and hold shares in any such company and generally in any company the business of which is capable of being conducted so as directly or indirectly to benefit this Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation.

- (46) To promote and undertake the formation of any institution or Company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purposes which may seem directly or indirectly calculated to benefit the Company or form any subsidiary company or companies.
- (47) To remunerate any person, firm or company for services rendered or to be rendered in obtaining subscriptions for or placing or assisting to place or to obtain subscriptions for or for guaranteeing the subscription of or the placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company or any stock, shares, bonds, debentures, obligations or securities of any other company held or owned by the Company or in which the Company may have interest or in or about the promotion or formation of any other Company in which the company may have any interest.
- (48) To obtain order or Act of Legislature in India or other places or order or Act from the authorities of any country for enabling the Company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
- (49) To apply the assets of the Company in any way or towards the establishment, maintenance or extension of any association, institution or fund in anywise connected with any particular trade or business or with trade or commerce generally and particularly with the trade including any association, institution or fund for the protection of the interests of masters, owners and employers against loss by bad debts strikes combinations fire accidents or otherwise or for the benefit of any clerks, workmen or others at any time employed by the Company or any of its predecessors' business or their families or dependents.
- (50) To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or any of the same or of the public.
- (51) To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property rights and liabilities of other Companies or for any other purpose which may seem directly or indirectly calculated to benefit the Company and to place or guarantee the placing of underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other Company.
- (52) To take up all or any one or more of the above objects simultaneously or one after the other or to keep any one or more of the objects in abeyance for any period of time if and when necessary.
- (53) To do all such other things that the company may consider are incidental to or may think conducive to the attainment of the above objects or any of them.

It is hereby declared that the word "Company" in this Memorandum when applied otherwise than to this company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not incorporated.

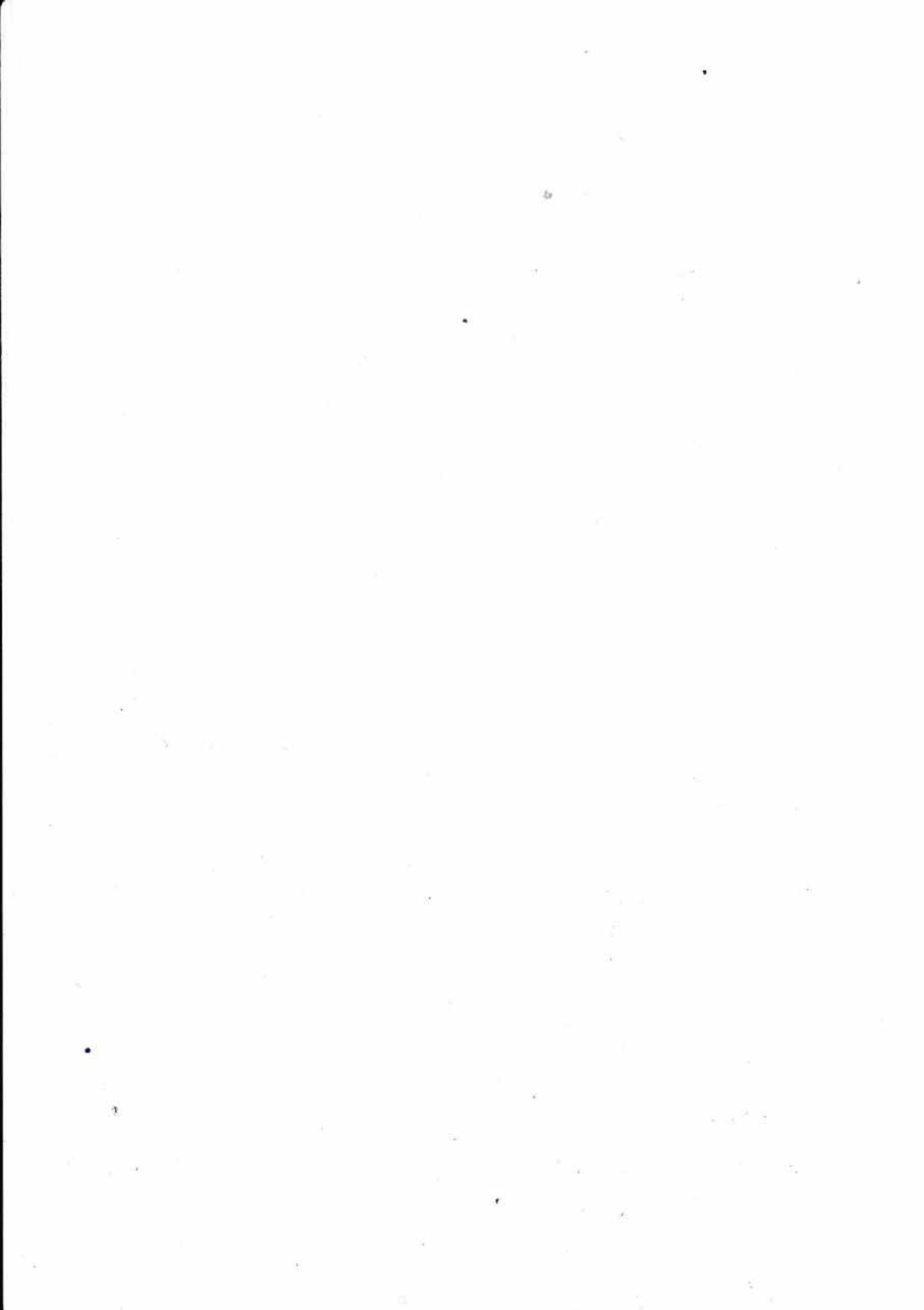
IV. The liability of the members is limited.

V. The authorised share capital of the Company is Rs. 5,00,00,000 (rupees five crores) divided into 5 lacs Equity Shares of Rs. 100 each (five lacs equity shares of rupees one hundred each) with power to increase and reduce the capital of the Company and to issue any of these shares in the capital, original or increased, with or subject to any rights or conditions as regards dividends, repayments of capital or otherwise.

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

Names of the Subscribers	Address, description & occupation of Subscriber	No. of Equity Shares taken by each subscriber	Witness to signature of subscribers
1. President of India For and on behalf of the President of India Sd/- H. Lal (Harivansh Lal) Son of Pandit Raja Ram)	Secretary to the Govt. of India in the Ministry of Foreign Trade, Udyog Bhavan New Delhi-11	Ninety nine thousand nine hundred and ninety eight (99,998)	Sd/- S. K. Bhattacharya (Sisir Kumar Bhattacharya) (Son of Shri Atul Krishna Bhattacharya) Deputy Jute Com- missioner to the Govt. of India, Ministry of Foreign Trade, 20, British Indian Street, Calcutta-1
2. Sd/- B. D. Kumar (Baldev Kumar) (Son of Shri Dhanpat Rai Kumar)	Joint Secretary to the Govt. of India in the Ministry of Foreign Trade, Udyog Bhavan, New Delhi-11	One (1)	-do-
3. Sd/- S. P. Mukerjee (Santi Priya Mukerjee) (Son of late Dr. Satish Chandra Mukerjee	Jute Commissioner to the Govt. of India, Ministry of Foreign Trade, 20, British Indian Street, Calcutta-1	One (1)	-do-
	Total	One lakh equity shares	

Dated this the twenty sixth day of March, 1971.



ARTICLES OF ASSOCIATION

OF

The Jute Corporation of India Limited

Article 1

(1) In these Articles unless there be something in the subject of context inconsistent therewith :

Interpretation
Clause :

- | | |
|--|----------------------------------|
| (a) 'The Act' or 'the Said Act' means the Companies Act, 1 of 1956. | "The Act" |
| (b) 'Articles of the Company' means the Articles for the time being in force for the management of the Company. | "Articles of the Company" |
| (c) 'Board' means the Board of Directors of the Company for the time being. | "Board" |
| (d) 'Capital' means the capital for the time being raised or authorised to be raised for the purpose of the Company. | "Capital" |
| (e) 'Chairman' means the Chairman of the Board of Directors for the time being of the Company. | "Chairman" |
| (f) 'Central Government' shall have the same meaning as in Clause 8 of Section 3 of the General Clauses Act of 1897. | "Central Government" |
| (g) 'The Company' means the Jute Corporation of India Limited. | "Company" |
| (h) 'Directors' means the Directors for the time being of the Company or a duly constituted Committee thereof. | "The Directors" |
| (i) 'Dividend' includes Bonus. | "Dividend" |
| (j) "Executor" or 'Administrator' means a person who has obtained probate or letters of Administration, as the case may be, from some competent court. | "Executor" or
"Administrator" |
| (k) "Month" means a calendar month. | "Month" |
| (l) 'Office' means the Registered Office for the time being of the Company. | "The Office" |
| (m) 'Person' includes Corporations and Firms as well as individuals. | "Persons" |
| (n) 'President' means the President of India. | "President" |
| (o) 'Register' means the Register of members as defined under Section 150 of the Act. | "The Register" |
| (p) 'Registrar' means the Registrar of Companies as defined under Sub Section (40) of Section 2 of the Act. | "The Registrar" |

- "Seal" (q) 'Seal' means the Common Seal for the time being of the Company.
- "Shares" (r) 'Shares' means the shares or stock into which the capital is divided and the interest corresponding with such shares or stock.
- "In Writing" and "Written" (s) 'In writing' and 'Written' include printing, lithography and other modes representing or reproducing words in visible form.
- 'Expressions in Articles bear the same meaning as in the Act' (2) Unless the context otherwise requires, other words or expressions contained in these Articles shall bear the same meaning as in the Act.
- Singular includes Plural (3) Words importing the singular number include the plural number and *vice versa*.
- Masculine includes feminine (4) Words importing the masculine gender also include the feminine gender.
- Marginal note and catch lines (5) The marginal notes and catch lines hereto shall not affect the construction hereof.

Article 2

- Table 'A' not to apply (1) The regulations contained in Table 'A' in Schedule 1 to the Act shall not apply to the Company.
- (2) The regulations for the management of the Company and for the observance by the members thereof and their representatives shall subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by special regulation as prescribed or permitted by the Act, be such as are contained in these Articles.

Article 3

Private Company The Company is a private Company and accordingly :

- (a) The number of members for the time being of the Company (exclusive of persons who are for the time being in the employment of the Company and persons who, having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased) shall not exceed fifty, but where two or more persons hold one or more shares in the Company jointly, they shall, for the purposes of this Article, be treated as a single member.
- (b) Any invitation to the public to subscribe for any shares or debenture stock of the Company is hereby prohibited.
- (c) The right of transfer of shares shall be restricted as hereinafter provided.

SHARES

Article 4

Capital The share capital of the Company is Rs. 5,00,00,000 (Rs. five crores) divided into 5,00,000 (Five Hundred Thousand) equity Shares of Rs. 100/-

(Rupees One Hundred) each. Provided that subject to the approval of the President the Company may alter the conditions of its Memorandum so as to increase its share capital by such amount and to be divided into shares of such amount as it may think expedient, by issuing new shares in the manner prescribed in Section 94 of the Act

Article 5

Subject to the provisions of the Act and these Articles and to the rights of the President, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of them to such person or persons and on such terms and conditions as it considers fit.

Allotment of shares subject to President's directions

Article 6

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Company not to recognise holding of share on trust or any equitable contingent, future, or partial interest in the shares

Article 7

(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or registration of transfer (or within such other period as the conditions of issue shall provide):—

Registered member entitled to share certificate within two months.

- (a) one certificate for all his shares without payment; or
- (b) several certificates, each for one or more of his shares, upon payment of one rupee for every certificate after the first.

(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

(3) In respect of any 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 such holders.

Article 8

If a share certificate is defaced, lost or destroyed, it may be renewed on payment of a fee of fifty paise and on such terms, if any, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

Renewal of share certificate on payment of fee

LIEN

Article 9

Company's lien
paramount

(1) The Company shall have a first and paramount lien—

(a) on every share (not being a fully-paid shares), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully-paid shares) standing registered in the name of a single person for all money presently payable by him or his estate to the Company.

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(2) The Company's lien, if any, on a share shall extend to all dividends payable thereon.

Article 10

Sale of shares on
which Company
has lien

The company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien.

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable, and

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Article 11

Sale of shares
on which the
company has a
lien

(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(3) The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceeding in reference to the sale.

Article 12

Application of
proceeds of sale

(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

Article 13

(1) The Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares (Whether on account of nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

The Board may make calls

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

The Directors may extend time

Provided, however, that the Directors may, from time to time, at their discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members whom, on account of residence at a distance or other cause, the Directors may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

(2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified the amount called on his shares.

Payment on call

(3) A call may be revoked or postponed at the discretion of the Board.

Discretion of Board to revoke

Article 14

A call shall be deemed to have been made at the time when the application of the Board authorising the call was passed and may be required to be paid by instalments.

Call when made

Article 15

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

Joint and several liability on calls

Article 16

(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at five per cent per annum or at such lower rate, if any, as the Board may determine.

Interest

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

Waiver of interest

Sum payable on allotment at fixed date to be paid on due dates

Article 17

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

(2) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Voluntary advances of uncalled share capital

Article 18

The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him ; and

(b) upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, six per cent per annum as may be agreed upon between the Board and the member paying the sum in advance, and the Directors may, at any time, repay the amount so advanced upon giving to such member three months notice in writing.

TRANSFER OF SHARES

Restriction on transfer of shares

Article 19

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

- (a) A share may be transferred by a member or other persons entitled to transfer to a person approved by the President ;
- (b) Subject as aforesaid, the Directors may, in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares;
- (c) If the Directors refuse to register the transfer of any shares, they shall, within two months, send to the transferee and the transferor notice of the refusal ;
- (d) Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by law required) be bound to recognise any benami, trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

Article 20

(1) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

Transfer to be executed by both parties

(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Transferor deemed holder until registration

Article 21

Shares in the company shall be transferred in the form prescribed by the Central Government in the Company (Central Government) General Rules and Forms 1956 or any amendment thereof.

Form of transfer

Article 22

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the shares to be transferred, and such evidence as the Company may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer shall be retained by the Company, but any instrument of transfer which Directors may decline to register shall, on demand, be returned to the person depositing the same.

Registration of transfer

Article 23

Nothing contained in Article 19 shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of Law.

Saving of transmission of shares by operation of Law

Article 24

The Board may decline to recognise any instrument of transfer unless—

Transfer fee

(a) a fee of two rupees is paid to the Company in respect thereof ;

(b) 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 transferor to make the transfer.

Article 25

The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine :

Suspension of Registration

Provided that such registration shall not be suspended for more than forty-five days in any year.

Article 26

The Company shall be entitled to charge a fee not exceeding two rupees on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument.

Fees on instruments

TRANSMISSION OF SHARES

Article 27

Death of one or more joint holders of shares

(1) On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only person recognised by the company as having any title to his interest in the shares.

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 28

Registration of shares on death or insolvency of holder

(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share, or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.

Article 29

Notice by person entitled to share on death or insolvency of holder

(1) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

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

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

Article 30

Rights of persons entitled to share on death or insolvency

A person becoming entitled to a share by reason of death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

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, bonus or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

Article 31

The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than 7 days previous notice in terms of Section 154 of the Act by advertisement in some newspaper circulating in the district in which the registered office of the company is situated.

Maximum
aggregate
period.

Article 32

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

Directors' right
to refuse
Registration on
transmission

Article 33

So far as concerns any share held by any person as a nominee of the President, on the President requiring him to transfer any such share to the President or any such person becoming of unsound mind or becoming or being adjudicated an insolvent, or dying or on such person, being a company, being wound up voluntarily or by the court or subject to the supervision of the court, the following provisions shall take effect, namely:—

Powers of the
President in
regard to
transfer or
transmission of
shares held
by his nominee

- (i) The President may at any time serve the Company with a requisition to enforce the transfer of any such share.
- (ii) The Company shall thereupon forthwith give to the holder of such share, or where the holder has become of unsound mind, to his Committee or other guardian, or where the holder has become or been adjudicated an insolvent, to the assignee of his estate and effects, or where the holder is dead, to his heirs or legal representatives, or where the holder, being a company, has been wound up as aforesaid to its liquidator, notice in writing of the requisition and unless within 14 days afterwards, the holder or as the case may be, the committee or guardian or assignee or heirs or legal representatives or the liquidator of such holder, shall execute in favour of the President or of any person or persons nominated by the President, a proper transfer form in respect of such share and hand over the same along with the relative certificate in respect of such shares to the President or any other person or persons nominated by him in that behalf and may at any time thereafter execute a transfer in respect of such share for and on behalf of such holder or of his estate and the same shall be deemed to have been duly and properly executed

for and on behalf of such holder or his estate, and thereupon the holder or his estate shall cease to have any interest whatsoever in such shares and the certificate of such share, if not handed over as aforesaid shall thereupon stand cancelled and be and become void and of no effect, and the Company shall be entitled thereafter to issue a new Certificate in lieu thereof in favour of the President or of such person or persons as he may nominate.

FORFEITURE OF SHARE

Article 34

If call or instalment not paid, notice to be given

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

Article 35

Form of notice

The notice aforesaid shall—

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

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

Article 36

Forfeiture of shares on default of payment

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

Article 37

Disposal of forfeiture shares

(1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(2) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 38

Liability to pay money owing at the time of forfeiture

(1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the

forfeiture, remain liable to pay to the company all moneys, which at the date of forfeiture, were presently payable by him to the company in respect of the shares

(2) The liability of such persons shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares.

Article 39

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

Declaration of forfeiture

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

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

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

Article 40

The provisions of these regulations 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 and notified.

Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time

CONVERSION OF SHARES INTO STOCK

Article 41

Subject to such directions issued by the President, the Company may, by ordinary resolutions :

Conversion of shares into stock and vice versa

- (a) Convert any paid-up shares into stock, and
- (b) Reconvert any stock into paid up shares of any denomination.

Article 42

The holder of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares

Transfer of stock subject to same regulations as transfer of shares

from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Article 43

Rights and privileges of holders of stock

The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not if existing in shares, have conferred that privilege or advantage.

Article 44

Regulations applicable to paid up share to apply to stock

Such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "Share" and "shareholder" in those regulations shall include "stock" and "stockholder" respectively.

ALTERATION OF CAPITAL

Article 45

Increase of capital

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

Article 46

Issue of new shares

Subject to such directions as may be issued by the President in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine.

Provided that no shares shall be issued carrying voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares.

Article 47

Same as original capital

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

Article 48

The new shares shall be offered to the members in proportion to the existing shares held by each member and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined; and after the expiration of such time or on receipt of an intimation from the member to whom such notice is given that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

Offer of new shares to existing members

Article 49

Subject to the approval of the President, the Company in general meeting may, from time to time, subdivide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of any such powers as may be required by the Act.

Sub division and consolidation of shares

Article 50

Subject to such directions as may be issued by the President in this behalf, the company may, by special resolution, reduce in any manner and with, and subject to any incident authorised and consent required by law:

Reduction of capital

- (a) Its share capital,
- (b) Any capital redemption reserve account, or
- (c) Any share premium account.

BORROWING POWERS

Article 51

Subject to the approval of the President and subject to the provisions of the Act, the Company may, from time to time borrow and / or secure the repayment of any sum or sums of money for the purposes of the Company by means of a resolution passed at the meeting of the Board.

Power to borrow

Article 52

The Board may subject to the approval of the President raise or secure the payment or 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 issue of bonds perpetual or redeemable the debentures or debenture stock or any mortgage charge or other security on the undertaking of the whole or any part of the property of the company, (both present and future) including its uncalled capital for the time being.

Conditions on which money may be borrowed

Article 53

Securities
assignable free
from equities

The Debentures, debenture stock and other securities may be made assignable free from any equities between the company and the persons to whom the same may be issued.

Article 54

Issue at a dis-
count or with
special privileges

Subject to the approval of the President and subject to Sections 79 and 117 of the Act, any debentures, debenture stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending general meetings of the company, appointment of Directors and otherwise.

Article 55

When uncalled
capital is char-
ged, subsequent
charges to be
subject to the
prior charge

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

Article 56

Indemnity may
be given

If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

GENERAL MEETINGS

Article 57

Extra ordinary
General Meeting

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

Article 58

Convening of
Extra ordinary
general meeting

The Directors may, whenever they deem fit and they shall, on the requisition of the holders of not less than one-tenth of the issued capital on which all calls or other sums then due have been paid and as at that date carries the right of voting in the matter forthwith proceed to convene an extra ordinary meeting of the company, and in the case of such requisition, the following provisions shall have effect :—

- (1) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or

more requisitionists. In case of joint holders of shares, all such holders shall sign the requisition.

- (2) If the Directors of the Company do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called for the consideration of these matters on a day not later than fortyfive days from the date of the deposit of the requisition the requisitionists or a majority of them in value may themselves convene the meeting but any meeting so convened shall be held within three months from the date of the deposit of the requisition.
- (3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors. If, after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene an extra ordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the Directors.

Article 59

The Company shall in each year hold in addition to any other meetings a general meeting as its annual general meeting and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. The first annual General Meeting of the Company will be held within eighteen months from the date of its incorporation and thereafter, subject to the provisions of Section 166 of the Act as amended, the Annual General Meeting of the Company shall be held within six months after the expiry of each financial year. It shall be held during business hours on a day that is not a public holiday. The notice calling the general meeting shall specify it as Annual General Meeting.

Annual General Meeting

Article 60

Subject to the provisions relating to special resolutions hereinafter contained, at least four clear days notice in writing specifying the place, day and hour of meeting, with a statement of the business to be transacted at the meeting shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of same, any particular meeting may be convened by such shorter notice and in such manner as these members may think fit.

Notice of meeting

Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by Section 189(2) of the Act, not less than 21 days notice of such meeting specifying the intention to propose the resolution as a special resolution shall be served. Provided further that if all the members entitled to attend and vote at such meeting so agree, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 days notice has been given.

Article 61

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

Notice how given to members

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

Article 62

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

Registered
shareholders
to notify
address

Article 63

If a member has no registered address and has not supplied to the Company an address for the giving of notices to him, a notice addressed to him and advertised in newspaper circulating in the neighbourhood of the Registered Office of the Company, shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice by
advertisement

Article 64

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

Notice to joint
holders

Article 65

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

Notice to legal
representative

Article 66

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

Notice of
General
Meeting

Article 67

Every person who by operation of law transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in

Transferee
bound by notice
to transferor

respect of such share which prior to his name and address and title to the share being notified to and registered by the Company, shall have been duly given to the person from whom he derives title to such share.

Article 68

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

Notice how signed

Article 69

The accidental omission to give any such notice to or the non-receipt of any such notice by any members shall not invalidate the proceedings at any meeting.

Omission to give notice not to invalidate proceedings

Article 70

The business of an annual general meeting shall be to receive and consider the profit and loss account the balance sheet, and the report of the Directors and of the Auditors, to declare dividends and to transact any other business which under these Articles ought to be transacted at an annual general meeting.

Business of annual general meeting

All other business transacted at an annual general meeting and all business transacted at an extra-ordinary meeting, shall be deemed special.

PROCEEDINGS AT GENERAL MEETING

Article 71

(1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

Quorum

(2) Save as herein otherwise provided, two members present in person of whom one shall be a representative of the President shall be a quorum.

Article 72

The Chairman of the Board shall preside as Chairman at every general meeting of the Company.

Chairman of General Meeting

Article 73

If the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.

Election of Director in absence of Chairman

Article 74

Proceedings in absence of quorum

If within half an hour from the time appointed for the meeting a quorum is not present the meeting convened upon such requisition as aforesaid, shall be dissolved ; but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and such other time and place as the Board may determine, and if at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

Article 75

Adjournment

(1) 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.

Business at adjourned meeting

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

Notice of adjourned meeting

(3) 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.

(4) 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.

Article 76

Decisions in the first instance by show of hands

(a) Every question submitted to a meeting shall be decided in the first instance by a show hands. In the case of an equality of votes, whether on a show of hands or on 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 resolution where poll not demanded

(b) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded, by a member present in person or by proxy or by duly authorised representative, and unless a poll is so demanded a declaration by the Chairman that a resolution has, on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

Manner of taking a poll and result thereof

(c) If a poll is duly demanded, it shall subject to the provisions of Section 180 of the Act, be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

Poll demanded to be taken at the meeting

(d) Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

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

Chairman to be the sole judge

(f) No member not personally present shall be entitled to vote on a show of hands.

Member not personally present not to vote on show of hands

Article 77

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Demand of poll not to prevent transaction of other business

Article 78

(1) The President, so long as he is a shareholder of the Company, may, from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meetings of the Company.

Right of the President to appoint any person as his representative

(2) Only one of the persons appointed under sub clause (1) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.

(3) The President may, from time to time, cancel any appointment made under sub clause (1) of this Article and make fresh appointments.

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

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

VOTES OF MEMBERS

Article 79

(a) On a show of hands, every member present in person shall have one vote; and

Votes

(b) On a poll, the voting rights of members shall be as laid down in Section 87 of the Act.

Article 80

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.

Voting by joint holders

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

Article 81

Notice by person entitled to any shares by transmission

Any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that seventy two 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 directors of his right to such shares, unless the Directors shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.

Article 82

Voting in the case of members of unsound mind

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

Article 83

No member to vote unless calls are paid up

No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

Article 84

Objection to vote

(1) No objection shall be raised 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.

Chairman to judge validity

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

Article 85

Appointment of proxy

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

Deposit of instrument of appointment

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 that power or authority, shall be deposited at the registered office of the

company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the Instrument of proxy shall not be treated as valid.

Article 86

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

Form of Proxy

Article 87

A note 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 the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given.

Vote of proxy not invalid if notice of revocation not received

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

DIRECTORS

Article 88

(1) The President shall constitute a Board which shall consist of not more than 17 and not less than 4 Directors. The Directors are not required to hold any qualified share.

Number of Directors

(2) The Directors shall be appointed by the President in such number and for such period as he may determine from time to time. The Directors so appointed shall be entitled to such pay and allowances travelling allowances, leave, provident fund, medical and other facilities as may be determined by the President at the time of their appointment or thereafter.

Appointment of Directors, their number, remuneration, etc.

(3) All Directors shall hold office for the periods for which they are appointed. A Director whose term of appointment has expired, shall be eligible for re-appointment.

Retirement of Directors

(4) The President shall have the power to remove any Director including the Chairman and Managing Director from office at any time in his absolute discretion.

Removal of Directors

(5) The President shall have the right to fill any vacancy in the office of a Director caused by retirement, removal, resignation or otherwise.

Filling of any vacancy

(6) The office of a Director shall be vacated if—

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

* As amended at the Extra-ordinary General Meeting held 13-12-1982

- (b) he applied to be adjudicated an insolvent ;
- (c) he is adjudged an insolvent ;
- (d) he is convicted by a court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months ;
- (e) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board ;
- (f) he or any firm in which he is a partner or any private company of which he is director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act ;
- (g) he fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company as required under Section 299 of the Act ;
- (h) he become disqualified by an order of Court under Section 203 of the Act ;
- (i) he is removed in pursuance of Section 284 of the Act
- (j) he is concerned or participates in the profits of any contract with the company ;

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

Disqualifications referred to in sub clause (c), (d) and (h) above shall not take effect :—

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

(7) In place of a Director who is out of India or is about to go out of India or who expects to be absent for not less than three months from the State in which meetings of the Directors are ordinarily held, the Board may appoint with the prior approval of the President any person to be an

Alternate
Director

Alternate Director during his absence out of India or his absence of not less than three months from the State in which the meetings of the Directors are ordinarily held, and such appointment shall have effect, and such appointee whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and shall *ipso facto* vacate office if and when the original Director returns to India or the State or vacates office as a Director.

*(8) The President may appoint one of the Directors as the Chairman of the Board of Directors and another Director as the whole time Managing Director or he may appoint one of the Directors as the Chairman-cum-Managing Director. The President may also appoint not more than five of the Directors as whole time functional Directors. He may also constitute Committee of one or more Directors for such purposes as he may deem fit. The terms and conditions of appointment of the Chairman cum-Managing Director, Managing Director and whole time functional Director, shall be such as the President may determine from time to time. The President may remove such person or persons from office and appoint other person or persons in his or their places.

Appointment of
Chairman,
Managing
Director, whole-
time Director
and F.A. &
C.A.O.

The President may also appoint any person or persons to any office or officer for such period and on such terms and for such remuneration as he may determine from time to time and may remove such person or persons from office and appoint another in his or their places.

(9) Subject to the provisions of Section 292 of the Act, the Board may from time to time entrust to and confer upon the Chairman/Managing Director, Directors, General Manager or Managers and Financial Adviser and Chief Accounts Officer, for the time being such of the powers exercisable under these Articles by the Board of Directors 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 as it may think expedient, and it may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time, revoke, withdraw, alter or vary all or any of such powers.

Power of Mana-
ging Director

Article 89

The business of the Company shall be managed by the Board, who may exercise all such powers of the Company, as are not, by the Companies Act, 1956 or any statutory modification thereof for the time being in force or by these Articles, required to be exercised by the Company in general meetings, subject nevertheless to the provisions of these Articles, to the provisions of the said Act and the directives if any, the President may issue, from time to time and to such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

General powers
of the Company
vested in the
Board

Article 90

Without prejudice to the general powers conferred by the last preceding Article, and the other powers conferred by these articles, the Directors shall have the following powers, that is to say, powers—

Specific powers
given to
Directors

* As amended at the Extra ordinary General Meeting held on 30-12-78

To acquire property

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

Work of capital nature

(2) To authorise the undertaking of works of a capital nature, subject to the condition that all cases involving a capital expenditure exceeding Rs. 10 lakhs and the acquisition of capital assets of an immovable nature, shall be referred to the President for his approval before authorisation.

To pay for property in debentures, etc.

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

To secure contracts

(4) Subject to the provisions of Section 292 of the Act, to secure the fulfilment of any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.

To create posts and to appoint officers, etc.

(5) To create posts and make appointments thereto and at their discretion to ensure, withhold increments or promotions, recover from pay the whole or part of pecuniary loss caused to the Company by negligence or breach of orders, to reduce to a lower grade or post or to a lower time scale or to a lower stage in the same scale to remove from service which shall not be a disqualification for future employment or to suspend or to dismiss from service which shall ordinarily be a disqualification for future employment such secretaries, officers, clerks, agents and servants for permanent, temporary or special services, as they may, from time to time think fit and to determine their power and duties and fix their salaries or emoluments and to require security in such instances and of amounts as they think fit. Provided that no post, carrying pay exceeding Rs. 2250/- p.m. will be created or appointments thereto made without the prior approval of the President. In the case of the employment of retired Government servants the limit of Rs. 2250/- will be raised to Rs. 3000/- inclusive of pension or the Pensionary equivalent.

To appoint trustees

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

To bring and defend action, etc.

(7) To institute, conduct, defend, compound, or abandon any legal proceeding by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company

To refer to Arbitration

(8) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.

To give receipt

(9) To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the Company.

(10) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.

To authorise acceptance, etc.

(11) From time to time to provide for the management of the affairs of the Company in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub delegate) and upon such terms as may be thought fit.

To appoint attorneys

(12) Subject to the provisions of Section 292 of the Act to invest in the Reserve Bank of India or in such securities as may be approved by the President and deal with any of the money of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit, and from time to time vary or realise such investments.

To invest money

(13) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provision as shall be agreed on.

To give security by way of indemnity

(14) Subject to the approval of the President, to give to any person employed by the Company a commission on the profits of any particular business, transaction or a share in the general profits which shall be treated as part of the working expenses of the Company.

To give commission

(15) To give, award or allow any bonus, pension gratuity or compensation to any employee of the Company or his widow, children or dependents that may appear to the Directors just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company.

To give bonus

(16) From time to time, to make, vary, and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

To make bye-laws

(17) Before declaring any dividend and subject to the approval of the President to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit.

To create Provident Fund

(18) To establish Local Board from time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India, or out of India, and to appoint any persons to be members of such Local Board and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their power to make call and to authorise the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made in such terms, and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annual or vary any such delegation.

To establish local Board

To make contracts, etc.

(19) To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

To delegate powers

(20) Subject to Section 292 of the Act to delegate all or any of the powers, authorities and discretion for the time being vested in them subject however, to the ultimate control and authority being retained by them.

Article 91

Remuneration of the Directors

(1) The remuneration of the Directors shall in so far as it consists of a monthly payment, be deemed to accrue from day to day.

(2) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them.

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
- (b) in connection with the business of the Company.

Article 92

Registration expenses

The Board may pay all expenses incurred in connection with the formation and registration of the Company.

Article 93

Use of official seal abroad

The Company may exercise the powers conferred by Section 50 of the Act with regard to having an official seal for use abroad and such power shall be vested in the Board.

Article 94

Drawing and accepting negotiable instruments

All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments and all receipt for moneys paid to the Company shall be 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.

Article 95

Acquittance Register

Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose.

PROCEEDINGS OF BOARD

Article 96

Board may regulate its meetings

(1) The Board of Directors may meet for despatch of a business adjourn and otherwise regulate its meetings as it thinks fit.

(2) A Director may and the Secretary on the requisition of a Director shall at any time, summon a meeting of the Board.

Secretary to
summon
meetings

(3) Subject to Section 287 of the Act, the Directors may determine the quorum necessary for the transaction of business. Until otherwise determined one-third of the total strength of Directors (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher shall be quorum.

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

Quorum com-
petent to exer-
cise all powers

(5) The Chairman shall reserve the decision of the President any proposals or decisions which in his opinion should be so reserved.

(6) Without prejudice to the generality of the above provisions the Chairman shall reserve for the decision of the President ;

- (i) Any programme of capital expenditure exceeding Rs. 10 lakhs ;
- (ii) Rules of the Company governing the conditions of service of the employees, provident fund and other rules creation of reserve and special funds ;
- (iii) Sale, lease or disposal otherwise of the whole or substantially whole of the undertaking of the Company ;
- (iv) Formation of a subsidiary company ;
- (v) Division of capital into different classes of shares , and
- (vi) Winding up of the Company.

Article 97

The Directors shall cause minutes to be made in books provided for the purpose ;

Minutes Book

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

Article 98

Decision by
majority votes

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

Casting vote
of Chairman

(2) In case of an equality of votes, the Chairman of the Board shall have a second or casting vote.

Article 99

Procedure in
the absence of
Chairman

If at any time the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one of their members to be Chairman of the meeting.

Such Chairman shall have also, in case of an equality of votes, a second or casting vote.

Article 100

Delegation to
Committee

(1) The Board may subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

Committee to
conform to
regulations

(2) Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

(3) The proceedings of such a Committee should be placed before the Board of Directors at its next meeting.

Article 101

Election of
Chairman of the
Committee

(1) A Committee may select a Chairman of its meetings.

(2) If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the meeting

Article 102

Committee to
regulate its
meetings

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

Decision by
majority vote

(2) 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 such Chairman shall have a second vote or casting vote.

Article 103

Acts of Board
Committee not
invalidated by
want of some
formalities

All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such qualified director or such person had been duly appointed and was qualified to be a director.

Article 104

Subject to restrictions placed under Section 292 of the Act, resolutions of the Board of Directors can be passed by circulation and they shall be as valid and effectual as if they have been passed at a meeting of the Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers if any to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or 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 them as are entitled to vote on the resolution.

Resolution of Board or Committee valid without meeting

Article 105

Save as otherwise expressly provided in the Act, a resolution in writing signed by all the members of the Board or of a Committee thereof for the time being entitled to receive notice of a meeting of the Board or Committee shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee duly convened and held.

Resolution of Board of Committee signed by all members valid

SECRETARY

Article 106

(1) A Secretary may be appointed by the Board for such time at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board.

Appointment of Secretary

(2) A Director may be appointed as Secretary.

Article 107

A provision of the Act or these articles requiring or authorising a thing to be done by or to a director and the manager or secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the manager or Secretary.

THE SEAL

Article 108

(1) The Board shall provide for the safe custody of the seal.

Custody of seal

Procedure for
affixation of the
Seal

* (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf and except in the presence of at least one officer to be nominated by the Board or the Committee and the Secretary or such other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVE

Article 109

Declaration of
dividends

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

Article 110

Dividends only
out of profits

(a) No dividend shall be declared or paid by the Company for any financial year except out of profits of the Company for that year arrived at after providing for the depreciation in accordance with the provisions of sub-section (2) of section 205 of the Act or out of profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or but of moneys provided by the Government for the payment of dividend in pursuance of a guarantee given by the Government.

(b) Subject to the provisions of Section 205 of the Act as amended, no dividend shall be payable except in cash.

Article 111

Interim
Dividends

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

Article 112

Creation of
Reserve Fund
out of Profits

(1) Subject to such directions as may from time to time be issued by the President in this behalf the Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalising dividends; or for special dividends or for repairing, improving and maintaining any of the property of the Company and for amortisation of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit; 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 reserve funds into such special funds as they think fit and employ the reserve funds or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

* As amended at the 1st A. G. M. held on 30.9.1972

(2) The Board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.

Article 113

(1) All dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

Payment of dividends

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the shares.

Article 114

The Board may deduct from any dividend payable to any member all sums of money if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Recoveries from dividends

Article 115

(1) Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets; and the Board shall give effect to the resolution of the meeting.

Payments of dividends from specific assets

(2) Where any difficulty arises in regard to such distribution the Board may settle the same as thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payment 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 any such specific assets in trustees as may seem expedient to the Board.

Issue of fractional certificates and valuation of specific assets

Article 116

(1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheques or warrants sent through the post directed to the registered address of the holder or in the case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing intimate.

Dividends may be paid by cheques or warrant payable to order

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Article 117

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

Effectual receipts by joint holders

Article 118

Notice of
Dividend to be
given

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

Article 119

Dividend not to
bear interest

No dividend shall bear interest against the Company. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Article 120

Set off dividend
against calls

Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but the call on such member shall not exceed the dividends payable to him and the call be made payable at the same time as the dividend and the dividend may if so arranged between the company and the members be set off against the call. The making of a call under this clause shall be deemed ordinary business of general meeting which declares a dividend.

Article 121

Dividend sub-
sequent to trans-
fer of share

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

Article 122

Retention of
dividends on
transmission of
share

The Directors may retain the dividends payable upon shares in respect of which any person is under the transmissions clause entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the name.

Article 123

Investment of
unclaimed
dividends

All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and all dividends unclaimed for six years after having been declared may be forfeited by the Directors for the benefit of the Company and if the Directors think fit they may be applied in augmentation of Reserve Fund.

ACCOUNTS

Article 124

Inspection of
account books
by members

(1) 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 account and books of the Company or any of them shall be open to the inspection of members not being directors.

(2) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

Article 125

Subject to the provisions of Section 166 and 210 of the Companies Act, 1956 the Directors shall at some date, not later than 18 months after the incorporation of the Company and subsequently once at least in every Calendar year lay before the Company in annual general meeting a balance sheet and profit and loss account in the case of the first account since the incorporation of the company and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than six months.

Annual account
and balance
sheet

Article 126

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

Annual report
of Directors

Article 127

Forms of Balance Sheets and Profit and Loss Account should be in accordance with the provisions of Section 211 of the Act. The Profit and Loss Account shall in addition to the matters referred to in Section 211 of the Act show arranged under the most convenient heads the amount of gross income, distinguishing the several sources from which it has been derived and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

Particulars of
Profit & Loss
Account

Article 128

The company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the company in the manner in which notices are

Balance sheet
and other docu-
ments to be sent
to the address of
every member

to be given hereunder at least twenty-one days before the meeting at which it is to be laid before the members of the Company and shall deposit a copy at the Registered Office of the Company for inspection of the members of the Company during a period of at least twenty-one days before that meeting.

Article 129

Directors to comply with Sections relating to accounts

The Directors shall in all respects comply with all the provisions of the Act relating to Accounts or any statutory modification thereof for the time being in force as may be applicable to the Company.

Article 130

Audit at least once in a year

Once at least in every year the accounts of the Company shall be examined and audited by one or more auditors as provided in the Act.

Article 131

Appointment of Auditors

The Auditor or Auditors of the Company shall be appointed or reappointed by the President on the advice of the Comptroller and Auditor General of India and his/their rights and duties shall be regulated by the provisions of the Act relating to Audit.

Article 132

Notice to Auditors to attend general meeting

The auditors of the Company shall be entitled to receive a 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 before the Company and may make any statement or explanation they desire with respect to the accounts.

Article 133

Powers of the Comptroller and Auditor General

The Comptroller and Auditor General of India shall have power :

(a) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors appointed in pursuance of Article 131 thereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such.

(b) to conduct a supplementary or test audit of the company's accounts by such person or 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, Accounts books, Vouchers, Documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised on such matters, by such person or persons and in such form, as the Comptroller and Auditor General may by general or special order, direct.

Article 134

Comment on audit report by the Comptroller and Auditor General

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. Any such comments upon or supplement to the audit report shall be placed before the ordinary meeting of the company at the time and in the same manner as the audit report.

Article 135

Every account of the Company, when audited and approved by a general meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the said period, the account shall forthwith be corrected and thenceforth shall be conclusive, subject to the approval of the Company in general meeting.

Audited
Accounts to be
conclusive

CAPITALISATION OF PROFITS

Article 136

(1) The Company in general meeting may, upon the recommendation of the Board, resolve :—

Powers of com-
pany in General
Meeting for
capitalisation of
profits or credit
to profit and loss
account or
distribution

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution ; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (3) either in or towards,

Application of
sum available
for distribution

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively ;

(ii) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid ; or

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub clause (ii).

(3) A share premium account and a capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares,

Application of
share premium
account & capi-
tal redemption
reserves

(4) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

The Board to
give effect to
company's
resolution

Article 137

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall :—

Procedure for giving effect to Company resolution

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and allotments and issues of fully paid shares, if any, and

(b) generally do all acts and things required to give effect thereto.

(2) The Board shall have full powers :—

(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in respect of shares becoming distributable in fractions ; and also,

(b) to authorise any person to enter, on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares.

Agreement binding on all members

(3) Any agreement made under such authority shall be effective and binding on all such members.

WINDING UP

Article 138

Distribution of assets on winding up

(1) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any 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.

(2) For the purpose aforesaid the liquidator may set such value as he deems 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.

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

GENERAL

Article 139

The rights of the President to issue directions

Notwithstanding anything contained in any of these Articles, the President may from time to time issue such directions or instructions as he may

consider necessary in regard to the finances, conduct of business and affairs of the company or directors thereof and in like manner may vary and annual any such directions and instruction. The Company shall give immediate effect to the directions or instructions so issued.

INDEMNITY

Article 140

Subject to Section 201 of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Directors to pay out of the funds of the Company against all costs, losses damages and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Manager or other officer or servant or in any way in the discharge of his duties including travelling expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager or other officer or servant in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.

Directors and others' right to indemnity

Article 141

Subject to the provision of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, receipts neglect or defaults of any other Director or officer or for joining in any receipt or other set for conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the Directors 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 invested or for any loss or damage arising from the bankruptcy insolvency or tortious act of any person 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 through his own negligence, default, breach of duty or breach of trust.

No vicarious responsibility

Article 142

No member shall be entitled to require discovery of or any informations respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Company to communicate to the public.

Secrecy Clause

Names of the Subscribers	Address, description & occupation of Subscriber	No. of Equity Shares taken by each subscriber	Witness to signature of subscribers
<p>1. President of India For and on behalf of the President of India Sd/- H. Lal (Harivansh Lal) Son of Pandit Raja Ram)</p>	<p>Secretary to the Govt. of India in the Ministry of Foreign Trade, Udyog Bhavan New Delhi-11</p>	<p>Ninety nine thousand nine hundred and ninety eight (99,998)</p>	<p>Sd/- S. K. Bhattacharya (Sisir Kumar Bhattacharya) (Son of Shri Atul Krishna Bhattacharya) Deputy Jute Commissioner to the Govt. of India, Ministry of Foreign Trade, 20, British Indian Street, Calcutta-1</p>
<p>2. Sd/- B. D. Kumar (Baldev Kumar) (Son of Shri Dhanpat Rai Kumar)</p>	<p>Joint Secretary to the Govt. of India in the Ministry of Foreign Trade, Udyog Bhavan, New Delhi-11</p>	<p>One (1)</p>	<p>-do-</p>
<p>3. Sd/- S. P. Mukerjee (Santi Priya Mukerjee) (Son of late Dr. Satish Chandra Mukerjee)</p>	<p>Jute Commissioner to the Govt. of India, Ministry of Foreign Trade, 20, British Indian Street, Calcutta-1</p>	<p>One (1)</p>	<p>-do-</p>
<p>Total</p>	<p>One lakh equity shares</p>		

Dated this the twenty sixth day of March, 1971.