

Annexure NO 2(a)



**MEGHALAYA INDUSTRIAL DEVELOPMENT
CORPORATION LIMITED**

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION**

AS AMENDED



Form I.R.

CERTIFICATE OF INCORPORATION

No. 1337 of 1971-72

I HEREBY CERTIFY THAT *The Meghalaya Industrial Development Corporation Limited* is this day incorporated under the Companies Act, 1956 (No. I of 1956) and that the Company is Limited.

Given under my hand at Shillong this sixth day of April one thousand nine hundred and seventy one.

Seal of the Registrar
of Companies
Assam, Tripura, Manipur
Shillong

Sd/- T.K.S Biswas
Registrar of Companies
Assam, Tripura, Manipur
Shillong

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MEMORANDUM OF ASSOCIATION OF THE MEGHALAYA INDUSTRIAL
DEVELOPMENT CORPORATION LIMITED

- I. The name of the company is "The Meghalaya Industrial Development Corporation Limited."
- II. The Registered Office of the Company will be situated in the State of Meghalaya.
- III. The Objects for which the Company is established are :-

MAIN OBJECTS

- (1) To promote, establish and execute industries, projects or enterprises for manufacture and production of plant, machinery, tools, implements, materials, substances, goods or things of any description which in the opinion of the Company are likely to promote or advance the industrial development of Meghalaya.
- (2) To promote and operate schemes for industrial development of Meghalaya and for that purpose to prepare and get prepared reports, blue-prints, statistics and other information.
- (3) To aid, assist and finance any industrial undertaking of any size, project or enterprise, whether owned or run by Government, statutory body, Private Company, firm or individual, with capital credit, means or resources for prosecution of its works and business.
- (4) To promote and establish companies and associations for the prosecution or execution of industrial undertakings, works, projects and enterprises of any description, whether of a private or public character, which in the opinion of the Company would contribute to the industrial development of Meghalaya and to acquire and dispose of shares and interest in such companies or associations or in any other companies or associations or in the undertakings thereof.
- (5) To procure capital for or to provide machinery equipment and other facilities to any Company, person or association for the purpose of carrying into effect any objects connected with the industrial development of Meghalaya and to subscribe for or underwrite or otherwise deal with shares, debentures and securities of any such companies or persons or associations.

INCIDENTAL AND OTHER OBJECTS

- (1) To seek for and secure openings for the employment of capital in India and elsewhere, and with a view thereto to prospect, enquire, examine and test, and to despatch and employ expeditions, commissioners, experts and other agents.

- (2) To carry all kinds of exploration business, and in particular to search for, prospect examine and explore mines and ground supposed to contain minerals or precious stones, and to search for and obtain information in regard to mines, mining claims, mining districts and localities and to purchase or otherwise acquire, and to sell, dispose of and deal with mines and mining rights, and property supposed to contain minerals or precious stones of all kinds, and undertakings connected therewith and to work, exercise, develop and turn to account mines and mining rights, and any undertaking connected therewith and to buy, sell, refine, manipulate and deal in minerals of all kinds.
- (3) To construct, execute, carry out, equip, improve, work, develop, administer, manage or control public works and conveyances of all kinds, which expression in this Memorandum includes railways, tramways, docks wharves, drainage, sanitary, water, gas, electric light, telephonic, telegraphic and power supply works, and hotels, warehouses, markets and public buildings and any other such work and to undertake all other works or conveyances of public utility, and to apply for purchase or otherwise acquire, any contracts, decrees, and concessions for or in relation to the construction, execution, carrying out equipment, improvement, management, administration or control of public works and conveyances and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
- (4) To employ and remunerate experts to investigate and examine into the condition, prospects, value, character, and circumstances of any business of industrial concern and undertaking and generally of any assets, property or rights.
- (5) To carry on the business of engineers and manufacturers of agricultural and other machinery, plants implements and tools equipments, apparatus and accessories, rolling stock and other like goods and the production, and working of metals and minerals of all kinds and the production, manufacture and preparation of any other materials, which may be usefully or conveniently combined with the engineering or manufacturing business of the Company.
- (6) To carry on in India or elsewhere the trade or business of purchasing, hiring, or otherwise acquiring railway carriage and wagons, and other carriages, wagons, carts, trucks, vehicles, locomotives, engines, rolling stock and conveyances of all kinds, whether for railways and tramways plant, and all machinery materials, and things applicable or used as accessory thereto and of letting or supplying all or any of the things hereinbefore specified to coal proprietors, railways, and other companies and other persons, from year to year or for a term of years, or otherwise, at annual or other rents, and of repairing and maintaining the same respectively, whether belonging to this company or not, and of selling, exchanging, and otherwise dealing in the same respectively.
- (7) To carry out on the business of manufacturers of, dealers in, hires, repairers, cleaners, stores and warehouses of motor cars, motor cycles, cycle cars, motors, scooters, cycles, bicycles, and carriages, launches, boats, vans, aeroplane, hydroplanes, and other conveyances of all descriptions thereafter comprised in the term 'motors and other things' whether propelled or assisted by means of petrol, spirit, steam, gas, electrical, animal, or other power and of engines, chassis bodies and other things, for, or in connection with motors and other

things, and to buy, sell, let on hire, repair, alter and deal in machinery, component parts, accessories and fittings of all kinds for motors and other things and all articles and things referred to above or used in or capable of being used in connection with the manufacture, maintenance and working there of.

- (8) To purchase, charter, hire, build or otherwise acquire steam and other ships or vessels or any share or interest therein with all equipments and furniture and to employ the same in the conveyance of passengers, mails, live stock, meat, fruits, minerals and other produce and treasure and merchandise of all kinds between such ports in any parts of the world that may seem expedient and acquire any postal subsidies.
- (9) To sell, dispose of or transfer any industrial undertaking, project or factory to any Company or association or concern on such terms and conditions as may be determined by the Company.
- (10) To invest the capital of the Company in or to deal with shares, stock, bonds, debentures, obligations and other securities of any Company or association formed for establishing, executing, or working of any industrial undertaking approved by the Company on such terms and conditions as the Company deems fit.
- (11) To direct the management, control and supervision of any Company association or concern by nominating directors, controllers supervisors, advisors or otherwise, or to collaborate with any Company or association or concern formed for carrying on any manufacture or business within the objects of the Company.
- (12) To enter into any partnership or arrangement for joint working in business, sharing of profits, pooling of any industrial undertaking joint adventure or reciprocal concession or amalgamation, with any other company, firm or person, carrying on or engaged in any manufacture or business within the objects of this Company or similar thereto.
- (13) To establish, promote, subsidies and otherwise assist any Company or Companies, syndicate or other concern for the purpose of setting up any industry or running any industrial undertaking, acquiring any property for furthering any of the objects of this Company.
- (14) To sell, dispose of, let on lease or on hire or transfer the business property and undertaking of the Company, or any part thereof, for cash, stock or shares of any other Company or for any other consideration which the Company may see fit to accept.
- (15) To effect any modification of the Company's constitution or to change its objects in the manner prescribed by the Act for any other purpose which may seem expedient for securing the industrial development of Meghalaya and to oppose any proceeding or applications which may seem calculated directly or indirectly to prejudice the Company's interest.
- (16) To procure the Company to be registered or recognised in any foreign country or place.

- (17) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with, all or any part of the property and rights of the Company.
- (18) To accept stock or shares, in or the debentures, mortgage debentures or other securities of any other Company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company.
- (19) To grant or guarantee loans or advance to any Company, association or concern engaged in any industry or to assist its development or expansion or to enable it to undertake and start new industry approved by the Company.
- (20) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (21) To acquire and undertake the whole or any part of the business, property, and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possession of property suitable for the purposes of this Company and to enter into arrangements or agreements with any Company or person for joint operation control and management of any industry, business or trade which may be conducive to the interest of the Company.
- (22) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company, or which the Company shall consider to be in the nature of preliminary expenses including therein the cost of advertising, commission for underwriting, brokerage, printing and stationery and expenses attendant upon the formation of agencies.
- (23) Upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters and to provide for the remuneration of such persons for their services by payment in cash, or by issue of shares, debentures or other securities of the Company, or by the granting of option to take the same, or in any other manner allowed by law.
- (24) Generally to purchase, take on lease or in exchange, hire or otherwise acquire, any real and personal property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easements, machinery, plant, or stock-in trade.
- (25) To construct, maintain, and alter any buildings, or works necessary or convenient for the purposes of the Company.
- (26) To construct, improve, maintain, develop, work, manage, carry out, or control any roadways tram-ways, railways, branches, or sidings bridges, reservoirs, water sources, wharves, factories, warehouses, electric works, shops, stores and other works and conveyances which may seem calculated directly or indirectly to advance the Company's interests and to contribute to or subsidise or otherwise assist to take part in the construction, improvement, maintenance, working management, carrying out or control thereof.

- (27) To develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for any building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up, and improving buildings and by planting, paying, draining, farming, cultivating and letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders and others.
- (28) To apply for and take out, purchase or otherwise acquire any trade mark, patents, patent rights, inventions, copy right, designs, or secret processes, which may be useful for the Company's objects and to grant licences to use the same, and to work, develop, carry out, exercise and turn to account the same.
- (29) To enter into any arrangements with Government of India or any other Government or State or Local Authority for the purpose of carrying out the objects of the Company or furthering its interests and to obtain from such Government or Authority or person any charters, subsidies, loans, indemnities, grants, contracts, licenses, rights concessions, privileges or immunities which the Company may think it desirable to obtain and exercise and comply with any such arrangements rights, privileges and concessions.
- (30) To manufacture, buy, sell, import, export, install, work and generally deal in, any plant, machinery, substances, tools, materials, goods or things of any description which in the opinion of the Company may be conveniently dealt with by the Company in connection with any of its objects.
- (31) To issue, or guarantee the issue, of the payment of interests on the shares, debentures, debenture stock, or other securities or obligations of any company or association and to pay or provide for brokerage, commission, and underwriting in respect of any such issue.
- (32) To draw, make, accept, discount, execute, issue and negotiate, bills of exchange and promissory notes, debentures and other negotiable or transferable instruments.
- (33) To borrow or raise, or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock perpetual or otherwise, upon all or any of the Company's property (both present and future) including its uncalled capital, and to purchase, redeem, or pay of any such securities.
- (34) To receive grants, loans, advances or other moneys on deposit or otherwise from State or Central Government, Banks, Companies, Trusts, or individuals with or without allowances of interest thereon.
- (35) To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealing with the Company, and to guarantee the performance of contracts by any such persons or Companies provided that the Company shall not carry on business of banking as defined by Banking Companies Act, 1949.

- (36) To invest the moneys of the Company not immediately required in such manner, other than in the shares of this Company, as from time to time may be determined.
 - (37) To acquire by subscription purchase or otherwise and to accept and take, hold and sell, shares or stock in any Company, society or undertaking, the objects of which shall, either in whole or in part, be similar to those of this company, or such as may be likely to directly or indirectly promote or advance the interest of this company.
 - (38) To establish, maintain, subscribe or subsidise or become member of training institutions, research laboratories, research institutions and experimental workshops for scientific and technical research experiments.
 - (39) To provide for the welfare of persons in the employment of the Company and the wives, widows, and families of such persons, by establishing provident or other funds, by grants of money, pensions or other payments, and by providing or subscribing towards places of instruction and recreation, and hospitals, dispensaries, medical and other attendance, and other assistance, as the company shall think fit and to subscribe money to or for and otherwise help any charitable or benevolent object or any exhibition of any public show or useful object.
 - (40) To distribute in specie or otherwise as may be resolved any assets of the company among its members and particularly the shares, debentures or other securities of any other Company formed to take over the whole or any part of the assets or liabilities of this Company.
 - (41) To establish agencies in India and elsewhere and to regulate and discontinue the same.
 - (42) To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with or as factors, trustees or agents for, any other Companies or persons, or by or through any factors trustee or agents.
 - (43) To undertake and execute any trusts the undertaking whereof may seem desirable either gratuitously or otherwise.
 - (44) To promote subsidiary Companies for the purpose of implementing any of the objects of the Company herein-before mentioned.
 - (45) Generally to do all such other matters and things as may appear to be incidental or conducive to the attainment of the above object or any of them or consequent upon the exercise of its powers or discharge of its duties.
- IV The liability of the members is limited
- V The authorised capital of the company is Rs. 100,00,00,000 divided into 100,00,000 equity shares of Rs. 100 each with powers to issue any of the shares in the capital, original or increased, with or subject to any preferential, special or qualified rights or conditions as regards dividends, repayment of capitals voting or otherwise.

Name of subscriber	Address and description of occupation if any	Number of shares taken	Signature of Subscriber	Signature of witnesses, and their addresses description and occupation
1.	2.	3.	4.	5.
Shri K.L.Pasricha	Dy. Commissioner, Govt. of Meghalaya, Shillong	1 (one)	Sd/-	Sd/- S.K.Agnihotri 24.03.71 Jt. Secy. to the Govt. of Meghalaya, Shillong.
Shri R.V.Lyngdoh	Secretary to the Govt. of Meghalaya, Industries Department, Shillong.	9626 (Nine thousand six hundred and twenty six)	Sd/-	Sd/- R.P.Sinha 24.03.71 Dy.Secy, to the Govt. of Meghalaya, Shillong
Shri K.Saigal	Secretary to the Govt. of Meghalaya, Finance Deptt. Shillong.	1 (one)	Sd/-	Sd/- R.P.Sinha 24.03.71 Dy.Secy, to the Govt. of Meghalaya, Shillong

Date this Sixth day of April 1971

**ARTICLES OF ASSOCIATION OF THE MEGHALAYA INDUSTRIAL
DEVELOPMENT CORPORATION LIMITED**

1. DEFINITION	GENERAL
Interpretation Clause	In these Articles unless there be something in the subject or context inconsistent therewith :
"Company"	(a) "The Company" means "The Meghalaya Industrial Development Corporation Limited."
"Act"	(b) "Act" Means the Companies Act, 1956 (Act No. 1 of 1955) or Acts for the time being in force containing the provisions of the Legislature relating to Companies.
"Governor"	(c) "The Governor" means the Government of Meghalaya exercising his functions as Governor in relation to Meghalaya.
"Director"	(d) "Director" means the directors for the time being of the Company.
"Board"	(e) "Board" means the Board of Directors assembled at a meeting of the Directors duly called or constituted or as the case may be the Directors assembled at a Board.
"Month"	(f) "Month" means a calendar month.
"Chairman"	(g) "Chairman" means the Chairman of the Board of Directors of the Company.
"Office"	(h) "Office" means the Registered Office for the time being of the Company.
"Register"	(i) "Register" means the Register of Members to be kept as provided in the Act.
"Bye-laws"	(j) "Bye-laws" means the Bye-laws which may be made by the Board of Directors of the Company under these Articles and which may for the time being be in force.
"Seal"	(k) "Seal" means the common seal of the Company.
"Capital"	(l) "Capital" means the Capital for the time being raised or authorised to be raised for the purposes of the company.
"Shares"	(m) "Shares" means the shares or stock into which the Capital is divided and the interest corresponding with such shares or stock.
"Dividend"	(n) "Dividend" includes Bonus.
	(o) "Regulation of the Company" means the Regulation for the time

- "Regulation" being in force for the management of the company.
- "Government" (p) "Government" shall mean the Government of Meghalaya.
- "In writing" (q) "In writing" and "written" shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.
- "Number" (r) Words importing the singular number only shall include the plural number and *vice Versa*.
- "Gender" (s) Words importing the masculine gender also include the feminine gender.
- "Person" (t) Word importing person shall include Corporation.
- Expressions in the Act bear the same meaning in Articles. Table "A" not to apply
1. Subject as aforesaid, any word or expression defined in the Act, shall, except where the subject or context forbids, bear the same meaning in these Articles.
 2. Subject to provisions of the Act, the regulations contained in Table 'A' in the first schedule to the Act shall not apply to the Company, except hereinafter provided.
- Company to be governed by these Articles
3. The Regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company, in reference to the repeal or alteration of or addition to its Articles of Association by special resolution as prescribed or permitted by the Act be such as are contained in these Articles.
- Company to be a Private Co.
4. The Company is to be a "Private Company" and accordingly ;
 - (a) The number of members of the Company is not to exceed fifty excluding (i) persons who are in the employment of the Company and (ii) 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 but where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Articles, be treated as single member
 - (b) Any invitation to the public to subscribe for any shares or debentures of the Company is hereby prohibited.
 - (c) The right of transfer of shares shall be restricted as hereinafter provided.

Copies of Memorandum & Articles of Association to be furnished by directors

5. Copies of Memorandum and Articles of Association of the Company shall be furnished by the Directors to every member at his request on payment of the sum of Rupee one for each copy, within seven days of such requirement.

SHARE CAPITAL

Capital

6. The authorised capital of the Company is Rupees One Hundred Crores divided into One Hundred Lakhs equity shares of Rupees on hundred each with power to issue any of the shares in the capital, original or increased, with or subject to preferential, special or qualified right or conditions as regards dividends, voting or otherwise, provided that the Company may alter conditions of its Memorandum so as to increase its share capital by such amount as it thinks expedient by issuing new shares in the manner prescribed in Section 94 of the Act.

Register of member

7. (a) The Company shall cause to be kept a Register of members and index of members in accordance with the Act.

Register of members open to inspection

(b) The register shall be opened to inspection of members without any payment and to inspection of any other persons on payment of Rupee one, for each inspection. Any such members or person may take extracts therefrom.

The Company to send extract of Register etc.

(c) The Company shall send to any member, on request extracts of the Register of members or of the list and summary required under the Act on payment of fifty paise for every hundred words or fractional part thereof within a period of ten days (exclusive of non-working days) after the day on which the member's request is received by the Company.

Allotment of shares

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

Company's share not to be purchased

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

SHARE CERTIFICATE

Certificate of shares

10. Every person whose name is entered as a member in the register shall, without payment, be entitled to a certificate under the common seal of the Company specifying the share or shares held by him and the amount paid thereon. Provided that, in respect of share or shares held jointly by several persons, the Company shall not be

bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

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

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

CALLS ON SHARES

Calls

12. The Board may, from time to time, make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments and each member shall pay to the Company at the time or times so specified the amount called on his shares. Provided, however, that the Board may, from time to time at its discretion extend the time fixed for the payment of any call and may extend such time to allow any of the members whom 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. A call may be made payable by instalments.

12. (A) Any money due from the Company to a shareholder may without the consent of such shareholder be applied by the Company in or towards payment of any money due from him to the Company for call or otherwise.

FORFEITURE AND SURRENDER

If a call or instalment not paid notice must be given

13. 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. The member from whom the same is due shall pay interest thereon from the day appointed for the payment thereof to the time of actual payment at five percent per annum or at such lower rate, if any, as the Board may determine.

Form of notice

14. 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.

In default of payment shares to be forfeited

15. 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 hereafter, before the payment required by the notice

has been made, be forfeited by a resolution by the Board to that effect.

Entry of forfeiture in register of members 16. (a) When any share has been so forfeited, an entry of the forfeiture with the date thereof shall be made in the register of members.

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

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

Shareholders till liable to pay money owing at time of forfeiture & interest 17. 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. 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.

Declaration of forfeiture 18. (i) A duly verified declaration in writing that the declarant is a Director, the Manager, or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all person; claiming to be entitled to the share.

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

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

(iv) The transferee shall not be bound to see 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 shares.

Provision regarding forfeiture to apply in the case of nonpayment of sum payable at a fixed time 19. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Register of transfer 20. (a) The Company shall keep a book to be called the "Register of Transfer" and therein shall fairly and distinctly enter the particulars of every transfer or transmission of any share.

(b) Shares in the Company shall be transferred in the following form, or in any usual or common form which the Directors may approve from time to time :-

The Meghalaya Industrial Development Corporation Ltd.,

Form of transfer

I, of in consideration of the sum of Rupees paid to me by (herein after called the "Transferee") do hereby transfer to the said transferee the share (or shares) numbered to (inclusive) in the undertaking called The Meghalaya Industrial Development Corporation Limited to hold unto the said Transferee his executor, administrators and assignees, to the several conditions on which I held the same immediately before the execution thereof; and I, the said Transferee, do hereby agree to take the said share (shares) subject to the conditions aforesaid. As Witness our hands the day of 19.....
 Witness to the Signature of, etc.
 (1).....(2).....

Execution of transfer

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

22. The right of the members to transfer their shares shall be restricted as follows :-

Right of transfer of shares

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

(b) Subject as aforesaid and subject to the provisions of the Act, the Directors may, in their absolute and uncontrolled discretion refuse to register any proposed transfer of shares.

(c) Nothing contained in Clause (a) shall prejudice any power of the Company to register a share holder or any person to whom the right to any share in the Company has been transmitted by operation of Law.

Custody of instrument of transfer

23. The instrument of transfer shall, after registration, be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall, on demand, be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determined.

INCREASE - REDUCTION AND ALTERNATION OF CAPITAL

Power to increase

24. Subject to the approval of the Governor, the Directors may, with the sanction of the Company in general meeting by an ordinary resolution increase the share capital by the creation of new shares of such amount as the resolution shall prescribe.

- On what conditions now shares may be issued
25. Subject to such directions as may be issued by the Governor in this behalf and subject to the provisions of Section 88 of the Act, new shares shall be issued upon such terms or 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.
- New shares to be offered to members
26. The new shares shall be at the disposal of the Board and may be allotted by them in such manner as may be thought fit, subject to the direction given by the Governor in that behalf.
- How far new shares to rank with shares in original capital
27. 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, forfeiture, lien, voting surrender and otherwise.
- Reduction of capital
28. Subject to the provisions of section 100 to 104 of the Act and to such directions as may be issued by the Governor in this behalf, the Company may, from time to time by special resolution, reduce its share capital (including the Capital Redemption Reserve Fund if any) in any way authorised by law and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.
- Consolidation division and subdivision of shares
29. Subject to the approval of the Governor, the Company in general meeting may alter the conditions of its Memorandum as follows :-
- (a) Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares.
- (b) Sub-divide shares or any of them into shares of smaller amounts than originally fixed by the Memorandum subject nevertheless to the provisions of the Act and of these Articles. The resolution by which any shares are subdivided may determine that as between the holders of the shares resulting from such subdivision, one or more of such shares may be given any preference or advantages or otherwise over the others or any other such shares.
- (c) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- Division of shares
- Power to modify
- MODIFICATION OF CLASS RIGHTS
30. If, at any time the capital of the Company, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to

each class may subject to the provisions of Sections 106 and 107 of the Act, be modified, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is (a) ratified in writing by the holders of at least three fourths of the nominal value of the issued shares of that class or (b) confirmed by special resolution passed at a separate general meeting supported by votes of at least three-fourth of the holders of shares of that class, and all the provisions hereinafter contained as to general meeting shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy one fifth of the nominal amount of the issued shares of that class.

BORROWING POWERS

Power to borrow

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

31. A.

1. "Notwithstanding anything contained in these Articles and/or in the regulation contained in Table A Schedule I of the Act wherever applicable the Board shall not, without consultation with IDBI, be entitled to exercise :-

- (i) The powers to issue bonds and debentures;
- (ii) The powers to borrow money from the State Government; and
- (iii) The powers to make any rules or regulations.

2. The Board of Directors shall not, except with the previous approval of IDBI :-

- (a) Borrow money from the Reserve Bank of India;
- (b) Borrow money from any Financial Institutions notified on this behalf by the Central/ State Government;
- (c) Accept deposits from local authorities or any other persons
- (d) Retain the stocks, shares, bonds or debentures acquired by the company in fulfillments of its underwriting liabilities beyond the period of seven years from the date of such acquisition;
- (e) Incur contingent liabilities in the form of guarantees underwriting obligations and transfer of instruments at thrice the paid-up capital and reserve fund; and
- (f) Extends the area of its operation to the territories adjoining the State in which its Registered Office is situated."

Conditions on which money may be borrowed

32. The Board may, subject to the approval of the Governor, 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 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.

Securities may be made assignable free from equities.

33. Debenture, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and person to whom the same may be issued.

Issue of debentures, etc. at discount or with special privileges

34. Subject to the approval of the Governor and subject to section 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, drawings and allotment of shares.

Indemnity may be given

35. 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 Director 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.

CONVENING MEETING

General Meeting

36. The first annual General Meeting of the Company shall be held within 18 months from the date of its incorporation. The next annual general meeting of the Company shall be held within six months after the expiry of the Financial Year in which the first annual general meeting was held and thereafter an annual general meeting shall be held by the Company within 6 months after expiry of each Financial Year in accordance with the provisions of Section 166 of the Act. Such general meetings shall be called 'Annual General Meetings' and all other meetings of the Company shall be called "Extraordinary General Meetings'. Every annual general meeting shall be held during business hours on a day other than a public holiday either at the Registered Office of the Company or at any other convenient place as the Directors may consider suitable.

Annual Summary

37. The Board shall prepare annual list of members and summary and forward the same to the Registrar of Companies in accordance with Sections 159 and 161 of the Act.

Board may call extraordinary meeting

38. The Directors may, whenever they think fit and shall, when so required by the Governor, call an extraordinary general meeting.

- When extraordinary meeting to be called
39. Subject to the provisions of Section 169 of the Act :-
- (i) The Board shall, on the requisition of the holders of not less than one-tenth of the paid up share capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to call an extra-ordinary meeting of the Company.
- (ii) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office of the Company 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.
- (iii) If the Board do not proceed duly within 21 days from the date of the deposit of the requisition to call a meeting which should be held on a day not later than forty five days from the date of the deposit of the requisition, the requisitionists or a majority of them in value may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the deposit of the requisition.
- (iv) Any meeting called under this Article by the requisitionist shall be called in the same manner, as nearly as possible as that in which meetings are to be called by the Board.
- (v) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to convene a meeting shall be repaid to the requisitionists by the Company, and any sum so repaid should be retained by the Company out of any sums due or becoming due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.
- Notice of meeting
40. (a) Twenty-one days notice at least of every general meeting, annual or extraordinary and by whomsoever called specifying the date, hour and place of the meeting (and in case it is proposed to pass a special resolution, the intention to propose such resolution as a special resolution) shall be given to the persons entitled under and in the manner provided by the Act and these Articles.
- Shorter notice
- (b) Subject to the provisions of Section 171(2) of the Act, a general meeting may be convened by shorter notice than 21 days.
- Commission to give notice
41. An accidental omission to give notice to or to non-receipt thereof by any member shall not invalidate any resolution passed at any such meeting.
- Quorum
42. Two members present in person of whom one shall be a representative of the Governor, shall be a quorum for a general meeting.

- Business of ordinary meeting 43. 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, the appointment of Directors, Auditors, etc. and to declare dividends. All other business transacted at the meeting shall be deemed special.
- Right of Governor to appoint any person as his representative 44. (i) The governor so long as he is a share holder of the Company, may from time to time appoint one or more persons (who need not be a member of the Company) to present him at all or any meeting of the Company.
- (ii) Any one of the persons appointed under clause (i) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and shall be entitled to represent the Governor at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.
- (iii) The Governor may, from time to time, cancel any appointment made under clause (i) of this Article and make fresh appointments.
- (iv) The production at the meeting of an order of the Governor evidenced as provided in the constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
- (v) Any person appointed by the Governor under this Article may, if so authorised by such order, appoint a proxy whether specially or generally.
- Chairman of General meeting 45. The Chairman of the Board of Directors shall be entitled to take the Chair at every General Meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act as Chairman then Co-Chairman shall be entitled to take the Chair, If none of Chairman or Co-Chairman are available to take the Chair then vice-Chairman shall be entitled to take the Chair, If none of them are available, then the Directors present may choose a Chairman and in default of their doing so, the members present shall choose another Director as Chairman and if no Director shall be present or if all the Directors present decline to take the Chair, then the members present shall choose one of their members to be Chairman"
- When if quorum not present meeting to be dissolved and when to be adjourned. 46. If within thirty minutes from the time appointed for the meeting a quorum be not present, the meeting if convened upon any requisition of the members 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, time and place as the Board may, by notice to the share holders appoint. If at such adjourned meeting a quorum be not present, those members present shall be a quorum and may transact the business for which the meeting was called.

Power to
adjourn general
meeting

47. The Chairman of a General Meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When is to be
evidence of the
passing of a
resolution where
poll not
demanded

48. At any general meeting a resolution put to 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 proxy or by duly authorised representative and unless a poll is so demanded, a declaration by the Chairman that 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.

By whom poll
may be
demanded

49. If a poll is duly demanded as aforesaid, it shall be taken in such a manner and at such time and place as the Chairman of the meeting shall direct and either at once or after an interval or adjournment 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 poll may be withdrawn.

How questions
to be decided at
meetings

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

In what cases
poll taken
without
adjournment

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

Business may
proceed
notwithstanding
demand for poll
Chairman's
decision
conclusive

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

53. 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.

Votes

VOTE OF MEMBERS

54. Upon a show of hand, every member present in person shall have one vote and upon a poll every member present in person or by a proxy or by duly authorised representative shall have one vote for every share held by him.

No voting of proxy on show of hands.

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

Instrument appointing proxy to be in writing

56. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney or if such appointer is a company or corporation, under its common seal or under the hand of a person duly authorised by such company or corporation in that behalf or under the hand of its attorney who may be the appointer.

Deposit of instrument of appointment at office

57. 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 forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, or in the case of poll not less than twenty four hours before the time appointed for the poll., and in default the instrument of proxy shall not be treated as valid.

Form of proxy

58. Every instrument of proxy for a specified meeting or other wise shall, as nearly as circumstances will admit, be in the form or to the effect of the following :-

The Meghalaya Industrial Development Corporation Ltd.

I, member of the Meghalaya Industrial Development Corporation Limited, do hereby appoint of or failing him..... of as my proxy to attend and vote for me and on my behalf at the annual/extraordinary general meeting of the Company to be held on the day of..... 19..... and at any adjournment thereof.

As witness my hand this.....day of 19

Signed by the said.....

When vote by proxy valid though authority revoked and validity of vote

59. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or any power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given provided that no intimation in writing of the death, revocation or transfer shall have been received at the office of the Company before the meeting.

Time for objection to votes

60. No objections shall be made to the validity of any votes, except at the meeting or poll at which such votes shall be tendered and every vote whether given personally or by proxy not disallowed at such meeting or poll whatsoever.

BOARD OF DIRECTORS

Number of
Directors

61. The Governor shall, from time to time, determine the number of Directors of the Company which shall not be less than two but not more than fourteen. The Directors shall not be required to hold any qualification shares. The first Directors of the Corporation are :-

(1) Shri K.L.Pasricha, as Development Commissioner, Government of Meghalaya, or his successor in office.

(2) Shri R.V. Lyngdoh, as Secretary to the Government of Meghalaya, Industries Department, or his successor in office.

(3) Shri K.Saigal, as Secretary to the government of Meghalaya, Finance Department or his successor in office.

Appointment
of Chairman,
Managing
Director &
other
Directors

62. (1) The Governor shall have the right to appoint the
Directors

(2) The Governor shall appoint one of the Directors as the Chairman and any other Directors as Co-Chairmen and another one as the Managing Director either for a fixed term or without any limitation as to the period for which he is to hold office. The Governor may appoint one of the Directors as a whole time Director either for a fixed term or without any limitation as to the period for which he is to hold office, "provided that the Managing Director(s) shall be appointed in consultation with and after obtaining the advice of the IDBI".

(3) The Chairman, The Co-Chairmen, The Managing Director, The Whole Time Director and other Directors shall be paid such salary and/or allowances as the Governor may from time to time determine. Subject to the provisions of Section 314 of the Act, such reasonable remuneration as may be fixed by the Governor may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise,

Removal of
Directors

(4) The Chairman, The Co-Chairmen, The Managing Director, The whole Time Director and other Directors appointed by Governor shall hold office as provided in (5) below or until removed by him and in the event of such removal or in the event of any vacancy in their offices, either by resignation, or death or otherwise the Governor shall be entitled to appoint other as Chairman, Co-Chairmen, Managing Director, Whole Time Director and Directors in their places.

(5) At every Annual General Meeting of the company all the Directors (including the Chairman and Co-Chairmen) except the Managing Director and the Whole Time Director shall retire from office. The Managing Director or the Whole Time Director shall retire on his ceasing to hold the office of the Managing Director or the whole time Director as the case may be. A retiring Director shall be eligible for re-appointment.

Appointment of
Vice-Chairmen

(6) Whenever the need arises, the Governor shall appoint any of the Directors as the Vice-Chairmen of the Company either for a fixed term or without any limitations as to the period for which he is to hold office.

(7) In the absence of Chairman, any of the Co-Chairman will preside over the General Meeting and meetings of the Board of Directors. If any of them are not present during the above meetings then Vice Chairman will preside over the above meetings. If none of them are present during the above meetings the procedures as laid down in Article 45 & 67 shall take their course for General Meetings and Board Meetings respectively."

Alternate
Directors

63. Subject to the approval of the Governor, the Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter in this article called the 'Original Director') during his absence for a period of not less than three months from this state. Such appointment shall have effect, and such appointee while he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and to vote there at accordingly; but he shall not require any qualification and shall ipso facto vacate office if and when the Original Director returns to the State, or vacate office as a Director. If the terms of the office of the Original Director is determined before he so returns to this State any provision for the automatic re-appointment of the retiring Director in default of another appointment shall apply to the Original and not to the Alternate Director.

SPECIAL PROVISION RELATING TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA

63. A (1) "So long as any monies are due and payable to IDBI by the Company and/or so long as IDBI continues to hold any stock, shares, debentures of the Company, IDBI shall be entitled to nominate not more than two directors on the Board of Directors of the Company, (such directors are hereafter referred to as 'Special Directors'), who shall not be required to hold qualification shares and shall not be liable to retire by rotation."

(2) IDBI MAY AT ANY TIME REMOVE THE Special Directors and may, in the event of such removal and also in case of death or resignation of the Special Directors, appoint another in their place and also fill an vacancy which may occur as a result of the Special Directors ceasing to hold office for any reason whatsoever.

(3) Such appointment or removal shall be made in writing by IDBI and shall be delivered to the Company at its registered office.

(4) The Board of Directors of the Company shall have no power to remove the Special Directors from office.

63.B (1) Such Special Directors be entitled to attend all general meetings, Board Meetings, and meetings of the Committee of which he is a member, and he and IDBI shall also be entitled to received notices of all such meetings.

(2) The Special Directors shall be paid normal fees and expenses to which other Directors are entitled; PROVIDED THAT if the Special Directors are the officers of IDBI, unless IDBI otherwise directs, no sitting fees shall be payable to them/him but the company shall reimburse IDBI the amounts paid or payable under its rules to such Special Directors on account of travelling and halting allowances and any other expenses for attending any general meeting or any meeting of the Board or Committee.

63. C. "The Company shall provide all facilities to IDBI to inspect from time to time through its officials or other agents the books, accounts, records, papers, documents and other material at the registered office of the Company or at any of its offices/branches and the Company shall also furnish all such information and particulars as may be required by IDBI and its officials and agents."

63. D. "The Company shall keep and maintain such, books, accounts and other records as may be required by IDBI in respect of its business, affairs and operations showing all such particulars as may be specified by the IDBI. the Company shall furnish to IDBI all such information as the IDBI may require from time to time."

EXPLANATION:

"IDBI means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964"

DISQUALIFICATION OF DIRECTORS.

64. A person shall not be capable of being appointed as Director of the Company, if he suffers from any of the disqualifications enumerated in Section 274 of the Act. The office of a Director shall be vacated if any of the conditions set out in Section 283 of the Act comes to happen. This is without prejudice to the right of the Governor to remove any Director without assigning any reason whatsoever.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Meetings of
Directors and
quorum

65. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum in accordance with Section 287 of the Act, for the transaction of business.

Director may
summon meeting
how question to
be decided

66. A Director may at any time convene a meeting of Directors, questions arising at any meeting shall be decided by majority of votes. The chairman shall have a second or casting vote. A meeting of the Board shall be held at least once in every three calendar months.

Chairman of
Meetings

67. All meetings of the Directors shall be presided over by the Chairman if present and if at any meeting the Chairman is not present then Co-Chairman will preside over the meeting. If both of them are not present then Vice-Chairman will preside over the meeting. If none of them are present then in that case the Directors shall choose one of the Directors then present to preside at the meeting :

Powers of quorum

68. Quorum if 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.

Delegation of
powers to
committees

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

Chairman of
meeting of
committee

70. A Committee may elect a Chairman of their meetings but if no such chairman is elected, or if at any meeting, the Chairman is not present within 15 minutes after the appointed time for holding the same, the members present may choose one of their members to be Chairman of the meeting.

Resolution without
Board meeting
valid

71. Subject to the provisions of Section 289 of the Act, a resolution in writing circulated among all the Directors and consented to by the majority in writing shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

When Act of
Directors or
committee valid
not
withstanding
defective
appointment etc.

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

Directors to cause
minutes to be
made in books

73. The Directors shall cause minutes to be made in books provided for the purpose:-

(a) of all appointments of Officers made by the Governor;

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

POWERS AND DUTIES OF BOARD OF DIRECTORS.

General
power of
company
vested in
Directors

74. The business of the Company shall be managed by the Board who may pay expenses incurred in setting up and registering the Company, and may exercise all such powers of the Company as are not, by the Act, 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 the said Act, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting, but no regulations 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.

SPECIFIC POWERS OF DIRECTORS

75. Without prejudice to the general powers conferred by the preceding Articles, and the other powers conferred by these Articles, the Directors shall have the following powers that is to say. Powers :-

To make bye-laws

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

To acquire property

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

To undertake and execute works of capital nature

(3) To authorise the undertaking of works of a capital nature, not exceeding Rs. 25 lakhs (Twenty five lakhs) or any higher amount that may be decided upon by Governor from time to time.

- To pay for property in debentures etc. (4) To pay for any property, rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares as 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 bonds, debentures or other securities as 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 by mortgage (5) 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 unpaid capital for the time being or in such other manner as they think fit.
- 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 execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- To bring and defend action etc. (7) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any 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 moneys payable to the Company and for the claims and demands of the Company.
- To authorise acceptance etc. (10) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases contracts and other documents.
- To invest money (11) Subject to the provision of Section 292 of the Act to invest in the Reserve Bank of India or in such securities as may be approved by the Governor and deal with any of the moneys of the Company upon such investments authorised by the Memorandum of Association of the company (not being shares in the Company) and in such manner as they think fit from time to time to vary or realise such investments.
- To give security by way of indemnity (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the

Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers covenants and provisions as shall be agreed on.

- To give percentage (13) Subject to the approval of the Governor, to give to any person employed by the Company a commission of the profits of any particular business transaction, or a share in the general profits of the company, and such commission or share of profits shall be treated as part of the working expenses of the Company.
- To give Bonus (14) (a) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or dependants, that may appear to the Directors just or proper, whether such employee, his widow, children or dependants have or have not a legal claim upon the company.
- To create Provident Fund (b) Before declaring any dividend and subject to the approval of the Governor to set aside such portion of the profits of the Company as they think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such a manner as the Directors may deem fit.
- To subscribe to charitable and other funds (15) To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public and any other institutions or objects, or for any exhibition.
- To appoint officers etc. (16) (a) To appoint and at their discretion remove or suspend such managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and to fix their salaries or emoluments and to require securities in such instances and to such amount as they think fit, provided that no appointment the maximum pay of which is more than 11,750/- per mensem shall be made without the prior approval of the Governor.
- (b) To appoint retired Government servants or suitable outsiders of good competence and experience upto a salary to be determined by the Board inclusive of pension (in the case of Government servant) and foreign personnel without any ceiling on salary in broad conformity with the policy of the government in this respect.
- To appoint attorney (17) From time to time and at any time to appoint any person to be the attorney or agent of the Company with such powers including powers to sub-delegate and upon such terms as may be thought fit.
- To execute mortgage (18) Subject to the approval of the Governor, to execute mortgage and charge on its properties.
- To make contract etc. (19) (a) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may

consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.

(b) Subject to the approval of the Governor, to form subsidiary company or Companies, to appoint advisers, consultants or otherwise or to collaborate with any Company, association or concerns for the benefit and interest of the Corporation

Power of the
Managing
Director

76. Subject to the provisions of the Act, the Managing Director who shall be whole time employee of the Company, may be authorised to exercise such powers and discretion in relation to the affairs of the Company as are specifically delegated to him by the Board.

Powers of the
Chairman

76. (A) The Chairman in his absence Co-Chairman shall reserve for the approval of the Governor any proposal or decisions of the Board of Directors in respect of any of the following matters namely:-

(a) Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the Company.

(b) Winding up of the Company

(c) Division of Capital into different classes of shares

(d) The promotion of companies

(e) Entering into partnership and/or arrangement for sharing profits.

(f) (i) Formation subsidiary Company

(ii) Taking or otherwise acquiring and holding share in any other Company.

(g) The five year and annual plans or development and capital budget

(h) The annual revenue budget of the Company in case there is an element of deficit which is proposed to be met by obtaining funds from Government.

(i) The agreement involving foreign collaborations proposed to be entered into

(j) Purchase and contract of major nature involving substantial capital outlay which are in excess of powers vested in the Co-operation.

(k) Any other matter which in the opinion of the Chairman and in his absence of Co-Chairman

- be of such importance as to be reserved for the approval of the Governor.

No action shall be taken by the Company in respect of any proposal or decision of the Board of Directors reserved for the approval of the Governor as aforesaid until approval to the same has been obtained.

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

78. Subject to such direction as from time to time, be issued by the Governor in this behalf the Directors may, before recommending any dividend set apart 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 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 part in such investments, other than shares of the Company, as they may think fit and may from time to time deal with and vary such investment and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve funds or any part thereof in the business of the Company and that without being bound to keep the same separate in the business of the Company and that without being bound to keep the same separate from the other assets.

Capitilisation of profits

79. The Company in general meeting may upon the recommendation of the Board resolve 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.

Dividends

- 80. The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by those presents and subject to section 93 of the Act and subject to the provisions of those presents as to the reserve fund shall, with the approval of the Governor, be divisible among the members in proportion to the amount of capital held by them respectively.

80. A. "It shall be opened for the Company, with prior approval of IDBI, to credit the dividend accruing and payable to IDBI and the State Government to a special reserve fund to which only the IDBI and the State Government shall have any claim in the event of winding up or liquidation of the Company and the amount in the special

reserve fund may be utilised by the Company only for such purposes as are approved by the State Government and IDBI."

Capital paid up in advance at interest not to earn dividends

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

Declaration of dividend

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

Dividend out of profits only and not to carry interests

83. No dividend shall be payable, otherwise than out of the profits of the year or other period of any other undistributed profits of the Company and no dividend shall carry interest as against the Company.

when to be deemed net profit

84. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Interim dividends

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

Retention in certain cases

86. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Article 22) entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

Debts may be deducted

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

Effect of transfer

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

Dividend to shareholders

89. (a) Unless otherwise directed, any dividend may be paid by Cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque shall be made payable to the order of the persons to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

Notice of dividends

(b) Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares.

Unclaimed dividend

90. 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 three years after having been declared may be forfeited by the Directors for the benefit of the Company, and if the Directors think fit, they may be applied in augmentation of the reserve fund.

Dividend and call together

91. Any general meeting declaring a dividend make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him and if the call be made at the same time as the declaration of the dividend, 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 Article shall be deemed ordinary business of an ordinary general meeting which declares a dividend.

Dividend or bonus payable wholly or partly in specific assets

92. Any general meeting declaring a dividend may resolve that such dividends be paid wholly or in part, in any manner otherwise than in cash and in particular, without prejudice to the generality of the foregoing, by the distribution of specific assets or property of the Company, paid up shares, debentures, debenture stock, bonds or other obligations of the company or in any one or more of such ways. The Directors shall give effect to such directions.

Anywhere any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular may issue fractional certificates 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, shares, debentures, debenture stock, bonds or other obligations of the Company in trustees upon such terms for the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, the Directors shall comply with section 75 of the Act and and the Directors may appoint any contract thereby required on behalf of the persons entitled to the dividend and such appointment shall be effective.

ACCOUNTS

Accounts to be kept

93. The Board of Directors shall cause to be kept proper books of accounts with respect.

(a) All sums of money received and expended by the Company and the matters in respect of which receipt and expenditure takes place;

(b) All sales and purchases of goods by the Company; and

(c) The assets, credits and liabilities of the Company.

94. The books of accounts shall be kept at the Registered Office of the Company or at such other place as the Directors shall think fit and shall be opened to inspection by the Directors during business hours.
- Inspection of the books of accounts
95. The Directors shall, from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be opened to the inspection of members (not being Directors) and no member (not being Directors) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.
- Inspection by members
96. The Directors shall prepare and lay the balance sheet before the Company in accordance with Section 210 of the Act.
- Annual accounts and Balance sheet
97. The Directors shall make out in accordance with Section 217 of the Act 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 to be shown specially in a balance sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors if authorised in that behalf by the Directors and when he is not so authorised shall be signed by such member of Directors as are required to sign the balance sheet and the profit and loss account of the Company by virtue of sub-section (1) and (2) of Section 215 of the Act.
- Annual report of Directors
98. 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 expenditure fairly chargeable against the year's income shall be brought into accounts, 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 items shall be stated, with addition of the reasons why only a portion of such expenditure is charged against the income of the year.
- Contents of profits and loss accounts
99. (a) The Company shall send a copy of such balance sheet (including profit and loss account, the auditor's report and every other document required by law to be annexed or appended to the balance sheet) to the registered address of every member of the Company at
- Balance Sheet and profit & Loss Account to be sent to members

least 21 days before the meeting in 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 the inspection of members of the Company during a period of at least four days before that meeting.

(b) With regard to the accounts of the Company the Directors shall comply with the provisions of Sections 210, 211, 216, 217 and 219 of the Act or any statutory modification thereof for the time being.

Accounts to be audited annually

100. Once at least in every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and the balance sheet ascertained by one or more Auditors as provided in the Act.

Appointment of auditors

101. (a) In regard to the appointment of auditors and allied matters the provisions contained in section 619 of the Act, shall apply.

Power of the Comptroller and Auditor General

(b) The comptroller and Auditor General of India, shall have the power (1) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors appointed in pursuance of sub-clause (a) hereof and to give such auditor/auditors instructions in regard to any matter relating to performance of his/their functions as such.

(ii) 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 to be furnished to any person or persons so authorised, on such matters, by such person and in such form, as the Comptroller and Auditor General may by general or special order direct.

Comments upon or settlement to Audit Report by the Comptroller and Auditor General to be placed before ordinary meeting.

(c) 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.

(d) Any such comment upon or supplement to the audit report shall be placed before the annual general meeting of the company at the same time and in such manner as the audit report.

Auditor's right to attend meeting

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

RIGHTS OF THE GOVERNOR

Governor to
issue directive

103. "It shall be opened for the Governor to issue instructions to the company on question of policy in consultation with and only after obtaining the advice of the IDBI."

NOTICES

Notice

104. 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 on
persons
acquiring
shares on death
or insolvency of
members

105. 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 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 person claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

Persons entitled
to notice of
General
Meeting

106. Notice of every general meeting shall be given in the same manner herein for authorised to (a) every member of the Company, except those members who having registered address have not supplied to the Company an address for the giving of notice to them and also to (b) every person entitled to a share in consequence of the death of a member who, but for his death would be entitled to receive notice of the meetings, provided the same is within the knowledge of the Company.

Transferees, etc
bound by prior
notice

107. 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 respect of such share, which previously 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 his title to such shares.

Notice by
company and
signature
thereto.

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

How time to be
counted

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

WINDING UP

Distribution of
assets

110. If the Company, shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in

proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

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

SECURITY CLAUSE

Secrecy Clause 111. No member shall be entitled to require discovery of or any information 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 will be inexpedient in the interests of the members of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

Directors' and others right to indemnity 112. Subject to the provisions of the Section 201 of the Act, every Director, Manager, Secretary and other officers or employees of the Company shall be indemnified by the Company against, and it shall be the duty of the Director to pay out of the funds of the Company all costs losses, damages and expenses which any officer or employees incur or become liable to by reason of any contract entered into or thing done by him as such Director, Manager, Secretary or other officer or employees, 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, Secretary or other officer or employees in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted by the Court.

Individual
responsibility of
Directors

113. Subject to the provisions of the Act no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other act of conformity, or for any loss or expenses happening to the Company through 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 bankrupt, insolvency or tortuous act of any person with whom, any money, securities or effects shall be deposited for any loss occasioned by an error of judgement or oversight on his part, or for any other loss damage or misfortune what ever, 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.

114. Shri R.V.Lyngdoh, one of the proposed Directors of the Corporation, is nominated to be the first Director of the Corporation for the purposes of filing the various forms required in connection with the Registration of the Company before the Registrar of Companies.

Name of subscriber	Address and description of occupation if any	Number of shares taken	Signature of Subscriber	Signature of witnesses, and their addresses description and occupation
1.	2.	3.	4.	5.
Shri K.L.Pasricha	Dy. Commissioner, Govt. of Meghalaya, Shillong	1 (one)	Sd/-	Sd/- S.K.Agnihotri 24.03.71 Jt. Secy. to the Govt. of Meghalaya, Shillong.
Shri R.V.Lyngdoh	Secretary to the Govt. of Meghalaya, Industries Department, Shillong.	9626 (Nine thousand six hundred and twenty six)	Sd/-	Sd/- R.P.Sinha 24.03.71 Dy.Secy, to the Govt. of Meghalaya, Shillong
Shri K.Saigal	Secretary to the Govt. of Meghalaya, Finance Deptt. Shillong.	1 (one)	Sd/-	Sd/- R.P.Sinha 24.03.71 Dy.Secy, to the Govt. of Meghalaya, Shillong

Date this Sixth day of April 1971