

MEMORANDUM AND ARTICLES OF ASSOCIATION

of

**SIKKIM INDUSTRIAL DEVELOPMENT
AND INVESTMENT CORPORATION LTD.**



SIDICO

**UDYOG BHAWAN, TADONG, GANGTOK (SIKKIM)
PHONE : 03592 - 231530/232622/209622**

MEMORANDUM OF ASSOCIATION
OF
SIKKIM INDUSTRIAL DEVELOPMENT & INVESTMENT
CORPORATION LIMITED

1. The name of the Company is SIKKIM INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED.
 2. The Registered Office of the Company shall be situated in the State of Sikkim.
 - 3.A The main objects to be pursued by the Company on its incorporation are :-
 1. to work for the industrial development of the State of Sikkim by promoting industries in the corporate sector or otherwise, by purchasing the existing industrial units in the corporate sector or otherwise, by developing the existing units in the corporate sector or otherwise and by investing and financing the Industrial enterprises in the State of Sikkim, whether for starting, running, expanding, modernizing, or otherwise howsoever;
 2. to encourage and promote the expansion of investment markets in the State of Sikkim.
 3. to buy, underwrite, invest in and acquire and hold shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company or body incorporate or unincorporated or by a person or association;
 4. to acquire any shares, stocks, debentures, debenture-stock bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the name either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof;
 5. to borrow or raise or secure the payment of money by the issue or sale of debentures, debenture-stock, bonds, obligations, mortgages, and securities of all kinds either perpetual or terminable and either redeemable or otherwise and to charge or secure the same by trust, deed, or otherwise on the undertaking of the Company including its uncalled capital or upon any specific property and right present and future of the Company or otherwise howsoever;
 - 5(b) to borrow money by way of refinance from Industrial Development Bank of India.
 6. to take over and manage, administer and generally control any firm, concern or limited company which had defaulted or contravened any of the conditions agreed to by it at the time of the sanction of loan and subsequently or otherwise;
 7. to guarantee or counter-guarantee on such terms and conditions as may be agreed upon deferred payment due from any industrial concerns in connection with its import of capital goods from outside India or in connection with its purchase of capital goods within India;
- 5 (c) to borrow money from any Central/State Government Financial Institution/s by way of loan to undertake financing land including development of industries, township for human settlement, infrastructure, house building loan to individual persons and/or Government employees and/or institutions etc.

8. to guarantee on such terms and conditions as may be agreed upon, of loans raised by industrial, trading or other concerns;
9. to sponsor and underwrite new issues of shares, debentures, and other securities in which the Industrial undertakings in the State of Sikkim are directly or in to sponsor and underwrite new issues of shares, debentures, and other securities in which the Industrial undertaking in the State of Sikkim are directly interested.
10. to underwrite the issue of stocks, share-bonds and debentures by industrial trading or other concerns;
11. to retain as part of its investments any stock, shares-bonds or debentures which it may have to take up in fulfillment of its underwriting liabilities until otherwise determined to dispose of those investments;
12. to facilitate and encourage the creation, issue or conversion of debentures, debenture-stock, bonds, obligations-shares, stocks and securities and to act as trustees in connection with any such securities and to take part in the conversion of business concerns and undertaking into companies;
13. to lend money with or without security and to make advances upon, hold in trust, issue, buy, sell or otherwise acquire or dispose of, on commission or otherwise any of the securities or investments of the kinds before mentioned or to act as agent for any of the above or the like purposes;
14. to grant or guarantee or recommend the grant of loans to industries to which such sub-contracts are given or orders are issued as aforesaid, in order to enable them in carrying out the sub-contracts or orders, to finance plant construction, conversion or expansion, including the acquisition of land, or to finance the acquisition of equipment, facilities, machinery, supplies or materials or to supply such concerns with working capital to be used in the manufacture of articles equipment, supplies or materials under contract to Government or to this company to provide them with such financial, technical, managerial and other assistance as may be deemed necessary for the purpose of enabling them to execute and carry out the sub-contracts and orders satisfactorily and to organize production and manufacture for meeting such contracts and sub-contract and orders adequately and according to specification and to ensure satisfactory production by all necessary instruction, assistance, inspection and supervision;
15. to procure capital for financial assistance or accommodation for or provide managerial equipment technical and managerial assistance, information instruction, supervision and other facilities to any company; person or association for the purpose of carrying into effect of its objects;
16. to certify to the appropriate Government Officers with respect to the competency, as to capacity and credit, of any industrial concerns or group of such concerns to perform any specific Government contract;

17. to take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose to render, technical and managerial, services and act as administrators, Managers, Secretaries, Receivers or in any other capacity and to appoint and remunerate any Directors, Administrators, Managers or Accountants or other experts or Agency of such company or undertaking.
18. to enter into contracts with, and take up indents from the Government of India, the State Governments and Union territories in all their departments and corporations and other subsidiaries and branches and from any agency or office thereof, having the necessary powers for fabrication, manufacture, assembly and supply of goods, materials, articles and equipment of every description and to arrange for their performance of such contracts and indents by sub-contracting them to or placing orders in respect thereof with Industries or others for the fabrication, manufacture, assembly or supply of such goods, materials, articles or equipments or parts thereof or servicing or processing in connection therewith or such managerial services as may be necessary for the due performance of such contracts and indents and to have the goods, materials, articles and equipment fabricated, manufactured, assembled and supplied;
19. to promote and establish companies, firms, establishments, concerns, undertakings 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 the State of Sikkim and to acquire and dispose of shares and interest in such companies or associations or any undertaking thereof or for any purpose calculated to benefit the Company;
20. to promote, improve, establish and execute industries, projects or enterprises for manufacture and production of goods, plant, machinery, tools, implements, materials or substances of any description whatsoever which in the opinion of the Company are likely to promote or advance the industrial development of State of Sikkim;
21. to establish, promote, develop, purchase, take on lease or in exchange or licence or concession or otherwise acquire factories, industrial concerns, manufacturing concerns, mines, beneficiation and mineral dressing, concentration and refining plants, chemical and other industrial plants, lands, buildings, workshops, powerhouses, plants and equipments, machinery, sidings, loco works and any rights and privileges or interest therein and to explore, prospect, work, develop, administer, manage or control and to turn to account the same;
22. to acquire by lease, grant, assignment, transfer or otherwise, any grants or concessions of any minerals, field, mines, mineral and mine contracts, works and premises from any person, corporation, Company, Government or local authority in the State of Sikkim or elsewhere and to perform and fulfil the conditions thereof;

23. To carry on 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, 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 undertakings connected therewith, and to buy, sell, refine, manipulate and deal in minerals of all kinds;
24. to enter into any partnership or arrangements for joint working in business, sharing of profits of any industrial undertaking, joint or reciprocal or amalgamation with any other company, firm or person or coordination or engage in any manufacture or business within the objects of the Company or similar thereto;
25. to establish, promote, subsidise and otherwise assist, any company or companies, syndicate or other concern for the purpose of setting up any industry or running industrial undertaking acquiring any property or furthering in all of the objects of this Company;
26. to aid, counsel, assist, finance and protect and promote the interests of Industries in Sikkim whether owned or run by Government, statutory body, company, firm or individuals and to provide them with capital, credit, means, resources and technical and managerial assistance for the prosecution of their work and business, to enable them to develop and improve their methods of manufacture, management and marketing and their technique of production;
27. to undertake or assist investigation of problems concerning any Industry or concerning industrialization and prepare or cause to be prepared project and other reports and statistics useful to such industrial enterprises;
28. to apply for, tender, purchase or otherwise acquire contracts and concessions for or in relation to construction, execution, carrying out, equipment, unemployment management, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same;
29. to take over from the Central or State Government(s) any of their production and or servicing units with the rights and liabilities of the respective Government;
30. to acquire, own, construct, lease or manage industrial estates either on its own or as agents of Government or any other body corporate;
31. to develop land on its own account or for the Government for the purpose of facilitating the location of industries thereon;
32. to take over the business of distillery, brewery and refinery run by any company or private individuals or associations or Government as a going-concern along with all

its assets and liabilities, commitments (present and/or future) contracts etc. and to hold, use, clear, open, plant, cultivate, work, manage, improve, carry on and develop the undertaking and/or to carry on the business of distillers in all its branches;

33. B. The objects incidental or ancillary to the attainment of the main objects of the Company are :

To act as an agent of the government, Government undertakings, Development Banks, and other Financial Institutions of the State and Central Government, other authorities, and to coordinate the activities of various Government Agencies including Development Banks, Financial Institutions for the purpose of the main objectives to be pursued by the Company on its incorporations, objectives incidental or ancillary to the attainment of the main objectives.

34. to invest any moneys of the Company not required for the purpose of its business in such investment or securities as may be thought expedient;
35. to create any depreciation fund, reserve fund, Insurance fund, Sinking fund or any other special fund whether for depreciation or replacement, improving, expanding, or maintaining of the property of the Company or for any other purposes conducive to the interest of the Company;
36. to impart managerial, technical and administrative advice and render assistance to industrial enterprises in obtaining managerial, technical and administrative services;
37. the financing of long or medium term loans to any concern which is engaged or proposes to engage in the business of manufacturing, processing or refrigeration of goods, wares and merchandise or the exploitation of mineral resources or in the generation or distribution of electricity or any other form of power or the business of Shipping or Shipping transport or any business the shipping companies normally transact or in or in the Hotel Industry or the business of transport or transport services or in the film studios for purchase of sophisticated equipment and construction of buildings or in the rural medical profession for purchase of clinical and surgical instruments and nursing home requirements;
38. to aid and advise in securing foreign exchange and foreign collaboration required by such industrial enterprises;
39. to encourage and promote participation of capital in industrial enterprises in the State of Sikkim;
40. to employ brokers, commission agents and underwriters, upon any issue of shares, debentures or other securities of the Company and to provide for the remuneration of such persons for their services by payment in cash, or by the issue of shares, debentures of the Company, or by the granting of options to take the same. or in any other manner allowed by law;

41. to purchase or otherwise acquire and undertake the whole or any part of, or any interest in the business, good-will, property, contracts, agreement, rights, privileges, effects and liabilities of any other company, corporation, partnership body, persons or person carrying on, or having ceased to carry on any business which the Company is authorised to carry on, or possessing property suitable for the purposes of the Company and upon such terms and subject to such stipulations and conditions and at or for such price or consideration (if any) in money, shares, money's worth, or otherwise as may be deemed advisable;
42. to aid any Government or State or any municipal or, other body, politic or corporate or association or Individuals with capital, credit means or resources, for starting, running, expanding or modernizing any industrial enterprises;
43. to receive grants, loans, advances or other moneys, or deposit, or otherwise from State or Central Government (including Union territory, Government, Banks, Companies, Trusts or individuals, with or without allowance of interest thereon;
44. to receive money on time deposit, loan or otherwise, upon such terms as the Company may approve and to give guarantees and indemnities in respect of the debts and contracts of others as allowed under the law;
45. to give guarantees, and carry on and transact every kind of guarantee and counter guarantee business and in particular to guarantee the payment of any principal moneys, interest or other moneys, secured by or payable under debentures, bonds, debenture stock, mortgages, charges, contracts, obligations and securities, and the payment of dividends on and the repayment of the capital of stocks and shares of all kinds and description and also to guarantee and insure the due payment, fulfillment and performance of contracts and obligations of any kind or nature;
46. to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages and charges upon the undertaking and all or any of the assets and property (present and future) and the uncalled capital of the Company or by the creation and issue on such terms as may be thought expedient of debentures, debenture-stock, or other securities of any description or by the issue of shares, credits as fully or partly paid up;
47. to make, draw, accept, endorse, discount, execute, issue and negotiate cheques, bills of exchange, promissory notes, debentures and other negotiable or transferable instruments;
48. to purchase, taken on lease or in exchange, hire or otherwise acquire any immovable or movable property, patents, licences, rights or privileges which the Company may think necessary or convenient for the purpose of its business and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company;

49. to pay for any property or rights acquired by the Company either in cash or fully or partly paid shares or by the issue of securities or partly in one mode and partly in another and generally on such terms as may be determined;
50. 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 seem fit to accept;
51. subject to the provisions of the Act, to sell, dispose of, transfer any industrial undertakings, project or factory to any company or association or concern on such terms and conditions as may be determined by the Company;
52. to erect, enlarge, construct, maintain and alter any buildings, structures or works necessary or convenient for the purpose of the Company;
53. to obtain information as to methods and to practices which primary contractors of Government utilize in giving sub-contracts and take suitable steps to encourage the giving of sub-contracts by primary contractors to industrial concerns at prices and on terms and conditions which are fair and equitable;
54. to consult and to cooperate with the appropriate officers Government of Sikkim and Government of India having necessary powers in order to utilize the potential productive capacity of plants operated by Industrial concerns;
55. to sink wells and shafts, lay down pipes, construct, maintain and improve any tramways, telegraph and telephone lines, wharves, piers, docks, canals, reservoirs, watercourse warehouse, sheds and other buildings and works calculated directly or indirectly to advance the interests of the Company and to pay or contribute to the expenses of constructing, maintaining and improving any such works;
56. to let out on lease or on hire, all or any of the property of the Company either immovable or movable including and all and every description of apparatus or appliances;
57. to distribute any of the property or assets of the Company to its Members in species or kind as allowed by law;
58. to form, or organize and assist or aid to any forming or promoting, subsidizing, organizing or aiding companies, syndicates or partnership of all kinds for the purpose of acquiring and undertaking any property and liabilities of this Company or any other company or of advancing directly or indirectly the objects thereof or for any other purpose which the Company may think expedient and to take or otherwise acquire, dispose of shares, debentures and other securities in or of any such company and to subsidise or otherwise assist any such company;

59. to construct, execute, carry out, equip, improve, work, purchase or otherwise acquire, lease, develop, administer, manage or control within the State of Sikkim or elsewhere works and conveniences of all kinds which expression in the Memorandum includes factories, industrial concerns, manufacturing concerns, mines, benefactions, mineral dressing, concentration and refining plants, quarries, barrages, dams, sluices, rocks, embankments, moles, break-waters, docks, quays, harbours, piers, wharves, canals, tanks, bridges, aqueducts, reservoirs, irrigations, reclamation, improvement, river works of all kinds, railways, ropeways, tramways, roads, sewage, drainage, sanitary, electric and power supply works, and hotels and, warehouses, markets and buildings, private or public workers quarters and houses, villages, sheds, dwellings, offices, shops and stores and all other works or conveniences whatsoever;
60. to prosecute, and execute directly or by contributions or other assistance, any such or any other works, undertakings, projects or enterprises in which or for the prosecution whereof, or on the security with whereof or of any profits or emoluments derivable therefrom, the Company shall have invested money, embark capital or engage its credit;
61. to carry on the business of carries by land;
62. to employ or pay experts, foreign consultants, etc., in connection with the planning and development of all or any of the business connected with the Company's operations;
63. to use trade marks or trade names or brands for the products and goods of the Company and adopt such means or making known the business and products of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in newspapers, magazines, periodicals by circulars, by purchase and exhibitions, by publication and distribution of books and periodicals, calendars, almanacs and diaries, by distributing samples and by granting prizes, rewards and donations;
64. to establish agencies in India and elsewhere and to regulate and to discontinue the same;
65. to carry on the business of engineers and manufacturers of agricultural and other machinery, plants, implements and tools, equipments, apparatuses, and accessories, rolling stock and other like goods and the production and working of metals and minerals of all kinds and the production, manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company;
66. to enter into any arrangements with Government of India, State Governments or Union Territories or Local authorities of any person for the purpose of carrying out the objects of the Company or furthering interest and to obtain from such Government

or authority or person any charters, subsidies, loans, indemnities, grants, contracts, licences, rights, concessions, privileges, or immunities which the Company may think it desirable to obtain and exercise and comply with any such arrangements, rights, privileges and concessions;

67. to obtain from any Government, Ministry, department, establishment or agency such reports concerning the giving of contracts and sub-contracts and making of loans to business concerns as may be deemed necessary for carrying out the main objects;
68. to effect coordination between large industries, medium industries and small industries by suitable methods similar to those aforesaid enabling small industries, manufacture satisfactorily such parts, accessories, ancillaries, and components and other articles as may be required by large and medium industries;
69. to promote and operate schemes for development of industries in the country and for that purpose to prepare and get prepared reports, blue prints, statistics and other information;
70. to act as trustee of any deeds constituting or securing any debentures, debenture-stock, or other securities or obligations and to undertake and execute any other trusts and also to undertake the office of or exercise the powers of executor, administrator, receiver, treasurer, custodian and trust corporation;
71. to constitute any trusts with a view to the issue of preferred and deferred or any other special stocks, securities, certificates or other documents based on or representing any shares, stock, or other assets appropriate for the purposes of any such trust and to settle and regulate, and if thought fit, to undertake and execute any such trusts and to issue, hold or dispose of any such preferred, deferred or other special stocks, securities, certificates or documents;
72. to appoint trustees (whether individuals or corporations) to hold securities on behalf of and to protect the interests of the Company;
73. to promote, organize, manage, hold, dispose of or deal with shares, securities of Unit Trusts whether of fixed or variable character;
74. to undertake and execute any trusts the undertaking whereof may seem desirable and either gratuitously or otherwise;
75. to amalgamate with any company or companies having objects altogether or in part similar to those of the Company;
76. to acquire or take over without consideration and carry on the business of secretaries and treasurers, agents or managing agents by themselves or in partnership with other company or partnership or concern, whose objects may be similar, in part or in whole, to those of Company;

77. to amalgamate with or enter into partnership or any joint pursuit or profit sharing or arrangement with or cooperate with or subsidise or assist in any way any company, association, or person;
78. 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;
79. to install and work, pilot, prototype or semiscale units or full commercial plants to develop a particular invention or inventions;
80. to establish, maintain, subscribe to or subsidise or become member of training institutions, research laboratories, research institutions and experimental workshops, for scientific and technical research and experiments;
81. to apply the assets of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in any way connected with any particular trade or business or scientific research, industry or commerce;
82. to appropriate, use or let out land belonging to the Company for streets, parks, pleasure grounds, allotments and other conveniences and to present and such land so laid out to the public or to, any persons or company conditionally or unconditionally as the Company thinks fit;
83. to establish, maintain and operate general educational institutions, and hostels for the benefit of the children of the employees or ex-employees of the Company, their dependents or connections of such persons and others and to make grants and awards and grant scholarships;
84. to establish, maintain and operate technical training institutions and hostels for technical staff of all categories, and to make such other arrangements as may be expedient for the training of all categories of officers, workers, clerks, technical and other personnel likely to be useful to or assist in any business which the Company is authorised to carry on;
85. to obtain any provisional order or Act of State Legislative for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose by lawful means any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interest;
86. the company will have the power to apply for any Act of Parliament or of the State Legislature either of the State of Sikkim or any other State of Union Territory in the Indian Union for any purpose which may seem expedient to the company;
87. to consider, originate and support improvement in the commercial and other laws affecting trade, commerce or manufacture and to promote legislation and other measures affecting such trade, commerce of manufacture;

88. to take suitable steps to enable the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient;
 89. to pay all the preliminary expenses of any kind of and incidental to the formation and incorporation of this Company out of the funds of the Company;
 90. to procure the company to be registered or recognized in any foreign country or place;
 91. 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;
 92. to carry on the business of dealers in hardware and tools of all kinds, engineering articles, ferrous and non-ferrous metal ware, cutlery, builders' hardware, small hand tools, wires, nails, spikes, locks, keys, knives, scissors, spoons, containers, cycles, and cycle parts, electrical appliances, brassware, glassware, bricks, tiles and ceramic articles, plastic, furniture, carpentry goods, leather and leather goods, cardboard and cardboard goods, paste board and plywood articles, sports goods, surveying and drawing and mathematical instruments, surgical and scientific instruments, miscellaneous chemical goods, disinfectants, polishes, brushes, brooms, bamboo goods, cane goods, fibre goods, carpets, mats, thattis, ropes, tape, twine, wicks, glue, coir and coir products, nets, tents, poles, ladders, tarpaulins and umbrellas, and goods, and articles of all kinds and descriptions for personal, domestic, office and community use and consumption, the foregoing list in this clause being only illustrative and not exhaustive.
 93. to make available land, fixed assets and machineries to industries under hire purchase scheme;
 94. to do all or any of the matters hereby authorised and all such other things as are incidental or as may be thought conducive to the attainment of above objects (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 trustees or agents;
- C. The other objects of the Company not included in A and B above are :
95. to hold in the names of others any property which the Company is authorised to acquire;
 96. to purchase for investment or re-sale house or other property of any tenure or any interest therein and to create, sell and deal in freehold and leasehold ground rents and to make advances upon the security of land or house or other property of any interest therein and generally to deal in by way of sale, lease, exchange or otherwise with the land and house property and any other property whether immovable or movable;
 97. to sell, mortgage, exchange, lease, grant licences, leaseholds, and other rights over, improve, manage, develop and turn to account and in any other manner deal

- with or dispose of the undertaking, investments, property, assets rights and effects of the Company or any part thereof for such consideration as may be thought fit including any stocks, shares or securities of any other company, whether partly or fully paid up;
98. to sell, improve, manage, work, develop, lease, mortgage, abandon or in any other manner deal with or dispose of the undertaking of the Company or any part thereof or any part of the property rights for such consideration as the Company may think fit and other securities of any other company having objects altogether or in any part similar to those of the Company;
 99. to transact or carry on agency business and in particular in relation to the investment of money, the sale of property and the collection and receipt of money;
 100. to employ experts to investigate and examine into the conditions prospects, value character and circumstances of any business concerns and undertakings and generally of any assets, concessions and properties or rights;
 101. to carry on and manage the business as merchants, exporters, brokers, bottlers, sales agents and general traders in relation to the marketing and distribution at home and abroad, of spirits, wines, liquors and all other productions derived from the cultivation of the grape;
 102. to trade and carry on business in like manner as brewers, malsters, hop-growers and merchant ale, stout and porter merchants, bottlers, agents and distributors; barley and general grain raisers, importers, driers and merchants; manufacturers of and dealer in yeast, filling in glass and other drawers' requisite; manufacturers of and dealers in all kinds of aerated, mineral and medicated waters and general temperance and other drinks, beverages, cordials and the like; bottle makers, bottle stopper makers, coopers, manufacturers of boxes, cartons, paper and other bags and packing receptacles generally, bottlers, canner packers and providers of all kinds of goods, products or wares necessary or desirable for use in connection with the business of the Company;
 103. subject to the provisions of the Act to subscribe or guarantee money for any national, charitable, benevolent, public, general, a useful object or for any exhibition or to any institution, club, society or fund;
 104. to provide for the welfare of the employees or ex-employees of the Company and the wives and families or the dependents connections of such persons by building or contributing to the building of houses or dwellings or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contribution towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance as the Company shall think fit;

105. to aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry of trade;
 106. to communicate with Chambers of Commerce and other mercantile and public bodies in India and elsewhere and concert and promote measures for the protection and advancement of trade, industry and commerce and other facilities;
 107. to see for and secure opening, for the employment of capital and with the view thereto to prospect, inquire, examine, explore, and test and to dispatch and employ expedition, commissions and other agents;
 108. to take such steps as may necessary to give the Company the same rights and privileges in any part of the world are possessed by local companies or partnerships of a similar nature; and
 109. generally to do all such other matters and things as may appear to be incidental or conducive to the attainment of the above objects or any of them consequential upon the exercise of its powers of discharge of its duties,
1. And it is hereby declared that in the interpretation of this clause the powers conferred on the Company, by any paragraph here shall not be restricted by reference to any other paragraph or the name of the Company or by the juxta position of two or more objects, and that in the event of any ambiguity to this clause and every paragraph thereof shall be construed in such a way as to widen, and not to restrict, the powers of the Company.
 2. It is also hereby declared that the objects of the Company shall mainly extent to the State of Sikkim, that this declaration shall not preclude the Company from executing its objects in any State whatsoever outside the State of Sikkim.
 3. the word "Company" in this clause except where used in reference to this Company only, shall be deemed to include any authority, partnership, or other body of persons whether incorporated or not and whether domiciled in India or elsewhere.
 4. The authorised share capital of the Company is Rs. 20.00 crores (Rupees twenty crores) divided into 2,00,000 equity shares of Rs. 1,000/- each. The Company shall have power to increase or reduce the capital and to issue any share in the original or new capital as ordinary or preferred shares and to attach to any class or classes of such shares, any preferences, rights, privileges or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions limitations or conditions and to vary the regulations of the Company, as far as necessary to give effect to the same and upon the sub-division of any shares to apportion the rights to participate in profits in any manner.
 5. We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance to this Memorandum of Association,

and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

Name of the Subscriber	Address, Description & Occupation if any	No. of Shares	Signature of subscriber.
1. Shri M.P. Pradhan	Secretary (Finance) Govt. of Sikkim, Gangtok – 737101.	20 shares	Sd/-
2. Shri R.Narayanan	Development Commissioner, Govt. of Sikkim, Gangtok – 737101.	20 shares	Sd/-
3. Shri C.D. Rai	Secretary(Establishment), Govt. of Sikkim, Gangtok – 737101.	20 shares	Sd/-
4. Shri K.B.Chhetri	Managing Director, State Bank of Sikkim, Gangtok – 737101.	20 shares	Sd/-
5. K.C.Mathur	Director of Industries, Govt. of Sikkim, Gangtok – 737101.	20 shares	Sd/-
6. Shri T.P.Sharma	Secretary, Panchayat & Rural Works Department, Govt. of Sikkim, Gangtok – 737101.	20 shares	Sd/-
7. Shri R.B.Mukhia	Secretary to the Govt. of Sikkim, Gangtok – 737101.	20 shares	Sd/-

Total 140 (One hundred and forty) shares only.

Witness of the
above signatures

Sd/-
(S.C. Dwivedi)
Accounts Officer,
Directorate of Industries,
Government of Sikkim,
Gangtok – 737101.

**ARTICLES OF ASSOCIATION
OF
SIKKIM INDUSTRIAL DEVELOPMENT & INVESTMENT
CORPORATION LIMITED**

PRELIMINARY

1. In these Articles, unless there be something in the subject matter or context inconsistent therewith :-
 - (a) 'The Company' means the abovenamed company.
 - (b) 'The Act' means the Registration of Companies Act, Sikkim, 1961, as amended from time to time.
 - (c) 'The Governor' means the Governor of Sikkim.
 - (d) 'Month' means a calendar month.
 - (e) 'The Directors' means the Directors for the time being of the company.
 - (f) 'Chairman' means the Chairman of the Board of Directors for the time being of the company.
 - (g) 'The Office' means the Registered Office for the time being of the company.
 - (h) 'Bye-Laws' means the Bye-Laws which may be made by the Directors of the company under these Articles and which may for the time being in force.
 - (i) 'IDBI' means the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964.

2. The Company is a Government Company and accordingly :-
 - (a) The right to transfer shares of the Company is restricted as hereinafter provided.
 - (b) The number of members for the time being of the Company (exclusive of persons who are in the employment of the Company) shall not exceed fifty.
 - (c) Any invitation to the public to subscribe for any shares or debentures or debenture stock of the Company is hereby prohibited.

Company to be governed by these articles.

3. The Articles 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 by special resolutions, as prescribed or permitted by the Act, be such as are contained in these Articles.

II. SHARE CAPITAL

4. The authorised share capital of the company is rupees twenty crores divided into 2,00,000 equity shares of Rs. 1000 each.

Company's share not to be purchased.

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

Allotment of Shares.

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

Commission for placing shares.

7. The Company may pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or debenture stock of the company.

Provided that if the commission in respect of shares is paid, the statutory conditions and requirements shall be observed and complied with and the amount of rate of commission in the case of shares shall not exceed 5 per cent of the price at which the shares are issued and in case of debentures 2 ½ percent of the price at which the debentures are issued.

Share Certificate.

8. Every person whose name is entered as a member in the register shall, without payment, be entitled to a certificate under the common seal of the company specifying the share or shares held by him and the amount paid thereon.

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

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

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

III. CALLS ON SHARES

Calls on Share.

10. 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.

When interest on call payable.

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

Payment in anticipation of calls may carry interest.

12. The Board may if it thinks fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate not exceeding 6 percent per annum as the members, paying such sum in advance and the Board agrees upon and the Board may at any time repay the amount so advanced upon giving to such member three month's notice in writing.

Joint holder's liability to pay.

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

Trust not to be recognized as share-holder.

14. No person shall be recognized by the Company as holding any shares upon any trust

and the company shall not be bound by or required to recognize any equitable, contingent, future or partial interest in any share or any right whatever in respect of any share other than an absolute right to the entirety thereof in the registered holder except as by these Articles otherwise expressly provided for or by an Act required or pursuant to any order of Court.

IV. LIEN

Lien on share for unpaid calls.

15. (1) The Company shall have a first and paramount lien:
- (a) On every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and;
 - (b) On all shares (not being fully-[paid share) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company;
- Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (2) The Company's lien, if any, on a share shall extend to all dividends payable thereon.

Encroachment of lien by sale.

16. The Company may sell, in such manner as the Board thinks fit any share on which the Company has a lien:
- Provided that no sale shall be made :-
- (a) Unless a sum in respect of which the lien exists is presently payable; or
 - (b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Sale of shares on which Company has lien.

- 17.(1) To give effect to any such sale, the Board may authorize some person to transfer the share to the purchase thereof.
- (2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer.

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

Application of proceeds of sale.

18. (1) The proceeds of the sale shall be received, by the Company and applied in payment of such part of the amount in respect of which the lien exists.
- (2) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

V. TRANSFER AND TRANSMISSIONS

Transfer and transmission of shares.

19. Subject to the provision of the Act, the right of members to transfer their shares shall be restricted as follows :- The Board may, in its absolute and uncontrolled discretion, refuse to register any transfer of shares without assigning any reasons.

Notice of refusal to register transfer. Company not bound to recognize any interest in shares other than that of the registered holder.

20. If the Board refuses to register the transfer of any share it shall, within two months of the date on which the instrument of transfer is delivered to the Company, send to the transferee and the transferor notice of the refusal.

Save as herein otherwise provided, the Board shall be entitled to treat the person whose name appears on the register of members as the holder of any share, as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction, or as by law required) be bound to recognize any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.

Execution of transfer.

21. Shares in the Company shall be transferred in accordance with the provisions of the Act.

Form of transfer.

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

Instrument of transfer to be left at office and evidence of title to be given.

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

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

Fee on transfer.

24. A fee not exceeding two rupees may be charged for each transfer and shall accompany the instrument of transfer at the time of its delivery for registration.

When register of members of debenture holder may be closed.

25. The register of members or the register of debenture-holders may be closed for any period or periods not exceeding in the aggregate 45 days in each year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some newspapers circulating in the district in which the registered office of the company is situated or in such other manner as the Board may deem fit.

VI. ALTERATION OF CAPITAL

Power to increase capital.

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

On what condition new share may be issued.

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

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

New shares to be offered to members.

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

Reduction of capital etc.

29. Subject to the provisions 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 capital by paying of capital or cancelling capital which has been lost or is unrepresented by available assets, or is superfluous, or by reducing the liability on the shares or otherwise as may deem expedient and capital may be paid off upon the footing that it may be called up again or otherwise, and the Board may, subject to the provisions of the Act, accept surrenders of shares.

Sub-Division and consolidation of shares.

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

VII. BORROWING POWERS

Power to borrow

31. Subject to such directives as may be issued by the Governor in this behalf and subject to the provisions of the Act, the Board may to borrow or secure payment of any sum or sums of the money for the purpose of the Company.

Conditions on which money may be borrowed.

32. The Board may, subject to such directives as may be issued by the Governor in this behalf, secure payment of moneys 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 by creating any mortgage, charge or other security on the understanding 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 assignable free from equities.

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

Issue at discount etc. or with special privileges.

34. Subject to such directives as may be issued by the Governor in this behalf and subject to the provisions 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, surrenders, drawings, allotment of shares, appointment of Directors and otherwise.

Persons not to have priority over any prior charge.

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

Indemnity may be given.

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

VIII. GENERAL MEETING

General meetings.

37. (1) The first Annual General Meeting of the Company shall be held within 18 months of its incorporation. Subsequent Annual General Meetings shall be held once in every year at such time and place as may be determined by the Board so that not more than 15 months shall be allowed to elapse between any two Annual General Meetings and further such Annual General Meetings, except to the extent permitted under the Act be held within six months of the end of the financial year.
- (2) The 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 some other place within the city, town or village in which the registered office of the company is

situated, and the notice calling the meeting shall specify it as the Annual General Meeting.

Extraordinary General Meeting.

38. The General Meetings mentioned above shall be called "Annual General Meetings". All other General Meetings shall be called "Extraordinary General Meetings".

Board to call Extra-ordinary general meeting.

39. The Board shall call an Extraordinary General Meeting whenever a requisition in writing is received in accordance with the Act.

When requisitionists can hold Extraordinary general meeting.

40. If the Board does not proceed to call a meeting within 21 days from the date of valid requisition being so deposited to be held not later than 45 days from the date of such deposit, then the requisitionists or the majority of them in value, or as permitted under the Act may themselves call the meeting, but any meeting, so called shall not be held after the expiration of 3 months from the date of such deposit.

Notice of meeting.

41. Subject to the provisions of the Act, relating to special resolutions, at least fourteen day's notice (exclusive of the day on which the notice is served or deserved to be served, but inclusive of the day for and which notice is given) specifying the place, the day and the hour of meeting and in the case of special business, the general nature of such business, shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting to such members as are entitled in law or regulations of the Company to receive, such notice from the Company.

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

IX. PROCEEDING OF GENERAL MEETINGS.

Business of ordinary meeting.

42. 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 Board and of the Auditors, to declare dividends and to transact any other business which under the Act ought to be transacted such meeting and all business transacted at an Annual General meeting. All other business transacted at an Extraordinary General Meeting

shall be deemed special. All business at an Annual General Meeting shall be transacted in accordance with the provision of the Act.

Quorum.

43. Three members present in person shall be quorum for a general meeting.

Right of Governor to appoint his representative.

- 44.(1) 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 or members of the Company) to represent him at all or any meetings of the Company.

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

Chairman of general meetings.

45. The Chairman of the Board or in his absence the Vice-Chairman of the Board shall be entitled to take the chair at every general meeting, provided he is a share-holder. If at any meeting Chairman and Vice-Chairman are not present within half-an-hour, at the time appointed for holding such meetings or they cannot preside over the meeting or not willing to act as Chairman, the members present shall choose another member to be the Chairman of the meeting.

When quorum is not present meeting to be dissolved and when to be adjourned.

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

Questions decided at meeting.

47. 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 the vote or votes to which he may be entitled as a member.

Passing of a resolution where poll on demanded.

48. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll, is before or on the declaration of the result of the

show of hands, demanded by a member present in person or proxy or by duly authorised representative; and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or has not been carried either unanimously or by a particular majority or lost, an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the vote recorded in favour of or against that resolution.

Poll

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

Power to adjourn general meeting.

50. The Chairman of a general meeting may, with the consent of the meeting, adjourn the same, from time to time, 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.

Cases where poll is taken without adjournment.

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

Business to proceed not with standing demand for poll.

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

Chairman's decision inclusive.

53. The Chairman of any meeting shall be the judge of the validity of every vote tendered at such poll.

X. VOTES OF MEMBERS

Votes of Members.

54. Upon a show of hands every member present in person shall have one vote, and upon a poll every member present in person or by proxy or by duly authorised representative shall have voting rights.

No voting by proxy on show of hands.

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

Votes in respect of shares of deceased and bankrupt member.

56. Any person entitled under the transmission clauses to any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote he shall satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to such shares or his right to vote at such meeting in respect thereof.

Joint holders.

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

Votes in respect of shares of members of unsound mind.

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

Proxis permitted.

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

Instrument appointing proxy to be in writing.

- 60 (1) A member entitled to attend and vote a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and, vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll.

- (2) The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.

Instrument, appointing proxy to be deposited at office.

61. 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 of authority, shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

When vote by proxy valid though authority revoked.

62. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.

Provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the office of the company before the meeting.

Form of proxy.

63. An instrument appointing a proxy may be in the following form, or in any other form which the Board shall approve.

SIKKIM INDUSTRIAL DEVELOPMENT AND INVESTMENT CORPORATION LIMITED.

I, of
..... in the district
..... being a member of Sikkim Industrial Development and
Investment Corporation Limited hereby appoint
..... of
..... as
my proxy to vote for me and on my behalf at the (ordinary or extra-ordinary, as the case may
be) general meeting of the company to be held on the day of
..... and at any adjournment thereof.

Signed this day of

No member entitled to vote etc. while call due to Company.

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

Time for objection to vote.

65. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or, shall be claimed valid for all purposes of such meeting or poll whatsoever.
66. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

XI. BOARD OF DIRECTORS

67. Until otherwise determined by the Company in a General Meeting, the number of Directors shall not be less than three and not more than ten.

Appointment of Directors.

68. The Directors shall, unless otherwise determined by the Governor from time to time, be appointed by the Governor. The Governor shall have the power to remove any Director, including the Chairman and the Vice-Chairman at any time in his absolute discretion. The Governor shall have the right to fill any vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise.
69. The remuneration of the Directors shall from time to time be determined by the Governor, subject to the provision of the Act, such reasonable additional remuneration may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise. The Directors may be paid all travelling, hotel and other expenses properly incurred by them.
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof; or
- (b) in connection with the business of the Company according to the rates to be prescribed by the Company in general meeting. Notwithstanding anything to the contrary

contained in these Articles, IDBI, shall, pursuant to an agreement between it and the Company, have a right to appoint one Director on the Board of Directors of the Company (such Director is hereinafter referred to as the "Special Director"). The Special Director shall not be required to hold qualification shares and shall not be liable to retire by rotation. IDBI may at any time and from time to time remove the Special Director appointed by it and may, in the event of such removal and also in case of death or resignation of the Special Director, appoint another in his place and also fill any vacancy which may occur as a result of the Special Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by IDBI and shall be delivered to the Company at its registered office. The Board of Directors of the Company shall have no power to remove the Special Director from office. Such Special Director shall 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 receive notices of all such meetings. The Special Director shall be paid normal fees and expenses to which other Directors are entitled; PROVIDED THAT if the Special Director is an officer of the IDBI otherwise directs no sitting fees shall be payable to him but the company shall reimburse IDBI the amounts paid or payable under its rules to such Special Director on account of travelling and halting allowance and any other expenses for attending any general meeting or any meeting of the Board or Committee.

So long as any moneys are due and payable to IDBI by the company and/or so long as IDBI continues to hold any stocks, shares, debentures of the company, the IDBI shall be entitled to nominate not more than 2 directors on the Board of Directors of the Company.

XII. POWERS OF BOARD OF DIRECTORS

General powers of the Company vested in Board.

70(1) Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do;

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

Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or any

other Act, or in the Memorandum or Articles of the Company or in any regulation not inconsistent therewith and duly made thereunder, including regulation made by the Company in General Meeting.

- (2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been validated if that regulation had not been made.

Specific powers to Board.

71. Without prejudice to the general powers conferred by the preceding Article, and the other powers conferred by these Articles and subject to the provisions of the Act, the Board shall have the following powers, that is to say, power :

To acquire property.

- (a) to purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorised to acquire at such price, and generally on such terms and conditions as it thinks fit;

Works of capital nature.

- (b) to authorize the undertaking of works of a capital nature, subject to the condition, that all cases involving a capital expenditure exceeding Rs. five lakhs shall be referred to the Governor for his approval before authorization.

To pay for property in debenture, etc.

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

To secure contracts by mortgage.

- (d) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgages or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit;

To appoint officers etc.

- (e) To appoint and at its discretion remove or suspend such managers, secretaries, officers,

clerks, agents and servants for permanent, temporary or special services as it may from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as it thinks fit.

Provided that no appointment, the minimum pay of which is more than Rs. 1,500 per mensem, shall be made with the prior approval of the Governor. The Board shall obtain the previous written approval of Governor for the creation of any post, the minimum monthly pay is more than Rs. 1,500/-.

To appoint trustees.

- (f) 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 other purposes and to execute and to all such deeds and other 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.

- (g) 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.

- (h) to refer any claim or demand by or against the Company to arbitration, and observe and perform the award;

- (i) to make and give receipt, releases and other discharges for money payable to Company and for the claims and demands of the Company.

To authorize acceptances, etc.

- (j) To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptance, endorsement, cheques, releases, contracts and documents;

- (k) To provide from time to time, for the management of the affairs of the Company in such manner as it thinks fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (including power to subdelegate and upon such terms as may be thought fit;

To invest moneys.

(l) To invest subject to such general or special directives, if any, given by the Governor in this behalf in securities or in any other Scheduled Bank or Banks to be specifically decided by the Board for having call deposits and opening current accounts and deal with any of the moneys of the Company upon such investments authorised by the memorandum of Association of the Company (not being shares in this Company) and in such manner as it thinks fit and from time to time to vary or release such investments;

(m) Subject to the provisions regarding consent of the Governor, to sell or dispose of or transfer the business of property, if any, of the Company or any part thereof for such consideration as the Company may deem proper and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of the Company;

To execute mortgages by way of indemnity.

(n) 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 liability for the benefit of the Company such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;

To give percentage.

(o) Subject to the approval of the Governor to give to any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company, and such commission or share of profits shall be treated as part of the working expenses of the Company;

To make byelaws.

(p) To make, vary, repeal from time to time byelaws for the regulation of the business of the Company, its officers and servants;

(q) 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 proper, whether such employee, his widow, children or dependants, have or have not a legal claim upon the Company.

To establish local Board.

(r) To establish from time to time and at any time Local Board for managing any of the

affairs of the Company in any specified locality in the State of Sikkim to appoint any persons to be members of such Local Board and fix their remuneration; and from time to time and at any time to delegate to any person so appointed any of the powers, authorities, and discretion for the time being vested in the Board of Directors other than their power to make call; and to authorize the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation as may be made in such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors may at any time remove any person so appointed and may annul or vary such delegation;

To make contracts etc.

- (s) 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; and

To delegate powers.

- (t) To delegate all or any of the powers, authorities and discretion for the time being invested in the Board of Directors, subject, however, to the ultimate control and authority being retained by it.

Specific powers of Board to make rules.

72. Without prejudice to the generality of the above provisions, the Board shall reserve for decision of the Governor:-

- (1) Rules of the Company governing the conditions of service of the employees, Provident Fund and other rules, creation of Reserve and Special Fund;
- (2) Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the Company; and
- (3) Formation of a subsidiary Company;

72.(a) Notwithstanding anything contained in these Articles and or in the Regulations contained in table in schedule 1 of the Act, wherever applicable.

The Board of Directors shall not, without consultation with IDBI, be entitled to exercise;

- (j) the powers to issue bonds and debentures.
- (ii) the powers to make any rules or regulations.

Provided that except with the previous approval of IDBI, the Board of Directors shall not :-

- (i) borrow any money from the Reserve Bank of India;
- (ii) borrow money from any financial institutions notified in this behalf by the Centre/ State Government;
- (iii) accept deposits from local authorities or any other persons;
- (iv) retain the stocks, shares, bonds, or debentures acquired by the company in fulfillment of its underwriting liabilities beyond a period of 7 years from the date of such acquisition;
- (v) incur contingent liabilities in the form of guarantees, underwriting obligations and transfer of instruments at thrice the paid up capital and Reserve Fund; and
- (vi) extend the area of its operations to the territories adjoining the state in which its registered office is situated.

Note : The overall limits of borrowings by the Corporation will be determined by the provisions of Act in force and the resolutions passed at Annual General Meeting.

72.(b) It shall be open for the State Govt. to issue instructions to the Company on questions of policy in consultation with and only after obtaining the advice of the IDBI.

XIII. MANAGING DIRECTORS

Appointment of Managing Director.

73.(1) Subject to the provisions of Act, the Governor may appoint any one or more of the Directors of the Board to be the Managing Director or Managing Directors for such period and upon such terms as he may think fit for the conduct or management of the business of the Company subject to the control and supervision

of the Board of Directors. The Managing Directors or Managing Director so appointed may be authorised by the Board to exercise such of the powers and discretion in relation to the affairs of the Company as are specifically delegated to him/them by the Board and are not required to be done by the Board of Directors of the Company at the general meeting under the Act.

- (2) The Managing Director or Managing Directors shall be paid such salary and allowances as may be fixed by the Governor, subject to the provisions of the Act.
- (3) In the absence of the Managing Directors on leave or otherwise the Board may with the previous approval of the Governor empower any other Director or any principal officer of the Company to perform all or any of his/their functions and duties.
- (4) The Board of Directors shall not be entitled to appoint Managing Director(s) except in consultation with and after obtaining the advice of IDBI.

Provided that where such absence is not likely to exceed three months, the previous approval of the Governor shall not be necessary.

XIV. FINANCIAL ADVISER AND CHIEF ACCOUNTS OFFICER AND SECRETARY.

Appointment of Financial Adviser and Chief Accounts Officer & Secretary.

74. The Governor may appoint "Financial Adviser and Chief Accounts Officer" and "Secretary" for such terms and at such remuneration as he may think fit and may from time to time remove him/them from office and appoint another in his/their place.

XV. MINUTES

Board to cause minutes to be made in books.

75. The Board shall cause proper minutes to be made of all General Meetings of the Company and also of all appointment of Officers; and of the proceeding of the meeting of Directors and committees, and of attendance at, and all business transacted at such meetings, in accordance with the provisions of the Act, and any such minutes of general meeting, if purporting to be signed within 14 days from the conclusion of such general meeting by the Chairman of such meeting, or in accordance with the provisions of the Act and in case of minutes of Director or Committee of Directors by the Chairman of the meeting or Chairman of the

succeeding meeting, shall be conclusive evidence without any further proof of the facts therein stated.

XVI. SEAL

76. The seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Director and in the presence of one Director at the least.

XVII. DISQUALIFICATION OF DIRECTORS

Disqualification of Director.

77.(1) The Office of a Director shall become vacant, if –

- (a) he is found to be of unsound mind by a Court of competent jurisdiction;
- (b) he applies to be adjudicated an insolvent;
- (c) he is adjudged an insolvent;
- (d) he is convicted by a Court in India for any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months;
- (e) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for payment of the call;
- (f) he absents himself from consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;
- (g) he or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security or a loan, from the Company in contravention of the provision of the Act;
- (h) he fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement entered into by/or on behalf of

the Company as required under the Act; or he acts in contravention of the Act;

- (i) he becomes disqualified by or order of the Court;
- (j) he is removed in pursuance of the provision of the Act;
- (k) he is concerned or participates in the profits of any contract with the Company;

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

(2). Disqualification referred to in Sub-clauses (c), (d) and (j) of Article 77 (1) shall not take effect :-

- (a) for thirty days from the date of adjudication, sentence, or order;
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, or conviction resulting in the sentence, or order, until the expiry of seven days from the disposed of; or
- (c) where within the 7 days aforesaid, any further appeal or petition in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of;

XVII. PROCEEDINGS OF BOARD OF DIRECTORS

Managing Director may summon meeting; how questions to be decided.

78. The Managing Director or in his absence the Secretary at any time may convene a meeting of the Board of Directors. Questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have a second or casting vote in the case of an equality of votes.

Meetings of the board and their notice.

79. A meeting of the Board of Directors shall be held for the despatch of the business of

the Company as required under the Act; or he acts in contravention of the Act;

- (i) he becomes disqualified by or order of the Court;
- (j) he is removed in pursuance of the provision of the Act;
- (k) he is concerned or participates in the profits of any contract with the Company;

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

(2). Disqualification referred to in Sub-clauses (c), (d) and (j) of Article 77 (1) shall not take effect :-

- (a) for thirty days from the date of adjudication, sentence, or order;
- (b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, or conviction resulting in the sentence, or order, until the expiry of seven days from the disposed of; or
- (c) where within the 7 days aforesaid, any further appeal or petition in respect of the adjudication, sentence, conviction, or order, and the appeal or petition, if allowed would result in the removal of the disqualification, until such further appeal or petition is disposed of;

XVII. PROCEEDINGS OF BOARD OF DIRECTORS

Managing Director may summon meeting; how questions to be decided.

78. The Managing Director or in his absence the Secretary at any time may convene a meeting of the Board of Directors. Questions arising at any meeting shall be decided by a majority of votes. The Chairman shall have a second or casting vote in the case of an equality of votes.

Meetings of the board and their notice.

79. A meeting of the Board of Directors shall be held for the despatch of the business of

the Company at least once in every three months and at least four such meetings shall be held in every year. Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director.

Quorum for meeting.

80. The quorum for a meeting of the Board of Directors of the Company shall be one-third of its strength (total strength as determined by the Act and by fraction in that one-third being rounded off as one), or 2 Directors, whichever is higher;

Provided that where at any time, the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of remaining Directors that is to say the number of Directors who are not interested not being less than two shall be quorum during such time.

Powers of quorum.

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

Chairman and Vice-Chairman of the Board of Directors meeting.

82. The Governor may from among the Directors or otherwise nominate one as Chairman and other as Vice-Chairman of the Board and determine the period for which they are to hold office. If at any meeting both the Chairman and the Vice-Chairman are not present within 30 minutes after time of holding the same, the Directors present may choose one of their members to be Chairman of the meeting.

Delegation of powers to Committee.

83. The Board of Directors may, subject to the provisions of the Act, delegate any of the powers to Committee consisting of such member or members of their body as think fit; any committees so formed shall, in the exercise of the powers so delegated, conform to any regulation that may be imposed on it by the Board. Proceedings of such Committees shall be placed before the Board of Directors at the next meeting.

Chairman of Meeting of Committee.

84. A committee may elect a Chairman of their meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within 30 minutes after the time appointed for holding the same, the members present may choose one of their members

to be the Chairman of the meeting.

When acts of Directors of Committee valid notwithstanding defective appointment etc.

85. All acts done by any meeting of the Board, or a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or 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 Director, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Resolution without Board Meeting valid.

86. A resolution in writing signed by all the Directors shall, subject to provision of the Act, be as valid and effectual as it has been passed at a meeting of the Board of Directors duly called and constituted.

XIX. RESERVE FUND

Reserve fund.

87. Subject to such directions as may, from time to time, be issued by the Governor in this behalf, the Board may, before recommending any dividend, set aside, out of the profits of the Company such sums as they think proper as a reserve fund, to meet contingencies or for equalizing dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes as the Board shall in its absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investment (other than shares of the Company), as it thinks fit from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds as it thinks fit and employ the reserve fund or any part thereof in the business of the Company; and that without being bound to keep the same separate from the other assets.

XX. DIVIDENDS

Dividends

88. The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the reserve funds shall, with the approval of

the Governor, be divisible among the members in proportion to the amount of capital held by them respectively:

Provided always that (subject as aforesaid) any capital paid up on a share during the period, in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

Declaration out of dividends.

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

It shall be open for the company with prior approval of IDBI, to credit the dividend accruing and payable to IDBI and the State Govt. to a special Reserve Fund to which only the IDBI and the State Govt. concerned shall have any claim in the event of winding up or liquidation of the company and the amounts in the special Reserve Fund may be utilised by the company only for such purposes as are approved by the State Govt. and the IDBI.

Dividend out of profits only and not to carry interest.

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

When to be deemed net profits.

91. Subject to the provisions of the Act the declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

Interim dividend.

92. The Board may, from time to time, pay to the members such interim dividends as in their judgement the position of the Company justified.

Debts may be deducted.

93. The Board 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.

Capitalisation of surpluses etc.

94. Any general meeting may resolve that any moneys, investments, or other assets forming part, of the undivided profits of the Company standing to the credit of the

Reserve Fund, or in the hands of the Company and available for dividend or representing premia received on the issue of shares and standing to the credit of the share premium account be capitalized, and distributed amongst the share-holders in accordance with their rights on the footing that they become entitled thereto as capital, and that all or any part of such capitalized fund be applied on behalf of the share holders in paying up in full any unissued shares of the Company and that such unissued shares so fully paid be distributed accordingly amongst the share-holders in the proportion in which they are entitled to receive dividends and shall be accepted by them in full satisfaction of their interest in the said capitalized sum. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional coupons and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed or that fractions of less than Re. 1 may be disregarded in order to adjust the rights of all parties and may vest any such cases of specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be filled in accordance of the Act, and the Board may appoint any person to sign such contracts on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

Dividend on shares transferred.

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

Retention in certain cases.

96. The Board may retain the dividends payable upon shares in respect of which any person is under the transmission clause (Article 24) entitled to become a member, of 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.

Dividend to joint holders.

97. Any one of the several persons who are registered as the joint holders of any share, may give effectual receipts for all dividends and payments on account of dividends in respect of such shares.

Dividend to be in cash.

98. Except as otherwise provided in Article 94 no dividend shall be payable except in cash and shall be paid within forty-two days of its declaration.

Payment by post.
99. Unless otherwise directed dividend may be paid by cheque or warrant sent by post to the registered address of the member or person entitled or in the case of joint holders, the registered address of that one whose name stands first on the register in respect of the joint holding: and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

Notice of dividends
100. Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.

Unclaimed dividends.
101. The Board shall act according to the provisions of the Act regarding unclaimed dividends.

XXI. ACCOUNTS

Accounts to be kept.
102. The Company shall cause to be kept proper books of accounts with respect to

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

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

(c) The assets and liabilities of the Company.

Inspection of Account books.

103. The books of account shall be kept at the Registered Office of the Company or at such other place as the Board shall think fit subject to the provisions of the Act, and shall be open to inspection by the Directors during business hours.

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

Annual accounts and Balance Sheet.

105. Subject to the provisions of the Act, the Board shall at some date later than 18 months after the incorporation of the Company and subsequently once at least in every financial year lay before the Company in Annual General Meeting a balance sheet and profit and loss account, in the case of the first account since the incorporation, of the Company made upto a date not earlier than the date of the meeting by more than 9 months and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than six months.

Annual report of the Board.

106. The Board shall make out and attach to every balance sheet a report with respect to the State of the Company's affairs, the amount, if any, which it recommends should be paid by way of dividend and the amount, if any, which it proposes to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance-sheet. The report shall be signed by the Chairman of the Board of the Directors on behalf of the Board.

Contents of profit and loss account.

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

Balance sheet and profit and loss account to be sent to members.

108. The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the Company in the manner in which notices are to be given hereunder at least 21 days before the meeting at which it is to be laid before the members of the Company.

Board to comply of the Act.

109. The Board shall in all respects comply with provisions of the Act.

- 109-A. 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.
- 109-B. The Company shall keep and maintain such books, accounts and other records as may be required by the 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 the IDBI may require from time to time.
- 109-C. The Company shall observe and abide by all such guidelines as may be issued by the IDBI from time to time on matters of policy. The decision of the IDBI on the question whether a particular matter is a matter of policy or not shall be final and binding on the Company.

XXII. AUDIT

Accounts to be audited.

110. Once at least in every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors.

Appointment of Auditors and their remuneration.

111. The auditors of the Company shall be appointed or re-appointed by the Government or on an advance of the Board of Directors by the members in the annual general meeting.

Auditor's right to attend meetings.

112. 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.

Annual report to be laid before State Legislature.

113. The Governor shall cause an annual report on the working and affairs of the Company to be :
- (a) prepared within three months of its annual general meeting before which the audit report is placed; and
 - (b) as soon as may be after such preparation laid before the Legislature of the State of Sikkim with a copy of the audit report and comments or supplement referred to in Article 114.

When accounts deemed finally settled.

114. The accounts of the Company, when audited and approved by a general meeting, shall be conclusive except as regards and error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the period, the account shall forthwith be corrected and thence forth shall be conclusive.

Rights of the Governor.

115. Notwithstanding anything contained in any of these Articles the Governor may, from time to time, issue such directives as he may consider necessary in regard to the conduct of the Business of the Company or Directors, thereof, and in like manner may vary and annul such directive. The Board shall give immediate effect to the directives so issued.

XXIII. NOTICE

How notice to be served on members.

116. 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), if any, supplied by him to the Company for the giving of notice to him.

Notification of address by shareholder of registered place of address.

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

When notice may be given by advertisement.

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

Notice to joint holders.

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

How notice to be given to representatives of a deceased or bankrupt members.

120. 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 pre-paid 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 persons claiming to be so entitled or (until such

an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.

To whom notice to general meetings be given.

121. Notice of every general meeting shall be given in the manner herein before authorised to -

(a) every member of the Company except those members who having no registered address have not supplied to the Company an address for the giving of notice to them; and

(b) to every person entitled to a share in consequence of the death or insolvency of a member who, but for his death or insolvency would be entitled to receive notice of the meeting provided the Company had due notice.

How notice to be signed.

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

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

XXIV. WINDING UP

Distribution of assets on winding up.

124. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up; or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up 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 among the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up in 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.

XXV. SECRECY CLAUSE

Secrecy clause.

125. 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 or trade or secret, process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the members of the company to communicate to the public.

XXVI. INDEMNITY

Indemnity

126. Subject to the provision of the Act, every Director, manager, Auditor, Secretary and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the board, to pay out of the funds of the Company, all costs, losses and expenses which any such officer or servant may properly incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

Individual responsibility of Directors.

127. No Director or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer of the Company or for joining in any receipt of other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties or his office or in relation thereto, unless the same happens

clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

XXV. SECRECY CLAUSE

Secrecy clause.

125. 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 or trade or secret, process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the members of the company to communicate to the public.

XXVI. INDEMNITY

Indemnity

126. Subject to the provision of the Act, every Director, manager, Auditor, Secretary and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the board, to pay out of the funds of the Company, all costs, losses and expenses which any such officer or servant may properly incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

Individual responsibility of Directors.

127. No Director or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer of the Company or for joining in any receipt of other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties or his office or in relation thereto, unless the same happens

through his own agross negligency, willful default, serious misfeasance, deliberate breach of duty or breach of trust.

Name of the Subscriber	Address, Description & Occupation if any	No. of Shares	Signature of subscriber.
1. Shri M.P. Pradhan	Secretary (Finance) Govt. of Sikkim, Gangtok - 737101.	20 shares	Sd/-
2. Shri R.Narayanan	Development Commissioner Govt. of Sikkim, Gangtok - 737101.	20 shares	Sd/-
3. Shri C.D. Rai	Secretary (Establishment), Govt. of Sikkim, Gangtok - 737101.	20 shares	Sd/-
4. Shri K.B.Chhetri	Managing Director, State Bank of Sikkim, Gangtok - 737101.	20 shares	Sd/-
5. K.C.Mathur	Director of Industries Govt. of Sikkim, Gangtok - 737101.	20 shares	Sd/-
6. Shri T.P.Sharma	Secretary, Panchayat & Rural Works Department, Govt. of Sikkim, Gangtok - 737101.	20 shares	Sd/-
7. Shri R.B.Mukhia	Secretary to the Govt. of Sikkim, Gangtok - 737101.	20 shares	Sd/-

Total 140 (One hundred and forty) shares only.

Witness of the
above signatures

Sd/-
(S.C. Dwivedi)
Accounts Officer,
Directorate of Industries,
Government of Sikkim,
Gangtok - 737101.