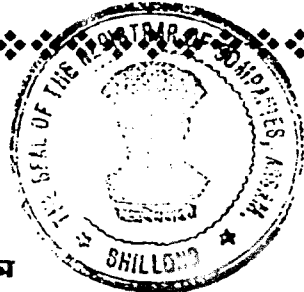


**MEMORANDUM
&
ARTICLES
OF
ASSOCIATION**

Brahmaputra Valley Fertilizer Corporation Limited



फर्म आई. आर.
Form I. R.



निगमन का प्रमाण पत्र

CERTIFICATE OF INCORPORATION
CORPORATE IDENTITY NUMBER (CIN)

ता. U24123AS2002GOI006786 को स. 2002-2003

No. 02 - 06786 of 2002-2003

मैं एतद्वारा प्रमाणित करता हूँ कि आज _____

कम्पनी अधिनियम 1956 (1956 का 1.) के अधिन निगमित को गई है और कम्पनी परिसीमित है।

I hereby certify that BRAHMAPUTRA VALLEY FERTILIZER
CORPORATION LIMITED

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956)
and that the Company is limited.

मेरे हस्ताक्षर से आज ता. _____ की दिया गया _____

Given under my hand at Shillong this 05th (Fifth)

day of April Two thousand Two

(A. Chaudhury)

कम्पनीयों का रजिस्ट्रार

Registrar of Companies

Assam, Meghalaya, Manipur, Tripura, Nagaland
Arunachal Pradesh & Mizoram Shillong

Memorandum of Association

OF

Brahmaputra Valley Fertilizer Corporation Limited

**(THE COMPANIES ACT, 1956)
(COMPANY LIMITED BY SHARES)**

MEMORANDUM OF ASSOCIATION

OF

BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED

I. NAME OF THE COMPANY

The name of the Company is BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED.

II. REGISTERED OFFICE

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

III. OBJECTS OF THE COMPANY

The objects for which the Company is established are:

A. MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. To carry on in India or in any part of the world all kinds of business relating to fertilizers, heavy chemicals, heavy water and their by-products, all organic and inorganic chemical compounds including by-products, derivatives and mixtures thereof.
2. To carry on the business of chemical, mechanical, civil and electrical engineering in all their branches in India or in any part of the world.
3. In particular to take over the entire undertaking now known as the Namrup Unit situated in Assam being a Unit of Hindustan Fertilizer Corporation Limited and to carry into effect the scheme of demerger to be approved by the Central Government in this regard.

B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS ARE:

1. To carry on the business of manufacturing, storing, packing, distributing, transporting, converting, maintaining and rendering assistance and services of all and every kind or any description, buying, selling, exchanging, altering, improving and dealing in fertilizers including artificial chemicals, heavy chemical compounds and their by-products and products of any nature or kind whatsoever, of every description in connection with the business of the Company.
2. To purchase, manufacture, install, work, store, maintain, improve, manipulate, prepare for market, sell both in wholesale and retail, buy, barter, repair, alter and exchange, hire, lease, let on hire, export, import and deal in all kinds of articles and things including all kinds of plants and machineries, wagons, rolling stock and apparatus, and all components, parts, fittings, tools, implements, accessories, utensils, substances, goods, materials, stores, consumables or otherwise, chattels and effects, used in connection therewith in any way whatsoever which may be required for the purpose of any of the business of the Company or are commonly supplied or dealt with by persons engaged in any such business or which may seem capable of being profitably dealt with in connection with any of the business of the Company.
3. To acquire, establish, construct, provide and maintain and administer factories, townships, estates, railway sidings, buildings, yards, wells, tube-wells, water-reservoirs, channels, embankments, aqueducts, dams, barrages, infiltration galleries and like contrivances, pumping installations, purification plants, pipelines, landing grounds, hangers, garages, storage sheds and accommodation of all description connected with the business of the Company.
4. To acquire, establish, construct, provide and maintain facilities for the generation of steam power and other utilities required in connection with the business of the Company.
5. To acquire by purchase, lease, exchange or otherwise any movable or immovable property and any rights or privileges which the Company may deem fit and necessary or convenient for the purpose of its business.
6. To search for and to purchase or otherwise acquire from any Government, State or authority, any licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same, for the purpose of the Company.

7. To purchase, take on lease or in exchange or under amalgamation, reconstruction, arrangement or rearrangement, licence or concession or otherwise, absolutely or conditionally, solely or jointly with others, water rights, way leaves, trade marks, patents and designs, privileges or rights, of any description or kind for the business of the Company.
8. To purchase or by any other means acquire and protect, prolong and renew, whether in India or elsewhere, any patents, patent rights, brevet disinventions, licences, protections and concessions which may appear likely to be advantageous or useful to the Company and to use and turn to account and manufacture or grant licences or privileges in respect of the same and to spend money in experimenting upon and testing and improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
9. To construct, execute, carry out, improve, work, develop, administer, manage or control in India and elsewhere, works and conveniences of all kinds including railways, tramways, ropeways, docks, harbours, piers, wharve, canals, reservoirs, embankments, irrigations, reclamations, improvements, sewerages, drainages, sanitarries, water, gases, electric lights, telephonic, telegraphic and power supply works, warehouses, markets and buildings, and all other works or conveniences whatsoever in connection with the business of the Company.
10. To apply for tender, purchase or otherwise acquire and contract and concession for or in relation to the construction, execution, carrying out improvement, management, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same for the purpose of the Company.
11. To establish, maintain and operate training institutions, to obtain trained personnel to meet the requirements of the Company or other organisations, companies, authorities or government connected with the business of the Company.
12. To establish, provide, maintain and conduct or otherwise subsidize research laboratories, design cells and experimental workshops for scientific and technical research, design works and experiments to undertake and carry on scientific and technical research, experiments and test of all kinds, to promote studies and researches, both scientific and technical investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or

contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or 'otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, test and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on and to enter into any arrangement with Government or any other party in India or elsewhere for the aforesaid purpose.

13. To acquire from any person, firm or body corporate whether in India and/or outside India in the public or private sector, technical information, know-how, process engineering, manufacturing and operating data, plans, layouts and blue prints useful for design, erection, construction, commissioning, operation and maintenance of plant and equipment required for any of the business of the Company and to acquire any grant or licence and other rights and benefits in the foregoing matters and things.
14. To act as agents for Governments or authorities or for any manufacturers, merchants and others and to carry on agency business of every kind and of any description connected with the business of the Company.
15. To establish / construct and maintain or wind-up branch offices and/or new offices in India and abroad as may be considered necessary to protect and promote the interest of the Company.
16. To take or otherwise acquire and hold shares in any other company having objects altogether or in part, similar to those of this Company and to underwrite solely or jointly with another or others, shares in any such company to take or otherwise acquire shares in any other company if the acquisition of such shares seems likely to promote further or benefits the business or interest of this Company.
17. To acquire or take over with or without consideration and carry on the business of managers and agents by themselves or in partnership with other companies or partnerships or concerns whose objects may be similar, in part or in whole, to those of this Company.
18. To promote or concur in the promotion of any company the promotion of which shall be considered desirable, for implementing the main objects of the Company.
19. To enter into any contract or arrangement for the more efficient conduct of the business of the Company or any part thereof and to sublet any contract from time to time.

20. To acquire and undertake the whole or any part of the business, properties and liabilities of any person, firm or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
21. To enter into partnership or into any arrangement for sharing or pooling of profits, amalgamation, union of interest, co-operation, joint venture, reciprocal concession or otherwise amalgamate with any person or company carrying on or engaged in or about to carry on or engaged in any business or transaction which this Company is authorised to carry on or engaged in any such business, undertaking to transition which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.
22. To pay for any properties, rights or privileges acquired by the Company, either in shares in this Company or partly in shares and partly in cash or otherwise.
23. To sell, improve, manage, develop, exchange, lease, let out, dispose of, vest, or otherwise deal with all or any part of the properties and rights of the Company in such manner and on such terms as the Company may determine.
24. To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the properties and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company from any subsidiary company or companies, to carry on any business which may seem capable of being carried on conveniently with the business or objects of the Company and to acquire any interest in any such industry or undertaking.
25. To undertake and execute any trusts, the undertaking of which may seem desirable in the interest of the Company.
26. To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such person and on such terms as may seem expedient and in particular to customers of and persons having dealing with the Company.
27. To let out on hire or lease all or any of the properties of the Company whether immovable or movable including all and every description of apparatus or appliances.

28. To guarantee the payment of money unsecured or secured, to guarantee or become sureties for the performance of any contracts or obligations.
29. To pay out of the funds of the Company all costs, charges and expenses of and incidental to the formation and registration of the Company and any company promoted by this Company and also all costs, charges, duties, impositions and expenses if any, incidental to the acquisition by the Company of any properties or assets.
30. To make, draw, accept, endorse, execute and issue Cheques, Promissory notes. Bills of exchange. Bills of lading. Debentures and other negotiable or transferable instruments of all types or securities and to open Bank Accounts of any type and to operate the same.
31. To undertake financial and commercial obligations, transactions and operations of all kinds in connection with the business of the Company.
32. To mortgage or charge the undertaking and all or any of the properties and assets, present or future of the Company to any person or persons, Firm or Corporation on such terms as may from time to time be considered expedient, as security for loans or advances with or without interest thereon made by such person or persons, Firm or Corporation.
33. To invest and deal with the money of the Company in any securities, investments and properties, movable and immovable in such manner as may from time to time be determined and to exchange, sell, transfer or deal with the same.
34. To insure any property, asset, matter or interest against any potential liability or loss of the Company or of any other person and the life or health of any person for the benefit of the Company.
35. Subject to Sections 3, 58A, 292, 293 and other applicable laws and regulations, to borrow, raise money or to receive money on deposit at interest or otherwise in such manner as the Company may think fit and in particular by the issue of debentures or debentures stock, perpetual or otherwise, including debentures or debenture stock convertible into shares of this Company and in security of any such money so borrowed, raised or received to mortgage, pledge or charge the whole or any part of the properties, assets or revenues of the Company present or future, including its uncalled capital by assignment or otherwise or to transfer or convey the same, absolutely or in trust and to purchase, redeem or pay of any such securities.

36. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any special or other funds whether for depreciation or for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for special dividends or equalising dividends or for any other purpose whatsoever and to transfer any such funds or part thereof to any of the other funds herein mentioned.
37. To apply for membership or become a member of any company, association, society or body corporate having any object similar to or identical with that of the Company or likely, directly or indirectly to promote the interest of the Company.
38. To obtain order or Act of Legislature in India, or other place, order Act or authority from the authorities of any Country, State or Dominion for enabling the Company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings on applications which may seem calculated directly or indirectly to prejudice the Company's interest.
39. To enter into any arrangements with the Government of India or any Local or State Government in India or with the Government of any other State, Country or Dominion or with any authorities, local or otherwise or with any other persons, firms, associations and corporations that may seem conducive to the Company's objects or any of them and to obtain from them any rights, powers and privileges, licences, grants and concessions which the Company may think fit desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
40. To adopt such means of making known the business of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in the press, radio, television and cinemas, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, by establishing competitions, and granting prizes, rewards, premia and donations, by laying out field demonstration and organizing such other promotional activities as may be deemed necessary.
41. To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or

by grants of money, pensions, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other associations, institutions, fund or trust and by providing or subscribing or contributing towards places of instruction and recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Company may think fit and to subscribe or otherwise to assist or to donate money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.

42. To distribute any of the properties of the Company among the members in specie or in kind in the event of winding up of the Company.
43. To support, subscribe and contribute for any charitable or public purpose or to any scheme in connection with the re-settlement and rehabilitation of persons displaced on account of acquisition of land for the purpose of the Comply and to any institution, society and association of persons which may be for the benefit of the Company and in which the Company may be interested in connection with its business or in the attainment of its objects.
44. To generally do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others.
45. To donate, make contribution, give grant-in-aid, provide assistance financial or otherwise subject to the guidelines issued by Central Government from time to time and are in force for the time being and any other provision of law applicable, the Company in aid of any national, public, benevolent or charitable cause, purpose or object, and to give donations, contribute monies, make grants, provide aid pecuniary or otherwise to any person(s), association of persons, society, fund, trust, local or municipal bodies, organisation or institution for rural uplift or development including for purposes like providing or improving drainage 'and water supply system, environmental protection, afforestation etc.,' educational or research institutions, health and Medicare centers, which in the opinion of the Company's and its absolute discretion deserve to be assisted, helped or supported by reason of location of Company's business establishments and/or nature of its business activities or otherwise, and which may promote the goodwill of the Company and directly or indirectly further the interest of the Company and of its members.
46. Subject to the provisions of Section 391 to 394 of the Companies Act 1956, and any other laws that may be applicable, to amalgamate or enter into any

scheme of arrangement and/or any reconstruction with any other company or companies whose objects are similar or include similar objects as that of the Compare, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this Company or any other company or companies as aforesaid with or without winding up, or by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company or companies as aforesaid, or by partnership, or any arrangement of the nature of partnership or in any other manner.

C. OTHER OBJECTS

1. To carry on in India and elsewhere the business of colliery proprietors, miners, contractors, merchants, importers, exporters and farmers, in all their respective branches.
 2. To purchase, take on lease under licence or concession or otherwise, lands, buildings, works, mines, minerals, deposits, mining rights, plantations, forests and any rights and privileges or interests therein and to explore, work, exercise, develop and to turn to account the same.
 3. To carry on the business of manufacturers of, and dealers in explosives, fire works and other explosive products and accessories of all kinds of whatsoever composition and whether for sporting, mining, industrial or any other purpose.
 4. To carry on the business of carriers by land, sea and air.
 5. To carry on the business of electric generation and supply.
- IV. The liability of the Members is limited.
- V. "The Authorised share Capital of the Company is Rs. 510,00,00,000/- (Rupees five hundred ten crores) only divided into 51,00,000 (Fifty-one Lacs) Equity Shares of Rs. 1000/- each (Rupees One thousand only)".

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

Sl. No.	Name, Address, Occupation and Description of each subscriber	No. of Equity Shares taken by each subscriber	Signature of Subscribers	Name, Address, Signature and Occupation of the witness
1.	ON BEHALF OF THE PRESIDENT OF INDIA THROUGH SHRI SUDHIR KRISHNA, S/O SHRI GAURI SHANKAR SHRIVASTAVA, D-I/97, SATYA MARG, CHANAKYAPURI, NEW DELHI - 110021, GOVERNMENT SERVENT, JOINT SECRETARY TO THE GOVT. OF INDIA, DEPT. OF FERTILIZERS, NEW DELHI	90 (NINETY)	Sd/-	I witness the signatures of both the subscribers Sd/- Nabin Kumar Borah S/o Late Shri P. C. Borah B-16, Sector 27, Noida (U.P.) Pin - 201301 Occupation : Service
2.	SHRI BALVINDER KUMAR S/O SHRI SOHAN LAL, D-I/10, RAVINDER NAGAR, NEW DELHI - 110003, JOINT SECRETARY, DEPARTMENT OF FERTILIZERS, GOVT. OF INDIA.	10 (TEN)	Sd/-	

(THE COMPANIES ACT 1956)
(COMPANY LIMITED BY SHARES)
ARTICLES OF ASSOCIATION
OF
BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
PRELIMINARY

Interpretation

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

Definitions of

The sub-headings hereto are inserted for convenience and shall not affect the construction hereof and in these Articles, unless there be something in the subject or context inconsistent therewith:

The Act

- (a) "The Act" means the Companies Act 1956, or any statutory modification or re-enactment thereof for the time being in force.

The Annual General Meeting

- (b) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provisions of Section 166 of the Act.

Board or Board of Directors

- (c) "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a resolution by circulation in accordance with these Articles.

(THE COMPANIES ACT 1956)
(COMPANY LIMITED BY SHARES)
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OF
BRAHMAPUTRA VALLEY FERTILIZER CORPORATION LIMITED
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Board or Board of Directors

- (c) "Board" or "Board of Directors" means a meeting of the Directors duly called and constituted, or, as the case may be, the Directors assembled at a Board or the requisite number of Directors entitled to pass a resolution by circulation in accordance with these Articles.

Capital

- (d) "Capital" means the Capital for the time being raised or authorised for the purpose of the Company.

The Company or this Company

- (e) "The Company" or "this Company" means the Brahmaputra Valley Fertilizer Corporation Limited.

Debentures

- (f) "Debentures" includes debenture stock, bonds, and any other securities of a Company, whether constituting a charge on the assets of the Company or not.

Debenture holders

- (g) "Debenture holders" means the duly registered holder(s) from time to time of the Debentures of the Company.

Directors

- (h) "directors" means the Directors for the time being of the Company including Alternate Directors and also includes Persons occupying the position of Directors by whatever name called.

Dividend

- (i) "Dividend" includes bonus.

Extraordinary General Meeting

- (j) "Extraordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.

Executor

- (k) "Executor" or "Administrator" means a Person who has obtained probate or letters of Administration, as the case may be, from a competent court.

Financial Year

- (l) "Financial Year" means, subject to sub-section 4 of Section 210 of the Act, such period in respect of which any Profit and Loss Account of the Company laid before the Company in an Annual General Meeting is made up as the Board of Directors shall determine, whether that period is a year or not and shall have the same meaning as assigned thereto in Section 2(17) of the Act.

General Meeting

- (m) "General Meeting" or "Meeting" means a meeting of the Members.

Government

- (n) "Government" means the Central Government.

Member

- (o) "Member" means the duly holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum and Articles of Association of the Company.

Month

- (p) "Month" means a calendar month, reckoned according to the English calendar.

Office

- (q) "Office" means the registered office for the time being of the Company.

Ordinary Resolution and Special Resolution

- (r) "Ordinary Resolution" and "Special Resolution" have the meanings assigned thereto respectively by Section 189 of the Companies Act.

Paid up

- (s) "Paid up" includes amount credited as paid up.

Person(s)

- (t) "Person(s)" shall include any Government - Central or State, Corporations, Associations, Co-operative Societies, Other Societies as well as individuals.

President

- (u) "President" means the President of India.

Proxy

- (v) "Proxy" means an instrument whereby any Person is authorised to vote for a Member at a General Meeting of the Company.

Republic Holiday

- (w) "Public Holiday" means a public holiday within the meaning of the Negotiable Instruments Act, 1881.

Provided that no day declared by the Central Government to be a public holiday shall be deemed to be such a holiday, in relation to any meeting, unless the declaration was notified before the issue of the notice convening such meeting.

Registered Office

- (x) "Registered Office" means such a place as the Board of Directors shall determine subject to the provisions of the Act.

Register of Members

- (y) "Register of Members" means the Register of Members to be kept pursuant to Section 150 of the Act.

The Registrar

- (z) "The Registrar" means the Registrar of Companies of the State in which the registered office of the Company is for the time being situated.

Regulations of the Company

- (aa) "Regulations of the Company" means the regulations for the time being in force for the management of the Company.

Seal

- (bb) "Seal" means the common seal for the time being of the Company.

Secretary

- (cc) "Secretary" includes Assistant Secretary or Deputy Secretary and any Person or Persons appointed by the Board to perform any of the duties of the Secretary in terms of Section 383A of the Act.

Shares

- (dd) "Shares" means the shares in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied.

Statutes

- (ee) "Statutes" means the Companies Act, 1956 and every Act for the time being in force affecting the Company.

Singular Number & Gender

- (ff) "Singular Number" and "Gender" words importing singular number include the plural number and vice versa. Words importing masculine gender include the feminine gender.

Written and In Writing

- (gg) "Written" and "In writing" shall Include printing lithography and other modes representing or reproducing words in a visible form.

Year

- (hh) "Year" means the Calendar year reckoned according to the English calendar.

Company to be a private Company

2. The Company is a private Company which has a minimum Paid up Capital of Rupees one lakh within the meaning of Sections 2(35) and 3(l)(iii) of the Act and accordingly:
 - (a) The number of Members for the time being of the Company (exclusive of Persons who are for the time being in the employment of the Company, and Persons who, having been formerly in the employment of the Company, were Members of the Company while in that employment and have continued to be Members after the employment ceased) is not to exceed fifty, but where two or more Persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single Member.
 - (b) Any invitation to the public to subscribe for any Share in or Debentures of the Company is hereby prohibited.
 - (c) The right of transfer of Shares be restricted in the manner and to the extent as hereinafter provided; and
 - (d) Any invitation or acceptance of deposits from Persons other than its members, Directors or relatives is hereby prohibited.

Table "A" not to apply

3. Save as reproduced in these Articles or made applicable by the Act, the regulations contained in Table "A" in the First Schedule of the Act, shall not apply to the Company.

Company to be governed by these regulations

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

CAPITAL

Capital of the Company

5. "The Authorised Share Capital of the Company is Rs. 510 crores (Rupees Five hundred ten crores) only divided into 51,00,000 (Fifty one lacs) Shares of Rs. 1000/- each (Rupees one thousand only).

INCREASE OF SHARE CAPITAL

Increase of Share capital

6. Subject to the approval of the President, the Directors may, with the sanction of the Company in General Meeting, increase the Share Capital by such sum to be divided into Share of each amount, as the resolution shall prescribe.

New Capital same as existing Capital

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

Issue of new Capital

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

Offer of new Shares to Members

9. The new Shares shall, unless otherwise decided by the Company by Special Resolution, be offered to the Members in proportion to existing Shares held by each Member and such offer shall be made by notice specifying the number of Shares to which the Member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time or on receipt of an intimation from the Member to whom such notice is given that he declines to accept the Shares offered,

the Directors may dispose of the same in such manner as they think most beneficial to the Company.

Redeemable preference shares

10. Subject to the approval of the President, the Company shall have power to issue Preference Shares carrying right to redemption out of profits which would otherwise be available for Dividend, or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption. Such Preference Shares shall be liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of Section 80 of the Act, exercise such power in such manner, as it may think fit.

Issue of sweat equity shares by the Company

11. Subject to the approval of the President and provisions of Section 79A of the Act, the Company may issue sweat equity Shares of a class of Shares at a discount or for a consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value addition by whatever name called. The limitations, restrictions and provisions relating to equity Shares shall be applicable to such sweat equity Share issued by the Company.

Reduction of Share Capital

12. Subject to such directions as may be issued by the President in this behalf, and the provisions of the Act, the Company may, from time to time, by Special Resolution reduce its Capital by paying off Capital or cancelling Capital which has been lost or is un-represented by available assets, or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient and Capital may be paid off upon the footing that it may be called up again or otherwise; and the Directors may, subject to the provisions of the Act, accept surrender of Shares.

Buy back of shares

13. Subject to the approval of the President, the Company is empowered to purchase/ buy back any of its issued fully Paid up Shares whether or not they are redeemable, on such terms and conditions from time to time as may be deemed appropriate out of its free reserves, securities premium account or the proceeds of a prior issue made specifically for the purpose of buy back, or otherwise as permissible subject to and in accordance with

all applicable provisions of the Act and the rules and regulations as may be prescribed thereunder.

Subdivision and Consolidation of Shares

14. Subject to the approval of the President, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares or any of them and exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of any such power as may be required by the Act.

Surrender of Shares

15. Subject to the provisions of Section 100 to 104 of the Act and with prior approval of the President, the Directors may accept from any Member, the surrender, on such terms and conditions as shall be agreed to, of all or any of his Shares.

Register of Members and Index of members to be kept

16. The Company shall cause to be kept a Register of Members and an Index of Members in accordance with requirement of the Act.

Shares to be numbered progressively and no Shares to be subdivided

17. The Shares in the Capital shall be numbered progressively according to their several denomination.

Allotment of Shares by the Board

18. (a) Subject to the provisions of the Act, and these Articles, and to the rights of the President, the Shares shall be under the control of the Board of Directors who may subject to the approval of the President allot or otherwise dispose of the same to such Person on such terms and conditions as they think fit.
- (b) The Directors shall cause to be made the return as to allotments from time to time in accordance with the provisions of Section 75 of the Act.

Company not to purchase its own Shares

19. No part of the fund of the Company shall be employed in the purchase of or in loans upon the security of the Company's Shares, except as permitted under Section 77, 77A and 77B of the Act.

Acceptance of Shares

20. Any application signed by or on behalf of an applicant for Shares in the Company followed by allotment of any Share therein notified to the applicant, shall be an acceptance of Shares within the meaning of these Articles, and every Person who thus or otherwise accepts any Shares and whose name is on the Register of Members shall for the purpose of these Articles, be a Member.

Share certificates

21. 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 Person, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint-holders shall be sufficient delivery to all.

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

22. If a Share certificate is defaced or lost or destroyed or it has become old or decrepit or cages in reverse for recording transfer have been fully utilised, it may be renewed on payment of such fee, if any, and on such terms, if any, as to evidence and indemnity as the Directors may think fit.

Calls on Shares

23. The Directors may, from time to time, make calls upon the Member 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 Directors may, from time to time at their discretion, extend the time fixed for the payment of any call.

When interest on calls payable

24. 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 call shall have been made, shall pay interest on the same at such rate not exceeding 6 percent per annum subject to revision of maximum rate by the Company in General Meeting from time to time, as the Directors shall fix, from the day appointed for, the payment thereof to the time to actual payment, but the Directors may waive payment of such interest wholly or in part.

Payment In anticipation of calls may carry interest

25. The Directors may, if they think 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 amounts of the calls then made upon the Share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6 percent per annum subject to revision of the maximum rate by the Company in General Meeting from time to time, as the Members paying such sum in advance and the Directors agree upon. The Directors may at any time, repay the amount so advanced upon giving to such Member three Months notice in writing.

Forfeiture of Shares

26. (1) If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of call or instalment as is unpaid, together with any interest which may have accrued thereon.
- (2) The notice aforesaid shall -
- (a) Name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) State that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.

- (3) If the requirements of any such notice as aforesaid are not complied with, any Shares in respect of which the notice has been given may, at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited Share not actually paid before the forfeiture subject to the provisions of the Act. Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any Member of the Company in respect of his Share, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Share as herein provided.
- (4) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (5) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Forfeited Share to become property of the Company

- 27. Any Shares so forfeited shall be deemed to be the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as the Board shall think fit.

Effect of forfeiture

- 28. (1) A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, on the date of forfeiture, were payable by him to the Company in respect of the Shares.
- (2) The liability of such Person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares.

Declaratibn of forfeiture

- 29. (1) A duly verified declaration In writing that the declarant is a Director, the Manager or the Secretary of the Company and that a Share in the Company has been duly forfeited on a date stated in the declaration,

shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share.

- (2) The Company may receive the consideration, if any, given for the Shares on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of.
- (3) The transferee shall thereupon be registered as the holder of the Share.
- (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

Notice after forfeiture

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

Power to annul forfeiture

31. The Board may, at any time before any Share so forfeited has been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions, as it thinks fit. Provisions regarding forfeiture to apply in case of non payment of sums payable at a fixed time.

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

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

Liability of Joint holders of Share

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

Company's lien on Shares

34. The Company shall have a first and paramount lien 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 the Company shall also have a lien on all Shares (other than fully paid Shares) standing registered in the name of a single Person, for all moneys presently payable by him or his estate to the Company, but the Directors may at any time declare any Share to be wholly or in part exempt from the provision of this Article. The Company's lien, if any, on a Share "shall extend to all Dividends payable thereon.

Enforcement of lien by sale

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

Application of sale proceeds

36. The proceeds of the sale shall be applied first towards cost of sale, then in or towards payment of such part of the amount in respect of which the lien exists as is presently payable .and the residual shall (subject to a like lien for sum not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares at the date of the sale. The purchaser shall be registered as the holder of the Shares and he shall not be bound to see to the application of the purchase money, nor shall his title the Share be affected by any irregularity or invalidity in proceedings in reference to the sale.

Transfer of Shares

37. The right of Members to transfer their Share shall be restricted as follows:

- (a) A Share may be transferred by a Member or other Person entitled to transfer to a Person approved by the President
- (b) Subject to the provisions of Section 111 and sub-article 37(a) above, the Directors may, in their absolute and uncontrolled discretion refuse to register any proposed transfer of Shares. Nothing contained in these Articles shall prejudice any power of the Company to register as shareholder, any Person to whom the right to any Shares in the Company has been transmitted by operation of law.

Board may issue new certificate

38. Upon any sale, re-allotment or other disposal under the preceding Articles, the certificate or certificates originally issued in respect of the relative Shares shall (the same on demand of the Company have already been surrendered by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said Shares to the Person (s) entitled thereto.

Directors' right to refuse registration

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

Form of transfer

40. Shares in the Company shall be transferred in the following form, or in any usual or common form which Directors shall approve or in the form prescribed under the Act, and, in accordance with Section 108 of the Act. I..... ofin consideration of the sum of Rupees.....paid to me byofhereinafter called "the said transferee", do hereby transfer to the said transferee shares numberedinclusive, in the undertaking called Brahmaputra Valley Fertilizer Corporation Limited to hold unto the said transferee, his Executors, Administrators, and assigns, subject to the several conditions on which I held the same at the time of the execution thereof and I, the said transferee, do hereby agree to pay the said shares subject to condition

aforesaid. As witnessed in our hands this day of..... Witness to signature of.....

(Every instrument of transfer shall be attested)

Execution of instrument of transfer

41. The instrument of transfer of any Share in the Company shall be executed both by the transferor and the transferee, and the transferor shall be deemed to remain holder of the Share until the name of the transferee is entered in the Register of Members in respect thereof.

Instrument of transfer to be left at Office with certificate of evidence of title

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

Fee for transfer

43. The Company may charge a fee of not exceeding RS.10/- (Ten) for every transfer of Shares, as the Directors may decide from time to time. Unless the Directors so decide, the Company shall not charge any fee for registering a 'transfer or transmission of Shares'. Closure and transfer of books and registers of Members and Debenture holders.

Closure and transfer of books and registers of Members and Debenture holders

44. The transfer books and the Register of Members or the Register of Debenture holders may be closed for any time or time not exceeding in the whole 45 days in each year but not exceeding 30 days at a time after giving not less than 7 days notice in accordance with the provisions of Section 154 of the Act.

Refusal of Directors to register transfer

45. If the Directors refuse to register the transfer of any Shares they shall within two Months from the date on which the instrument of transfer is delivered to

the Company, send to the transferee and the transferor, notice of such refusal. Save as herein otherwise provided, the Directors shall be entitled to treat the Person whose name appears on the Register of Members as the holder of any Share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such shares on the part of any Person whether or not it shall have expressed or implied notice thereof provided registration of a transfer shall not be refused on grounds of the transferor being either alone or jointly with another Person or Persons indebted to the Company on any account whatsoever except a lien on the Shares.

Transmission of registered Shares

46. The executors or administrators or the holder of succession certificates in respect of Shares/ Debentures of a deceased Member (not being one of several joint-holders) shall be the only Person whom the Company shall recognise as having any title to the Shares/ Debenture registered in the name of such Member/ Debenture holder, and, in case of the death of any one or more of the joint holders of any registered Shares/Debentures, the survivors shall be the only Persons recognised by the Company as having any title to or interest in such Shares/ Debentures, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the Shares/Debentures held by him jointly with any other Person. Before recognising any legal representative or heir or a Person otherwise claiming title to the Shares/ Debentures the Company may require him to obtain a Probate or Letter of Administration or succession certificate or other legal representation, to prove his title as the case may be, where from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall dispense with production of Probate or Letters of Administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

Transfer of Share of insane, minor, deceased or bankrupt Members

47. Any Person becoming entitled to any Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Director (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he purports to act under this Article or of his title as the Directors

shall require, either be registered as a Member in respect of such Shares or elect to have some Person nominated by him and approved by the Directors registered as a Member in respect of such Shares provided nevertheless that if such Person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of, such Shares.

Election under the transmission

48. (a) If the Person so becoming entitled under these Articles shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (b) If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer of the Share.
- (c) All the limitations, restrictions, and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of a Share shall be applicable to any such notice or transfer as aforesaid, as if the death, lunacy, bankruptcy or insolvency of the Member had not occurred and the notice of transfer were a transfer signed by that Member.

Rights of Persons entitled to Shares under the transmission

49. A Person so becoming entitled under the transmission Article to a Share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall, subject to the provisions of these Articles and of Sections 206 and 206A of the Act, be entitled to the same Dividends and other advantages as he would be entitled to if he were the registered holder of the Share.

Provided that the Board may anytime give notice requiring any such Persons to elect either to be registered himself or to transfer the Share, and if the notice is not complied within ninety days, the Board may thereafter withhold payments of all Dividends, bonuses, or other money payable in respect of the Share, until the requirements of the notice have been complied with.

MODIFICATION RIGHT

50. If at any time the Capital, by reason of the issue of preference Shares or otherwise, is divided into different classes of Shares, the rights and privileges attached to each class may be varied or modified, as provided in Section 106 of the Act subject to:-

- (a) the consent of the holders of any specified proportion, not being less than three-fourth of issued Shares of that class: or
- (b) the sanction of a resolution passed at a separate meeting of the holders of those Shares and supported by the votes of the holders of any specified proportion, not being less than three-fourth of those Shares.

BORROWING POWERS

Power to borrow moneys with President's approval

51. Subject to the approval of the President, and subject to the provisions of Sections 58A, 292 and 293 of the Act. the Directors may, from time to time, borrow or secure the payment of any sum or sums of money for the purpose of the Company.

No approval of the President would be necessary for borrowing from the banks for the purpose of meeting the working capital requirements on hypothecation of Company's current assets.

Conditions for borrowing

52. The Directors may, subject to the approval of the President, secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual, or redeemable Debentures or debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being provided that Register of mortgages, charges to be kept by the Company provided that the Directors shall cause a proper Register to be kept in accordance with Section 143 of the Act, of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with the requirements of Section 125 and 127 of the Act in regard to the registration of charges and mortgages therein specified and otherwise shall also duly comply with the requirements of Section 136

of the Act, as to keeping a copy of every instrument creating any mortgage or charge by the Company at the Registered Office and the requirements of Section 138 of the Act, as to giving intimation of the payment for satisfaction of any charges or mortgages created by the Company.

Securities assignable from equity

53. Debentures, debentures-stock, bonds or other securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

Issue of securities at discount or with special privilege

54. Subject to the approval of the President and subject to the provisions of Section 76 of the Act any Debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or other-wise, and with any special privileges as to redemption, surrender, drawing, allotment of Shares, appointment of Directors or otherwise, provided that Debenture, debenture stock, loans, bonds or other securities with a right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in a General Meeting.

Persons not to have priority over any prior charge

55. 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 shareholders or otherwise, to obtain priority over such prior charge, indemnity to secure Directors or Persons from any loss in respect of liabilities.

Indemnity to secure Directors or Persons from any loss in respect of liabilities

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

RESERVE AND SPECIAL FUNDS

Power to create reserve funds and investment of money out of such funds

CAPITALISATION OF PROFITS

57. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve -
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's Reserve Accounts, or to the credit of the Profit & Loss Account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards:-
- (i) paying up any amount for the time being unpaid on any shares held by such members respectively;
 - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).
- (3) A share premium account and a Capital Redemption Reserve Account may be applied in paying up of the unissued shares to be issued to the members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation,

57. A Subject to such directions as may, from time to time be issued by the President in this behalf, the Directors may before recommending any Dividend set aside, out of the profits of the Company such sums as they think proper as a reserve fund, to meet contingencies or for equalising Dividends or for special Dividends or for repairing, improving and maintaining any of the property of the Company and for such other purposes as the Directors shall in their absolute discretion, think conducive to the interest of the Company and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit, from time to time, deal with any such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds as they think fit and utilise the reserve funds or any part thereof in the business of the Company, without being bound to keep the same separate from the other assets.

MEMBERS' MEETINGS

Annual General Meeting

58. The first Annual General Meeting of the Company shall be held within eighteen Months of its incorporation. The next Annual General Meeting of the Company shall be held within 6 Months after the expiry of the Financial Year in which the first Annual General Meeting was held and thereafter an Annual General Meeting shall be held by the Company within 6 Months after the expiry of each Financial Year. Except in a case when, for any special reason, time for holding any Annual General Meeting (not being the first Annual General Meeting) is extended by the Registrar under Section 166 of the Act, no greater interval than 15 Months shall be allowed to elapse between the date of one Annual General Meeting and that of the next. The time and place for the Meeting shall be fixed by the Members by a resolution. All other meetings of the Company shall be called "Extraordinary General Meetings".

Extraordinary General Meeting of Members to be called on requisition

59. The Directors may, whenever they think fit and they shall, on the requisition of the Share holders of not less than one-tenth of the paid up capital as at that date carry the right of voting of the Company on which calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company and in the case of such requisition, the following provisions shall have effect:-

- (1) The requisition must state the object of the meeting and must be signed by the requisitionists, and deposited at the Office and may consist of several documents, in like form, each signed by one or more requisitionists.
- (2) If the Directors of the Company do not proceed within twenty-one days from the date of the requisition being so deposited to cause a Meeting to be called on a day not later than 45 days from the date of the deposit of the requisition or a majority of them in value, may themselves convene the Meeting, but any Meeting so Convened shall be held within three Months from the date of the deposit of the requisition.
- (3) Any Meeting convened under this Article by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which Meetings are to be convened by the Directors.

If after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible, as that in which Meetings may be convened by the Directors.

NOTICES

Notice of the Meeting

60. Subject to the provisions relating to Special Resolution hereinafter contained, at least twenty one days notice in writing specifying the place, day and hour of Meeting with a statement of the business to be transacted at the Meeting shall be served on every Member in the manner hereinafter provided, but with the consent in writing of all the Members entitled to receive notice of same, any particular Meeting may be convened by such shorter notice and in such manner as those Members may think fit.

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

To whom notice is required to be served

61. Notice of every General Meeting shall be given in the same manner herein before authorised,
- (a) to every Member of the Company (including bearers of share warrants) except those Members who having no registered address, have not supplied to the Company an address for giving of notice to them;
 - (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;
 - (c) to the auditor or auditors for the time being of the Company. Accidental omission to give notice shall not invalidate the Meeting.

Accidental omission to give notice shall not invalidate the Meeting

62. An accidental omission to give any such notice to or non- receipt of any such notice by any Member shall not invalidate the proceedings at any Meeting.

Business to be transacted at Meetings

63. The business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Report of the Directors and of the Auditors, and the comments of the Comptroller and Auditor General of India and to declare Dividends. All other business transacted at such meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

PROCEEDINGS AT GENERAL MEETINGS

Quorum

64. Two Members present in Person one of whom is a representative of the President shall constitute a quorum for a General Meeting.

President's representative at the Meeting

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

- (2) Only one of the Person appointed under sub-clause (1) of this Article shall be deemed to be a Member of the Company and shall be entitled to vote and be present in Person and exercise the same rights and powers (including the right to vote by Proxy) as the President could exercise as a Member of the Company.
- (3) The President, may, from time to time, cancel any appointment made under sub-clause (1) of this Article and make fresh appointments.
- (4) The production at the Meeting of an order of the President as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
- (5) Any Person appointed by the President under the Article may, if so authorised by such order, appoint a Proxy whether specially or generally.

If quorum not present Meeting to be dissolved or adjourned

66. If within 15 minutes from the time appointed for the Meeting a quorum is not present, the Meeting, if convened upon such requisition as aforesaid, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned Meeting a quorum is not present, those Members who are present shall be the quorum and may transact the business for which the meeting was called.

Resolution passed at an adjourned Meeting

67. Where a resolution is passed at an adjourned Meeting of the Company the Resolution shall for all purposes be treated as having passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Chairman of the General Meeting

68. The Chairman or the Directors shall be entitled to take chair at every General Meeting or, if there be no such Chairman, or if at any Meeting he shall not be present within fifteen minutes after the appointed time for holding such meeting or is unwilling to act as Chairman, the Members present shall choose another Director as Chairman and if no Directors shall be present, or if all the Directors present decline to take the chair, then the Members present shall, choose one of the Members to be Chairman.

How questions are to be decided at the Meetings

69. Every question submitted to a Meeting shall be decided in the first instance by a show of hands and in case poll is demanded in accordance with the provisions of the Act, then poll shall take place either by open voting or by ballot, and in the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

Passing of resolutions

70. At any General Meeting a resolution put to the vote of the Meeting shall be decided on show of hands, unless, a poll is before or on the declaration of the result on 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 carried unanimously or by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number of proportion of the votes recorded in favour of or against that resolution.

Poll

71. If a poll is duly demanded, it shall be taken subject to the provisions of the Act 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.

Where poll taken without adjournment

72. 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.

Adjournment of Meeting

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

74. When a Meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned Meeting.

Business to proceed notwithstanding demand of poll

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

Chairman's decisions shall be conclusive

76. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting.

Vote of Members

77. 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 duly authorised representative shall have voting rights in proportion to the Paid up Capital for every Share held by him.

No voting by Proxy, by show of hands

78. No Member not personally present or by duly authorised representatives shall be entitled to vote on a show of hands.

Vote in respect of shares by Persons entitled to transfer any Shares

79. Any Person entitled under the transmission clause to transfer 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 at least seventy two hours before the time of holding the Meeting or adjourned Meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares, unless the Directors shall have previously admitted his right to transfer such Shares or his right to vote at such Meeting in respect thereof.

Vote to joint registered holders or deceased Members

80. Where there are joint registered holders of any Share, any one of such Persons may vote at any Meeting, either personally or by Proxy, in respect of such Shares as if he were solely entitled thereto, and if more than one of

such joint holders be present at any Meeting personally or by proxy, then one of the said Persons present whose name stands first on the Register in respect of such Share shall atone be entitled to vote in respect thereof. Several Executors or administrators of deceased Member in whose name any share stands shall for the purposes of this clause be deemed joint-holders thereof.

Vote of Member of unsound mind

81. 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.

Proxies permitted on a poll

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

On a poll voting rights shall be in proportion to his share of capital

83. 'On a poll, the voting rights of every Member present in Person or by Proxy or by duly authorised representative under Article 65 shall be in proportion to his share of the Paid up Capital.

PROXY

Appointment of Proxy

84. The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney or if such appointer is a Corporation, under its common seal or other authority. Subject to the provision of Article 65 (5), no Person shall be appointed as a proxy who is not a Member of the Company and qualified to vote, save that a Corporation being a Member of the Company may appoint as its Proxy one of its officers though not a Member of the Company.

Instrument of Proxy

85. An instrument appointing a Proxy may be in the following form or in any other form which the Directors shall approve:-

"I..... ofbeing a Member of the Brahmaputra Valley Fertilizer Corporation Limited hereby appoint..... of..... as my Proxy to vote for me and on my behalf at the Ordinary/ Extraordinary General Meeting of the Company to be held on the day of..... and at any adjournment thereof"

Signed this day of.....

Deposit of instrument appointing a Proxy

86. 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 at which the Person named in the instrument proposes to vote and In default the instrument of Proxy shall not be treated as valid.

Voting by Proxy in the event of death of the principal

87. A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death of the principal, or revocation of the Proxy provided no intimation in writing of the death or revocation shall have been received at the Office of the Company before the Meeting.

No Member is entitled to vote when calls are due

88. 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.

When validity of vote objected to

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

RESOLUTIONS

Every resolution must be proposed and seconded

90. No resolution submitted to a meeting unless proposed by the Chairman of the Meeting, shall be discussed, nor put to vote until the same has been proposed by a Member present and entitled to vote on such resolution and seconded by another Member present and entitled so to vote.

When Board resolution be valid and effectual as resolution at General Meeting

91. Any resolution passed by the Directors, notice whereon shall be given to the Members in the manner in which notices are hereinafter directed to be given and which shall within one Month after it shall have been so passed, be ratified and confirmed In writing by Members entitled at a poll to three-fifth of the vote shall be as valid and effectual as a resolution of a General Meeting, but this clause shall not apply to a resolution passed for winding up of the Company or to a resolution passed in respect of any matter which by the Statutes or by these Articles ought to be dealt with by a Special Resolution.

APPOINTMENT OF DIRECTORS

President shall determine the number of Directors

92. The President shall, from time to time determine, in writing, the number of Directors of the Company which shall not be less than two and not more than twelve subject to the provisions of the guidelines issued by Central Government from time to time.

Appointment of part time Chairman/ Chairman and Managing Director and executive / functional Directors

93. (1) (a) The part time Chairman / Chairman and Managing Director/ Managing Director and other members of the Board of Directors including Functional Directors shall be appointed by the President.

Payment of remuneration, salary and/ or allowances to Directors

- (b) The Directors shall be paid such salary and/or allowances as the President may from time to time determine. Subject to the provisions of Section 314 of the Act, such reasonable additional remuneration as may be fixed by the President may be paid to any one or more of the Directors for extra or special services rendered by him or them or otherwise.

Retirement of Directors

- (2) At every third Annual General Meeting of the Company all the non-functional Directors except the Managing Director and functional Director(s) shall retire from office. The Managing Director and functional Director(s) shall retire on his / their expiry of the period of holding the office of the Managing / Functional Director(s). A retiring Director shall be eligible for re-appointment.

Removal of Directors

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

President's right to fill vacancy

- (4) The President shall have the right to fill any vacancy in the office of a Director including Chairman/ Chairman and Managing Director(s)/ Managing Director and Functional Director caused by retirement, removal, resignation, death or otherwise.

Dis-qualifications of a Director

94. The office of 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 as an insolvent;
- (c) he is adjudged as an insolvent;
- (d) he is convicted by a Court of any offence involving moral turpitude and

sentenced in respect thereof to imprisonment for not less than six Months;

- (e) he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three Months, whichever is longer, without obtaining leave of absence from the Board;
- (f) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is partner or any private company of which he is a Director, accepts a loan or any guarantee of security for a loan from the Company in contravention of Section 295.
- (g) he acts in contravention of Section 299;
- (h) he becomes disqualified by an order of Court under Section 203;
- (i) he is removed in pursuance of Section 284;
- (j) he retires or is removed as provided in Article 93(3);
- (k) he fails to pay any call in respect of Share of the Company held by him, whether alone or jointly with others, within six Months from the last date fixed for the payment of the call, unless the Central Government has, by notification in the Official Gazette, removed the disqualification incurred by such failure;
- (l) He having been appointed a Director by virtue of his holding any office or other employment in the Company or as a nominee of the managing agent of the Company, ceases to hold such office or other employment in the Company, or as the case may be, the managing agency comes to an end;

Notwithstanding any thing in clauses (c),(d) and (g) disqualification referred to in those clauses shall not take effect;

- (a) for thirty days from the date of adjudication, sentence or order;
- (b) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or

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

Alternate Directors

- 95. If Director is out of India or is about to go out of India or who is expected to be absent for not less than three Months from the State in which meetings of Directors are ordinarily held, the Board may with the prior approval of the President appoint any Person to be an Alternate Director during his such absence, and such appointee whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and to vote thereat accordingly: but he shall not require any qualification and he shall ipso facto vacate office if and when the Director returns to India or vacates office as a Director.

Sitting fees

- 96. Unless otherwise determined by the Company in General Meeting, Directors (excluding Managing or Whole time Director, if any) shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or the Committee of the Board, such sums as may be determined by the Board from time to time within the limits, if any, prescribed by the Central Government, from time to time in this regard, for every meeting of the Board or a Committee of the Board attended by him.

Travelling expenses incurred by a Director not being a resident or by a Director travelling on the Company's business

- 97. The Board may allow and pay to any Director who is not a bonafide resident of the place where the General Meetings and the Meetings of the Board are ordinarily held and who shall come to such a place for the purpose of attending any Meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such Meeting as above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

POWER OF DIRECTORS

General powers of Company vested in Directors

98. Subject to the provisions of the Act and the directives, if any, the President may issue from time to time and the guidelines issued by the Central Government from time to time, 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 and to pay all the expenses incurred in setting up and registering the Company. Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by this or any other Act or by the Memorandum or Articles of the Company or otherwise, to be exercised or done by the Company in General Meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in this or any other Act or in the Companies Act, or in any regulations not inconsistent therewith and duly made thereunder including Regulations made by the Company in General Meeting.

No Regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that Regulation had not been made.

Specific powers of Directors

99. Without prejudice to the general powers conferred by the last preceding Article and other powers, conferred by these Articles and subject to the provisions of Section 292-294 and 297 of the Act, the Directors shall have the following powers, that is to say:

Acquisition of property

- (1) To purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit, and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.

To pay for property in debenture

- (2) 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, 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 fulfilment of contract by mortgage charge

- (3) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled Capital for the time being or in such other manner as they may think fit.

To appoint officers

- (4) To appoint and at their discretion, remove or suspend such general managers, managers, secretaries, officers, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their remuneration, salaries or emoluments and to require security in such instances and to such amount as they think fit. However, the power of creation of the post of Chairman, Managing Directors, Functional Directors and/or any other member of the Board of Directors will vest with the President. No posts would be created in the Company below the Board level in the scales of pay equivalent to those on the Board level. In the case of Persons who have attained the age of 58 years whether they be from public or private sector, no appointment shall be made without the prior approval of the President other than foreign technical personnel, whose pay proposed to be fixed including pension and pensionary equivalent of their retirement benefits exceed the limits fixed as per the guidelines issued by the Central Government from time to time.

To engage technical experts and consultants

- (5) Subject to the above Article, to engage technical experts and consultants on such terms and conditions as the Directors may deem fit in connection with the business of the Company.

To appoint trustees

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

To institute and defend legal proceedings

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

To refer any claims to arbitration

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

To make and give receipt

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

To authorise acceptance

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

To appoint Attorneys/ Agents

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

To invest moneys

- (12) To invest in the Reserve Bank of India or in such securities as may be approved by the guidelines issued by Central Government from time to time and deal with any of the moneys of the Company upon such investment authorised by the Memorandum of Association of the Company and in such manner as they think fit and from time to time to vary or realise such investments.

To give security by way of indemnity

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

To give commission on profits

- (14) Subject to the approval of the President, to give to any Person employed by the Company a commission on the profits of any particular business transactions or a share in the general profit of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.

To make rules, regulations and bye-laws

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

To give bonus

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

Rules and Regulations for conduct of Company's business

- (17) To formulate and bring in force Rules and Regulations for conduct of business of the Company, in accordance with the guidelines issued by Government, if any, from time to time.

To create Provident Fund

- (18) Before declaring any Dividend to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensations or to create any provident fund in such manner as the Directors may deem fit.

To establish Local Board

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

To enter into contracts

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

To sub-delegate powers

- (21) To sub-delegate all or any of the powers, authorities and discretion for the time being vested in them, subject, however, to the ultimate control and authority being retained by them;

Make capital expenditure

- (22) To undertake capital expenditure on projects, purchase of new items or for replacement as may be required for the business of the Company subject to Government guidelines on the subject issued from time to time.

To lend money

- (23) To lend money to subsidiaries and associated organisations, on such terms and conditions as they may consider desirable.

Formation of Joint venture / subsidiary companies

- (24) To establish joint ventures and subsidiary companies in India or abroad subject to compliance of Government guidelines issued from time to time.

Where President's prior approval is required

- (25) Subject to the prior approval of the President of India;
- (a) to sell, lease or otherwise dispose of whole or substantially the whole of the undertaking of the Company;
 - (b) to promote a Company;
 - (c) to divide Capital into different classes of Shares;
 - (d) entering into partnership and/or arrangement for sharing profits;
 - (e) winding up of the Company;
 - (f) to make rules of the Company governing general conditions of service of the employees, employees provident fund and rules connected thereto and create reserves and special funds.

Delegation of powers

- 100 (a) The Board may, from time to time, delegate such of its powers as it may think fit and as are not required to be exercised by the Board at a meeting to the Standing / Executive Committee of Directors,

Chairman, Chairman and Managing Director, the Managing Director, and Functional Director subject to such terms, conditions and restrictions as the Board may think fit to impose, and the Board may, from time to time revoke, amend or vary all or any of the powers so delegated.

- (b) The Managing Director as Chief Executive of the Company may from time to time sub delegate his powers to the Functional Directors and / or general managers and/or to any other officer of the Company as he may deem 'it fit.

MEETINGS OF DIRECTORS

Meeting of Directors and quorum

- 101. The Directors may meet together for the despatch of the business, adjourn or otherwise regulate their meeting and proceedings as they think fit. A meeting of the Board, however, shall be held at least once in every three calendar Months; as provided under Section 285 of the Act and the quorum necessary for the transaction of business shall be one-third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher.

Place of meeting

- 102. The meetings of the Board may be held at the Registered Office or any where else within India as the Board may decide from time to time in this behalf.

Directors may summon meeting-how questions to be decided

- 103. A Director may at any time convene a meeting of the Directors. Questions arising at any meeting shall be decided by the majority of votes. The Chairman shall have a second or casting vote.

Chairman of Directors' meeting

- 104. The President shall appoint a Director as Chairman of the Company/ Directors' meeting and determine the period for which he is to hold office, subject to the provisions of the Act. If the Chairman is not present at any meeting within 15 minutes after the time for holding the same, the Directors present may choose one of the members to be Chairman of the meeting.

Powers of Board when quorum is present

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

Powers of Chairman

106. The Chairman shall reserve for the decision of the Central Government any proposals or decisions of the Board of Directors or any matter brought before the Board which raises in the opinion of the Chairman, an important issue and which is on that account fit to be reserved for the decisions of the Central Government.

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

Chairman of meeting

107. A Committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of the members present to be Chairman of the meeting.

Director to cause minutes to be made in books

108. The Directors shall cause minutes to be made in books provided, for the purpose in accordance with the provisions of Section 193 of the Act:-
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at such meeting of the Directors and of any Committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors and of the Committees of Directors; and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.

Presumption to be drawn where minutes have been duly signed

109. Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a 'Committee of Directors' have been kept in accordance with the provisions of Section 193 of the Act until the contrary is proved, the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

When acts of Directors or Committee valid notwithstanding defective appointments

110. All acts done by any meeting of the Directors, or of a Committee of Directors or by any person acting as a Director, shall, notwithstanding that if 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 have been duly appointed and, was qualified to be a Director. Provided that nothing in this Article shall be deemed to validate the acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

Delegation of powers to Committee

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

Audit Committee

112. (a) Subject to the number of Directors of the Board being not less than five, the Company shall constitute a Committee of the Board known as the "Audit Committee", which shall consist of not less than three Directors and such number of other Directors as the Board may determine of which two thirds of the total number of members shall be Directors, other than Managing Directors or Whole time Directors.

- (b) The Audit Committee shall act in accordance with terms of reference to be specified in writing by the Board,
- (c) The members of the Committee shall elect a chairman from amongst themselves.
- (d) The auditors, the internal auditor, if any, and the director in-charge of finance shall attend and participate at meetings of Audit Committee, but shall not have a right to vote.
- (e) The Audit Committee should have discussions with the auditors periodically about internal control systems, scope of audit including the observations of the auditors and the review of the annual financial statements before submission to the Board and also ensures compliance of internal control systems.
- (f) The Committee shall have the authority to investigate into any matter in relation to the items specified in this Article or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- (g) The recommendations of the Audit Committee on any matter relating to financial management including the audit report shall be binding on the Board.
- (h) If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons therefor and communicate such reasons to the shareholders.
- (i) The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company to provide clarification on matters relating to audit.

Resolution by circulation without Board meeting valid

113. Subject to restrictions placed under Section 292 of the Act, resolutions of the Board of Directors can be passed by circulation and they shall be as valid and effective as if they have been passed at a meeting of the Directors duly called and constituted. No resolution shall, however, be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with

the necessary papers, if any to all the Directors or to all the members of the Committee then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be); and to all other Directors or Members at their usual address in India, and has been approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the resolution.

Board resolution necessary for certain Contracts

114. (1) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or Director, shall not enter into any contract with the Company:-

- (a) for the sale, purchase or supply of any goods, materials or services or
- (b) for underwriting the subscription of any Shares in the Company

(2) Nothing contained in the foregoing clause (1) shall affect:-

- (a) the purchase of goods and materials from Company or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or
- (b) any contract or contracts between the Company on one side and any such Director, relative, firm partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company or the Directors, relative, firm, partner or private company, as the case may be, regularly trades or does business:

Provided that such contract or contracts do not relate to goods and materials the value of which or if services the cost of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- (B) Notwithstanding anything contained in the foregoing clauses (1) and (2), a Director, relative, firm, partner or private company as aforesaid, may in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value for such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract but in such a case, the consent of the Board shall be obtained

at a meeting within three Months of the date on which the contract was entered into.

- (4) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under clause (1) above shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three Months of the date on which it was entered into.
- (5) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract shall be voidable at the option of the Board.
- (6) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

COMPANY SEAL

Company Seal

115. The Board shall provide a common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for its safe custody. The Seal shall not be affixed to any instrument (other than a share certificate) except by the Authority of a resolution of the Board of Directors and in the presence of atleast two Directors provided, however, the Board of Directors may authorise by resolution the Managing Director or any other Director to affix the Seal on any instrument (other than Share certificate) wherever it is legally required. In the case of Share certificate the Seal shall be affixed in the presence of (i) two Directors or Persons acting on behalf of the Directors under a duly registered power of attorney; (ii) the Secretary or some other Person appointed by the Board for the purpose.

DIVIDENDS

Dividends

116. (1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid accordingly to the amounts paid or credited as paid on the shares in

respect whereof, the dividend is paid but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.
- (4) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Capital paid up in advance

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

Dividend out of profits only and not to carry interest

118. 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.

Declaration of Dividends

119. The Company in General Meeting may declare a Dividend to be paid to the Members according to their rights and interest in the profits and may fix the time for payment, but no Dividend shall exceed the amount recommended by the Directors.

Interim dividend

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

Debts may be deducted

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

Dividend and call together

122. Any General Meeting declaring a Dividend may make a call on the Members of such amount as the meeting fixes, but the call of each Member shall not exceed the Dividends payable to him and the call be made payable at the same time as the Dividend and the Dividends may if so arranged between the Company and the Members be set off against the call. The making of a call under this clause shall be deemed ordinary business of an Annual General Meeting which declares a Dividend.

Dividend or bonus payable wholly or partly in specific assets

123. Any General Meeting declaring a Dividend may resolve that such Dividend be paid wholly or in part by the distribution of specific assets and in particular of Paid up Shares, Debenture or debenture-stock of the Company or Paid up Share, Debenture or debenture stock of another Company, or in any one or more of such ways, any General Meeting may resolve that any moneys, investment, or other assets forming parting 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 premium received on the issue of Shares and standing to the credit of Share premium account be capitalised and distributed amongst the shareholders in accordance with their rights on the footing that they become entitled thereto as Capital and that all or any part of such capitalised fund be applied on behalf of the share holders in paying up in full any un-issued Shares of the Company and that such un-issued Shares so fully paid be distributed accordingly amongst the shareholders in the proportion in which they are entitled to receive Dividends, and shall be accepted by them in full satisfaction or their interest in the said capitalised sum. For the purpose of giving effect to any resolution under this Article, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificates and may fix the value of distribution of any specific assets and may determine that cash payment shall be made to any Member upon the footing of the value so fixed or that fraction of less than Re. 1 may be disregarded in order to adjust the rights of the parties and may vest any such cases of specific assets in trustees upon such trust for

the Person entitled to the Dividend or capitalised fund as may seem expedient to the Directors, where requisite, proper contract shall be filled in accordance with Section 75 of the Act, the Directors may appoint any Person to sign such contract on behalf of the Person entitled to the Dividend or capitalised fund, and such appointment shall be effective.

Effect of transfer

124. A transfer of Share shall not pass the right to any Dividend declared thereon after such transfer and before the registration of the transfer.

Retention in certain cases

125. The Directors may retain the Dividend payable upon Shares in respect of which any Person is (under the Articles relating to transmission clause) entitled to become a Member for which any Person under the clause is entitled to transfer, until such Person shall become a Member in respect of such Shares or shall duly transfer the same.

Payment of interest on capital

126. The Directors may pay interest on Capital raised for' the construction of works or building or the provision of any plant in accordance with the provisions of Section 208 of the Act.

Dividends to joint holders

127. Any one of the several Persons who are registered as the joint holders of any share, may give effective receipts for all Dividends and payments on account of Dividends in respect of such Shares.

Notice of Dividend

128. Notice of the declaration of any Dividend whether interim or otherwise, shall be given to the holder of registered Shares in the manner hereinafter provided.

Payment by post

129. Unless otherwise directed, any Dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or Person entitled or in the case of joint holders to 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.

ACCOUNTS AND AUDIT

Accounts to be kept

130. The Company shall in all respects comply with Section 209 of the Act and cause to be kept and maintain proper books of account with respect to:-
- (a) All sums of money received and expended by the Company and the matter in respect of which the receipt and expenditure take place.
 - (b) All sales and purchases of goods by the Company.
 - (c) The assets and liabilities of the Company.

Inspection of accounts books

131. The books of account shall be kept at the Registered Office of the Company or at such other place in India as the Directors shall think fit and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place and the books of account shall be open to inspection by the Directors during business hours.
132. The Directors shall from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members (not being Directors) and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.

Annual Accounts and Balance Sheet

133. The Directors shall at some date not later than 18 Months after the incorporation of the Company and subsequently once at least in every Financial Year, lay before the Company in Annual General Meeting a Balance Sheet and Profit and Loss Account in case of the first account since the incorporation the Company and in other cases since the preceding account

made upto date not earlier than the date of the Meeting by more man six Months or in cases wherein an extension of time has been granted for holding the Meeting under the second proviso to sub-section (1) of Section 166 of the Act, by more than six Months and the extension so granted.

Annual Report of Directors

134. The Directors shall as per Section 217 of the Act, make out and attach to every Balance Sheet a report with respect to the state of the Company's affairs, the amount, if any, which they recommend should be paid by way of Dividend and the amount, if any, which they propose to carry to Reserve Fund, General Reserve or Reserve Account shown specifically on the Balance Sheet or to a Reserve Fund, General Reserve account to be shown specifically in a subsequent Balance Sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Directors, if authorised in that behalf by the Directors.

Contents of Profit and Loss Account

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

Balance Sheet and Profit and Loss Account to be sent to Members

136. The Company shall send a copy of such Balance Sheet and Profit and Loss Account together with a copy of the auditor's report and every other document required by law to be annexed or attached, as the case may be, to the registered address of every Member of the Company in the manner in which notice are to be given hereunder.

Directors to comply with Sections 209 to 211 and 215 to 222 of the Act

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

Account to be audited annually

138. Once at least in every Year the account 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

139. The auditors shall be appointed or re-appointed by the Comptroller and Auditor-General of India and his remuneration shall be fixed by the Company in the General Meeting or in such manner as the Company may determine in the General Meeting.

Auditors right to attend meeting

140. 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 explanations they desire with respect to the accounts.

Powers of the Comptroller and Auditor General

141. The Comptroller and Auditor General of India shall have powers:-

- (a) to direct the manner in which the Company's accounts shall be audited by the auditor, appointed in pursuance of Article 139 and to give such auditor instructions in regard to any matter relating to the performance of his functions as such;
- (b) to conduct supplementary or test audit of the Company's accounts by such Person or Persons as he may authorise in this behalf; and for the purposes of such audit, to require information or additional information to be furnished, to any Person or Persons so authorised on such matters, by such Person or Persons and in such form as the Comptroller and Auditor General may by general or special order, direct.

Comments upon or Supplement to Audit Report by the Comptroller and Auditor General to be placed before General Meeting

142. The auditor/ auditors aforesaid shall submit a copy of his / their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments upon or supplement to the audit report shall be placed before the General Meeting of the Company at the same time and in the same manner as the audit report.

RIGHTS OF THE PRESIDENT TO ISSUE DIRECTIVE

Rights of the President to issue directive

143. Notwithstanding anything contained in any of these Articles, the President may from time to time issue such directives as he may consider necessary in regard to the conduct of the business and affairs of the Company or Directors thereof and in like manner may vary and annul any such directive provided that all directives issued by the President shall be in writing addressed to the Chairman/Chairman and Managing Director/ Managing Director. The Directors shall give effect to directives so issued. The Board shall except where the President considers that the interests of the national security requires otherwise incorporate the contents of the directives issued by the President in the annual report of the Company and also indicate its impact on the financial position of the Company. The President shall have power to:-
- (i) give directions to the Company to the exercise and performance of its function in matters involving national security or substantial public interest and to ensure that the Company gives effect to such direction;
 - (ii) call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time.
 - (iii) authorise the amount of capital to be raised and the terms and conditions on which it may be raised.
 - (iv) approve the Company's five years and annual plan of development and the Company's capital budget;

- (v) approve the Company revenue budget in case there is an element of deficit which is proposed to be met by obtaining fund from the Government.
- (vi) approve agreements involving foreign collaboration proposed to be entered into by the Company and to approve purchase and contracts of a major nature involving substantial capital outlay which are in excess of the powers vested in the Company.

NOTICES

How notice to be served on Members

144. 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 not registered address), to the address, if any, supplied by him to the Company for the giving of notice to him.

Notification of address by share holder of registered Shares having no registered place of address

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

When notice may be given by advertisement

146. 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

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

How notice to be given to representative of deceased or a bankrupt Member

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

Transferees bound by prior notice

149. Every Person who by operation of law or other means whatsoever, shall become entitled to any Share, shall be bound by every notice in respect of such Share which previously to his name, 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.

How notice to be signed

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

How time to be counted

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

WINDIWG-UP

Distribution of assets on winding-up

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

(2) For the purposes aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may

determine how such division shall be carried out as between the members or different classes of members.

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

SECRECY CLAUSE

Secrecy clause

153. No Member shall be entitled to ask for discovery of or any information relating to any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

INDEMNITY

Indemnity

154. (1) Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors to pay out of the funds of the Company, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him in good faith 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.
- (2) Every Officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

INDIVIDUAL RESPONSIBILITY OF DIRECTORS

Individual responsibility of Directors

155. 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 or other act for conformity or for any loss or expenses occurring to the Company due to the 'insufficiency or deficiency of title to any property acquired by the orders of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement / or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence or dishonesty.

Sl. No.	Name, Address, Occupation and Description of each subscriber	Signature of Subscribers	Name, Address, Signature and Occupation of the witness
1.	ON BEHALF OF THE PRESIDENT OF INDIA THROUGH SRI SUDHIR KRISHNA, S/O SRI GAURI SHANKAR SHRIVASTAVA, D-I/97, SATYA MARG, CHANAKYAPURI, NEW DELHI - 110021, GOVERNMENT SERVENT, JOINT SECRETARY TO THE GOVT. OF INDIA DEPT. OF FERTILIZERS, NEW DELHI	Sd/-	<p>I witness the signatures of both the subscribers</p> <p>Sd/-</p> <p>Nabin Kumar Borah S/o Late Shri P. C. Borah B-16, Sector 27, Noida (U.P.) Pin - 201301 Occupation : Service</p>
2.	SHRI BALVINDER KUMAR S/O SHRI SOHAN LAL, D-I/10, RAVINDER NAGAR, NEW DELHI - 110003, JOINT SECRETARY, DEPARTMENT OF FERTILIZERS, GOVT. OF INDIA.	Sd/-	

DT. 05.04.2002

Place : Assam