

MEMORANDUM AND ARTICLES  
OF  
ASSOCIATION  
OF  
**MAHANADI COALFIELDS LIMITED**

**CIN-U10102OR1992GOI003038**



**Registered and Incorporated under the Companies  
Act, 1956 Company Limited by Shares**

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OF  
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OF  
**MAHANADI COALFIELDS LIMITED**



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प्राप्त० आई० आर०  
Form I. R.

निगमन का प्रमाण-पत्र

### CERTIFICATE OF INCORPORATION

ता० ..... की सं० .....  
No. 15-03038 of 19. 92-93.

मैं एतद्वारा प्रमाणित करता हूँ कि आज

कम्पनी अधिनियम 1956 (1956 का सं० 1) के अधीन निगमित की गई है और वह कम्पनी परिसीमित है।

I hereby certify that.....

MAHARATI COALFIELDS LIMITED

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

मेरे हस्ताक्षर से आज ता० ..... को दिया गया।

Given under my hand at Cuttack this Third day of April One thousand nine hundred and ninetytwo.

(G. Mukhopadhyay)

कम्पनियों का रजिस्ट्रार  
Registrar of Companies, Orissa

जे० एस० सी० 1  
J. S. C. 1

कम्पानि रजिस्ट्रार, ओडिशा  
Registrar of Companies  
(Orissa)

प्रभासमूटेक-52 सिविल 85-86-भासमूटेक-(सी-201)-10-8-89

N.GIPTC-52 Civil/85-86--GIPTC-(C-201)-10-8-89-10,000.

(THE COMPANIES ACT, 1956)  
A COMPANY LIMITED BY SHARES  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**MAHANADI COALFIELDS LIMITED**

- I. The name of the Company is Mahanadi Coalfields Limited.
- II. The Registered Office of the Company will be situated in the State of ORISSA.
- III. The objects for which the Company is established are :
  - A. Main Object of the Company to be Pursued by the Company on its Incorporation**
    1. To acquire and take over any of the business activities carried on by the Coal India Ltd. (formerly known as the Coal Mines Authority Ltd.) and/or by the subsidiaries of Coal India Ltd. Government companies registered under the Companies Act, 1956, with all the associated assets, liabilities obligations and current contracts.
    2. To carry on in India and elsewhere the trade or business of coal mining including the management of coal mines either independently or for and on behalf of or under the directions of Coal India Ltd., the holding company the Central Government or any State Government whether as custodian, receiver or in any other similar capacity.
    3. To mine, quarry or beneficiate coal and manufacture coke and other by-products of coal, purchase or otherwise acquire all minerals and other materials of every kind needed for or resulting from the mining, manufacturing production or processing of coal, coke and other by-products of every kind and, for this purpose, to install, operate and manage all necessary plants, mines, establishments, works.
    - 4.(a) To carry on the business of buying, selling, importing, exporting, producing, trading, manufacturing or otherwise dealing in all products made of iron and steel, coking coal, manganese, limestone, refractories and other allied industries and for that purpose to install, operate and manage all necessary plants, mines, establishments, works.
    - (b) To produce, process, store, distribute, sell, import, export or otherwise deal in gas and other by-products arising from the coal gasification process in India and abroad and for this purpose, to install, operate and manage all necessary plants, mines, establishments and works.

- (c) To carry on in India and abroad all or any of the business of generation, purchase, production, manufacture, processing, import, development, storage, accumulation, transmission, distribution, sale, export or otherwise dealing in all aspects of electricity, (including products derived from or connected with any other forms of energy), including without limitation thermal (based on coal/gas), solar, hydro, wind, tidal, geo-thermal, biological and any other forms of energy through Conventional or Non conventional Renewable energy sources, construction, operation and maintenance, renovation and modernisation of power stations and projects, cables, wires, lines, accumulators, lamps and works and for that purpose, to promote, operate and carry on the business of coal washeries, liquefied natural gas for supply of fuel to power stations and also to undertake in India and abroad the business of other allied/ancillary industries including those for utilisation of steam generated at power stations, coal ash and other by-products and install, operate and manage all necessary plants, establishments and works.
- (d) To explore, produce, sell and distribute Coal Bed Methane Gas and its by products in India and abroad and for this purpose, to install, operate and manage all necessary plants, mines, establishments and works.

**B. Objects Incidental or Ancillary to the Attainment of the Main Objects.**

5. To search for, inspect, examine, explore, mine, quarry, purchase or otherwise acquire in the Union of India or elsewhere in the world, deposits of coal and all other metals, minerals and mineral substances of every kind as an incident to or by-products of any of the foregoing.
6. To search for, get, work, raise, make merchantable, sell and deal in coal and to manufacture and sell patent fuel.
7. To carry on mining and quarrying coal and other by-products incidental thereto.
8. To manufacture coke and other by-products of coal.
9. To act as traders and carriers of coal and coke and other by-products directly or through agents.
10. To act as colliery and mine proprietors, coke manufacturers in all their respective branches.
11. To acquire coal mines by purchase, lease, licence, grant, amalgamation or otherwise; to produce or otherwise engage generally in the production, sale and disposal of coal and its by-products.
12. To recognize and reconstruct any coal mines taken over by the Government of India, to take over the charge of management of such mines and to operate them on sound commercial principles in order to ensure rational and co-ordinated development of coal production and to ensure optimum utilisation of capacity in the various projects.

13. To plan and organise production of coal as also its beneficiation and the manufacture of other by-products coal in accordance with the targets fixed in the Five Year Plan and the economic policy and objectives laid down by the Government from time to time.
14. To finance its replacement expenditure and repayment of loans from its own internal resources and to plough back in the plan expenditure on new projects any surplus that may be left after meeting the above mentioned expenditure and with due regard to its obligation to pay a reasonable dividend.
15. To develop technical know-how in coal mining and coal washery and undertake applied research and development relating to exploitation of coal deposits as well as utilisation of coal so that dependence on foreign technical collaboration is eliminated.
16. To buy, sell, manufacture and deal in minerals, plants, machinery, implements, conveniences, provisions, and things capable of being used in connection with mining operations or required by workmen and others employed by the Company.
17. To construct, carry out, maintain, improve, manage, work, control and superintend, any roads, ways, tramways, railways, bridges, reservoirs, waterworks, power houses, electrical works, factories, ware houses, shops and other works and convenience which may seem directly or indirectly conducive to any of the objects of the Company, and to contribute to, subsidise or otherwise aid or take part in any such operations.
18. To buy, sell, manufacture, repair, refine, manipulate, alter, improve, exchange, let out on hire, import export and deal in all factories, engines, works, plants, machinery, wagons, rolling stock, tools, implements, utensils, appliances, apparatus, products, materials, substances, articles and things capable of being used in any business which this company is competent to carry on or required by any customers of or persons having dealings with the Company or commonly dealt in by persons engaged in any such business which may seem capable of being profitably dealt with in connection therewith and to manufacture, experiment with, render marketable and deal in all products of residual and by products incidental to or obtained in any of the business carried on by the Company.
19. To sell, improve, manage, develop, exchange, loan lease or let under lease, sub-let, mortgage, dispose of, deal in any manner, turn to account or otherwise deal with any rights or property by the Company.
20. To acquire by purchase, lease, exchange, hire or otherwise or to construct and maintain factories, works, buildings, power houses and conveniences of all kinds, land, buildings apartments, plant machinery and hereditaments of any

tenure or description situated in India or in any other part of the world and any estate or interest there in and any rights over or connected with land so situate and to turn the same to account in any manner as may seem expedient, necessary or convenient to the Company for the purpose of its business.

21. To employ, engage, accept, expects, consultants, collaborators Indian and foreign , in connection with any of the operations of the Company and pay them in any manner, including by issue of stock, shares of the Company.
22. To establish and maintain agencies, branch places and local registers, to discontinue the same to procure registration or recognition of the Company and to carry on business in any part of the world and to take such steps as may be necessary to give the Company such rights and privileges in any part of the world as are possessed by local Companies or partnership or as may be thought desirable.
23. To apply for, purchase or otherwise acquire any trademarks patterns, brevets d'invention licences, concessions and the like conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being use for any of the purposes of the Company, the acquisition of the which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights or information so acquired.
24. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific, technical or research experiments and to undertake and carry on directly or in collaboration with other agencies scientific and technical research, experiments and test of all kinds, to process, improve and invent new products, and their techniques of manufacture and to promote, encourage, reward in every manner studies and research scientific and technical investigations, and inventions of any kind that may be considered likely to assist, encourage and promote rapid advances in technology, economics, import substitution or any business which the Companies authorised to carry on.
25. To pay for any lands, business, property, assets or rights acquired by the Company, wholly or partially in shares, debentures or other securities or obligations of the Company, or belonging to the Company and whether fully or partly paid and as part of the terms of any such purchase or otherwise to grant options upon any unissued shares of the Company.
26. To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from the Governments, Banks or financial institutions.
27. To lend money or property on mortgage or immovable property or against bank guarantees and to make advances or money against future supply of goods and services on such terms as the Directors may consider necessary but not amounting to banking as defined in the Banking Regulation Act-1949.

28. Subject to the provision of section 58(A) and direction of RBI to borrow money or to receive money or deposits or bonds, for the purpose of financing the business of the Company either without security or secured by debentures, bonds, stock (perpetual or terminable) mortgage or other security charged on the undertaking or all or any of the assets of the CIL and its any or all the subsidiary Companies including uncalled capital and to increase, reduce or pay off any such securities.
29. To guarantee the performance of the obligation of and payment of interest on any stock, shares of securities of any company, corporation, firm or person in any case in which such guarantee may be considered likely, directly or indirectly to further the objects of the Company or the interest of its share holders.
30. To accumulate funds and to invest or otherwise employ money belonging to or with the Company in the purchase or acquisition of any shares, securities or other investments what so ever, whether movable and immovable, upon such terms as may be thought proper and from time to time to vary all or any such investments in such manner as the company may think fit.
31. To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any other fund, 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 any other purpose whatsoever conducive to the interest of the Company.
32. To open an account or accounts with any individual firm or Company or with any bank or bankers or shroffs and to pay into and withdraw money from such account or accounts.
33. To draw, make, accept, discount, execute, and issue cheques bills of exchange, promissory notes, bills of lading, warrants debentures, and other negotiable or transferable instruments or securities.
34. To pay all costs, charges, and expenses on account of commission printing, stationery and such other things incurred by the company in the promotion and establishment of the Company or considered as preliminary by the Company.
35. To acquire, possess and undertake the whole or any part of the business, assets, property, goodwill, rights and liabilities of any person, firm society, association, corporation or Company carrying on any business which the company is authorised to carry on.
36. To form, incorporate or promote any Company or Companies for carrying into effect any of the objects of this Company and to take or otherwise acquire and hold shares in any such Company and generally in any Company the business of which is capable of being conducted so as directly or indirectly to benefit this



Company and to pay all or any of the costs and expenses incurred in connection with any such promotion or incorporation. These expenses so incurred will be reimbursable to the Company by the newly floated Company in due course.

37. To promote and undertake the formation of any institution or Company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purposes which may seem directly or indirectly calculated to benefit the Company or from any Subsidiary Company or Companies.
38. To obtain, apply for, arrange for the issue or enactment of Order or Act of Legislature or Act of Authority in India, or any other part of the world for enabling the Company to obtain powers, authorities, protection, financial and other help necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications or any other endeavours, steps or measures which may seem calculated directly or indirectly to prejudice the Company's interest.
39. To enter into any arrangement with the Government of India or any other Government of State or any local or State Government or with authorities supreme, national local municipal or otherwise or with any person for the purpose of directly or indirectly carrying out the objects of furthering the interests of the Company or its members and to obtain from any such Government, State, authority or person any charters, subsidies, loans indemnities, grants, contracts, decrees, rights, sanctions, privileges, licences or concessions whatsoever (whether statutory or otherwise) which the Company may think it desirable to obtain and carry out, exercise and comply with the same.
40. To adopt such means of making known the business of the Company as many seem expedient and in particular by advertising in the press, circulars, publications of books and periodicals and granting prizes, rewards and donations.
41. To undertake and execute any trusts the undertaking of which may seem to benefit the company either gratuitously or otherwise.
42. To aid, pecuniarily or otherwise, any association body, or movement having for an object the solutions, settlements, or surmounting of industrial or labour problems or troubles, or the promotion of industry or trade.
43. To subscribe or otherwise to assist or to guarantee money for any charitable, benevolent, religious, scientific, national or other institutions or for any exhibition, the objects of which shall have any moral or other claims to support or aid by the company either by reason of locality of operation or public and general utility or otherwise.

44. To dedicate, present or otherwise dispose of either voluntarily or for value any property of the Company deemed to be of national, public or local interest to any national trust, public body, museum, corporation or authority or any trustees on behalf of any of the same or of the public.
45. To enter into contracts of indemnity and guarantees.
46. To arrange, secure and make available to its subsidiary and other concerned organizations, such facilities resources, inputs and services as may be required.
47. To act as an instrument of a policy of the Central Government subject to such directives as may be issued by the President of India/ Coal India limited from time to time, with a view to exercising control over strategic areas of economy.
48. To do all or any of the above mentioned things and all such other things as are incidental or may be thought conducive to the attainment of the above mentioned objects or any of them and as principals, agents, contractors, trustees, or otherwise and either alone or in conjunction with others.
49. To undertake and carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company.
50. To promote, organize or carry on the business of consultancy services in any field or of activity in which it is engaged in.
51. To arrange, receive, collect and organize all relevant information in regard to coal industry or any other business carried on by the Company.
52. To acquire shares, stocks or securities in or of any Company carrying on any business which this Company is entitled to carry on or of any other company or undertaking the acquisition of which may seem likely or calculated directly or indirectly to promote or advanced the interests of or be advantageously or beneficial to the company and to sale or dispose of or transfer any such shares, stocks or securities.
53. To co-ordinate the activities of its subsidiaries, to determine their economic and financial objectives, targets and to review control, guide and direct their performances with a view to securing optimal utilisation of all resources placed at their disposal.
54. To carry on the business of trading in dealing with in any manner whatsoever, all commodities, goods and other things, manufactured, produced or dealt with in any manner by the company or by any of the subsidiaries of the company in which the company is authorized to carry on business.

- 55. To act as metallurgists wherever required for the attainment of the main object.
- 56. To carry on the business of carriers by land, sea and air as may be required to carry out the objects of the Company.
- 57. To empower Coal India Limited to borrow money or to receive money or deposit or issue bonds for the purpose of financing the business of the CIL including its subsidiary Companies either without security or secured by Debentures, Bonds, stock (perpetual or terminable) mortgage or other security charged on the undertaking all or any of the assets of the MCL including its uncalled capital and to increase, reduce or pay off any such securities.

C. Other Objects ..... Nil

IV. The liability of the members is limited.

V. The Authorised Share Capital of the company is Rs.500 crores ( Rupees five hundred crores) divided in to 29,58,200 (Twenty nine lacs fifty eight thousand two hundred) Equity Share of Rs.1000/- (Rupees one thousand) each and 20,41,800 (Twenty lacs forty one thousand eight hundred) 10% Cumulative Redeemable Preference Share of Rs.1000/- (Rupees one thousand) each.

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

Name of Subscriber	Address, description & occupation if any	No. of Equity share taken by each subscriber	Signature of subscriber	Signature of witness and their address description & occupation
1. COAL INDIA LIMITED	Private Limited Company (Fully owned Govt. of India Undertaking) Regd. Office – 10, Netaji Subhas Road, Calcutta-700001	Six	For Coal India Ltd  Sd/- (P.K. Sengupta) Director(Finance)	Sd/- Akhaya Mahapatra Partner B. Kishore & Co. Chartered Accountants Cuttack (Orissa)
2. Prasenjit Kumar Sengupta S/o Late Ajit Kumar Sengupta	Flat No.2 8/6/1, Alipore Estate Calcutta- 700027	One	Sd/- (P.K. Sengupta)	
3. Dr. Santosh Kumar Ghosh S/o Late Manmatha Nath Ghosh	186 A, Harish Mukherjee Road Calcutta -700026	One	Sd/- (S. K. Ghosh)	
4. Ganesh Chandra Mrig S/o Shri C.R. Mrig	CMD's Bungalow Saraidhella Dhanbad	One	Sd/- (G.C. Mrig)	
	<u>Total</u>	<u>Nine</u>		
Dated 3 <sup>rd</sup> April, 1992				

# ARTICLES OF ASSOCIATION OF MAHANADICOALFIELDS LIMITED

## 1. INTERPRETATION:

In the interpretation of these Articles the following expressions shall have the following meanings, unless repugnant to the subject or context:

**“The Act”** or **“The Said Act”** means The Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof for the time being in force containing the provisions of the Legislature in relation to companies.

**“The Articles”** means the Articles of Association of the Company, for the time being in force.

**“Annual General Meeting”** means a General Meeting of the members held in accordance with the provisions of section 96 of the Act or any adjourned meeting thereof.

**“Applicable Law”** means the Act, and as appropriate, includes any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.

**“Board Meeting”** means a meeting of the Directors duly called and constituted.

**“Board of Directors”** or **“Board”** means the Board of Directors for the time being of the Company.

**“Beneficial Owner”** means and includes beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.

**“Capital”** means the capital for the time being raised or authorized to be raised for the purposes of the Company.

**“The Chairman”** means the person who acts as a Chairman of the Board of Directors of the Company.

**“Chairman CIL”** means the Chairman of the Board of Directors of Coal India Limited.

“**CIL**” means Coal India Limited, a Company incorporated under the Companies Act, 1956.

“**Committee**” means any committee of the Board of Directors of the Company formed as per the requirements of the Act or for any other purpose as the Board may deem fit.

“**The Company**” or “**This Company**” means “**Mahanadi Coalfields Limited.**”

“**Chief Executive Officer**” (CEO) or “**Chairman cum Managing Director (CMD)**” means an officer of a Company, who has been designated as such by the Company.

“**Chief Financial Officer**” (**CFO**) means a person appointed as Chief Financial Officer of the Company.

“**Company Secretary or Secretary**” means a Company Secretary as defined in clause (c) of sub-section (1) of section (2) of the Company Secretaries Act, 1980 (56 of 1980) who is appointed by the Company to perform the functions of a Company Secretary under the Act.

“**Director**” means the Director of the Company for the time being, appointed as such.

“**Dividend**” includes any interim dividend.

“**Debenture**” includes debenture-stock, bonds and any other debt securities of the Company, whether constituting a charge on the assets of the Company or not.

“**Executor**” or “**Administrator**” means a person who has obtained probate or letters of administration, as the case may be, from some competent court.

“**Extra-ordinary General Meeting**” means an extraordinary general meeting of the members duly called and constituted and any adjourned meeting thereof.

“**Electronic Mode**” means electronic medium of communication including video conferencing or other audio-visual means or other electronic communication facility capable of being recorded, as may be applicable.

“**Financial Year**” means the same as in section 2 (41) of the Act.

“**Free Reserves**” means such reserves which, as per the latest audited balance sheet of a Company, are available for distribution as dividend:

Provided that

- (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
- (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves.

**“Government”** means either Central Government or any Government of any of the States of India.

**“Government Company”** means a Company defined as in section 2 (45) of the Act.

**“Holding Company”** in relation to one or more other companies, means a company of which such companies are subsidiary companies.

**“In writing or written”** means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form.

**“Independent Director”** means an independent Director referred to in sub-section (6) of section 149 of the Act.

**“Key Managerial Personnel”** or **“KMP”** means such persons as defined in section 2(51) of the Act.

**“Local Board”** means a Board constituted by the Board of Directors comprising any person 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.

**“Managing Director”** (MD) means a Director who, by virtue of the Articles of the Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.

**“Manager”** means an individual defined in section 2 (53) of the Act.

**“Meeting or General Meeting”** means a meeting of members.

**“Member or Members”** in relation to a Company, means - (a) the subscribers to the memorandum of association of the Company who shall be deemed to have agreed to become members of the Company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the Company and whose name is entered in the register of members of the Company; (c) every person holding shares in the Company and whose name is entered in register of beneficial owners as beneficial owner.

**“Month”** means a calendar month.

**“Office”** means the Registered Office of the Company.

**“Ordinary Resolution”** means a resolution referred to in section 114 (1) of the Act.

**“President”** means the President of India.

**“Paid Up Capital”** means the capital which is paid up presently.

**“Persons”** includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.

**“Register of Members/Register of Debenture Holders”** means the Register of Members including any Foreign Register/Register of Debenture Holders, which the Company may maintain pursuant to the Act and includes Register of Beneficial Owners.

**“Register of Beneficial Owners”** means the Register of Members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode.

**“Seal”** means the common seal of the Company.

**“Section”** means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or re-enacted.

**“Securities”** means the securities as defined in clause (h) of Section 2 of Securities Contract (Regulation) Act, 1956.

**“Share”** means a share in the share capital of a company and includes stock.

**“Special Resolution”** means a resolution referred to in section 114 (2) of the Act.

**“Statutory Auditor”** means and includes those persons appointed as such, for the time being, by the Comptroller & Auditor General of India.

**“Vice-Chairman”**(VC) means the Vice-Chairman of the Company.

**“Whole-Time Director”** (WTD) means and includes a Director in the whole-time employment of the Company.

Words importing the **masculine gender** also include the **feminine gender**.

Words importing the **plural number** also include the **singular number**.

Words importing the **singular number** include the **plural number**.

**“These Presents”** or **“Regulations”** means these Articles of Association as originally framed or altered from time to time and include the memorandum where the context so requires.

“Subject as aforesaid, any words or expression defined in the Act shall, except so where the subject or context forbids, bear the same meaning in these Articles.



**2. TABLE- F NOT TO APPLY:**

The regulation in Table 'F' in the First Schedule to the Act, shall not apply to the Company except so far as the same are repeated or contained in or expressly made applicable by these Articles or by the Act.

**3. REGULATIONS FOR THE MANAGEMENT OF THE COMPANY:**

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

**4. COMPANY IS A PRIVATE COMPANY:**

The Company is a private Company within the meaning of section 2(68) of the Act, and accordingly the Company will have a minimum paid up capital of Rs.1,00,000 or such higher paid up capital as may be prescribed from time to time under the Act. It further,

- (i) restricts the right to transfer its shares;
- (ii) limits the number of its members to two hundred:

Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single Member:

Provided further that:

- (a) persons who are in the employment of the Company; and
- (b) persons who, having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and
- (iii) prohibits any invitation to the public to subscribe for any securities of the Company.

**5. ARTICLES TO BE CONTEMPORARY IN NATURE:**

The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing that what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.

**6. CAPITAL & SHARES:**

The share capital shall be as in clause V of the Memorandum of Association(MoA) of the Company.

**7. INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT:**

Subject to Applicable Laws, the Board may, from time to time, increase the Capital by issuance of new shares. Such increase shall be of such aggregate amount and to be divided into such numbers of shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine. Whenever the Capital of the Company has been increased under the provisions of this article, the Directors shall comply with the provisions of section 64 of the Act or any such compliance as may be required by the Act for the time being in force.

**8. SHARES AND SECURITIES SHALL BE UNDER THE CONTROL OF THE DIRECTORS:**

Subject to the provisions of section 62 of the Act and these Articles and to the rights of CIL, the shares and securities in the Capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par at such time as they may from time to time think fit and to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the Capital of the Company or other securities on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted or may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

**9. SHARE CERTIFICATE:**

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.

If any security certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the

Company may deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of any fees.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or the rules made under the Act or any other Act, or rules applicable in this behalf.

The provision of this article shall *mutatis mutandis* apply to issue of certificates of Debentures of the Company.

## **10. TRANSFER & TRANSMISSION OF SHARES:**

Subject to the provision of Article 4, the right of members to transfer their shares shall be restricted as follows:

- (a) A share may be transferred by a member or other person entitled to transfer to a person approved by CIL.
- (b) Subject as aforesaid and subject to the provisions of section 58 of the Act, the Directors may, in their absolute and uncontrolled discretion, refuse to register any transfer of shares.
- (c) The instrument of transfer of any share in the Company shall be executed both by the transferee and the transferor 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. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).
- (d) Application for the registration of the transfer of a share may be made either by the transferee or the transferor. No registration shall, in the case of the partly paid share, be effected unless the Company gives notice of the application to the transferee subject to the provisions of these Articles and section 56 of the Act and/or Applicable Law unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.
- (e) On the death of a member, his legal heirs as per Hindu Succession Act or any other similar Acts providing for succession of estate of the deceased for other communities in India shall be the only persons recognized by the Company as having any title to his interest in the shares; provided nevertheless that it shall be lawful for the Directors in their absolute discretion to dispense with the production of any evidence including any legal representation upon such terms as to indemnify or otherwise as the Directors may deem fit.
- (f) Nothing contained in Article 10 (a) & (b) shall prejudice any power of the Company to register as shareholders any person to whom the right to any share in the Company has been transmitted by operation of law.

## **11. REGISTER OF TRANSFER OF SHARES AND TRANSFER OF DEBENTURES:**

The Company shall keep a book to be called the “Register of Transfer of Shares and Transfer of Debentures”, and therein shall be fairly and directly entered particulars of every transfer or transmission of any share or debenture. The Register of Transfers shall not be available for inspection or making of extracts by the members of the Company or any other persons. Entries in the register should be authenticated by the Secretary of the Company or by any other person authorized by the Board for the purpose, by appending his signature to each entry.

## **12. ALTERATION OF CAPITAL:**

Subject to the approval of Coal India Limited, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

**A.** Subject to the provisions of section 61, the Company may, by ordinary resolution,

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**B.** Where shares are converted into stock,

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

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

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

(c) such of the regulations of the Company as are applicable to paid up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

C. The Company may, by special resolution, reduce in any manner subject to, any consent required by law,-

a) Its share capital

b) Any capital redemption reserve account; or

c) Any share premium account

### **13. CAPITALISATION OF PROFITS:**

(i) 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 and loss account, or otherwise available for distribution; and

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

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

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

(b) 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;

(c) partly in the way specified in sub-clause (ii) (a) and partly in that specified in sub-clause (ii) (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

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

- (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power
  - (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled there to, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

#### **14. ON WHAT CONDITIONS NEW SHARES ARE ISSUED:**

- (a) New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting may resolve, provided that no shares (not being preference share) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).
- (b) Where at any time it is proposed to increase the subscribed Capital of the Company by allotment of further shares, then:
  - (i) Such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the Capital paid-up on those shares at the date.
  - (ii) Such offer shall be made by a notice specifying the number of shares offered and limiting the time as per the applicable provisions of the Act and subject to the Applicable Law from time to time and the offer if not accepted within that time limit, will be deemed to have been declined.
  - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to above shall contain a statement of this right.

- (iv) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the interest of the Company.
- (c) Notwithstanding anything contained in the Article No.14(b) the further shares aforesaid may be offered in any manner whatsoever, to any persons on private placement or on preferential basis, whether or not those persons include the persons referred to clause (a) and (b) of Article 14, either for cash or for a consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.
- (d) Nothing contained in Article no. 14(c) hereof shall be deemed;
  - (i) To extend the time within which the offer should be accepted; or
  - (ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (e) Nothing contained in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:
  - (i) To convert such debentures or loans into shares in the Company; or
  - (ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the rules, if any, made by the Government in this behalf; and
- (b) In case of debentures or loans or other than debentures issued to or loans obtained from Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

**15. WHEN TO BE OFFERED TO EXISTING MEMBERS:**

The new shares resulting from an increase of (capital as aforesaid) may be issued or disposed of in accordance with the provisions of Article 8.

**16. SAME AS ORIGINAL CAPITAL:**

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

**17. ISSUE OF REDEEMABLE PREFERENCE SHARES:**

Subject to the provisions of Section 55 of the Act and other Applicable Law, any preference shares may be issued from time to time, on the terms that they are redeemable within 20 years and such other terms as may be decided at the time of the issue. Further,

- (i) Such preference shares shall always rank in priority with respect to payment of Dividend or repayment of Capital vis-à-vis equity shares;
- (ii) The Board may decide on the participation of preference shareholders in the surplus Dividend, type of preference shares issued whether cumulative or otherwise, conversion terms into equity if any;
- (iii) The Board may decide on any premium on the issue or redemption of preference shares.

**18. BUYBACK OF SHARES/ SECURITIES:**

Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and other Applicable Laws, the Company may purchase its own shares or other specified securities. The powers conferred herein may be exercised by the Board, at any time and from time to time, and to the extent permitted by Applicable Law, and shall be subject to such rules or approval as required.

**19. PROVISIONS APPLICABLE TO ANY OTHER SECURITIES:**

The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into shares, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such securities may be issued either at par or premium and redeemed either at par or premium, as may be determined by the terms of the issue.

**20. MODIFICATION OF RIGHTS:**

Whenever the share capital is divided into different types or classes of shares, all or any of the rights and privileges attached to each type or class may, subject to the provisions of sections 48 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued shares of the class or is confirmed by a special resolution passed at a separate meeting of the holders of shares of that class.

**21. SHARES NOT TO BE HELD IN TRUST:**

Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be



compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

## **22. CALLS:**

- (i) The Board of Directors may, from time to time and subject to the terms on which Securities have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments.
- (ii) The option or right to make calls on Securities shall not be given to any person except with the sanction of the issuer in general meetings.
- (iii) Fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
- (iv) A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
- (v) A call may be revoked or postponed at the discretion of the Board.
- (vi) The joint-holders of a share or debenture shall be jointly and severally liable to pay all calls in respect thereof.
- (vii) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, but no member or debenture holder shall be entitled to such extension save as a matter of grace and favour.
- (viii) If the sum payable in respect of any call not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the securities in respect of which a call shall have been made, shall pay interest on the same at 10% per annum or at such lower rate, if any as Board of Directors may determine, from the day appointed for the payment thereof to the day of Actual payment, but the Board of Directors may waive payment of such interest wholly or in part.
- (ix) Any sum, which by the terms of issue of securities becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed

to be call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

- (x) On the trial or hearing of any Action or suit brought by the Company against any member or debenture holder or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares or debentures, it shall be sufficient to prove that the name of the member or debenture holder in respect of whose shares or debentures the money is sought to be recovered, appears entered on the register of members or debenture holders as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due on the share and debentures in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the member or debenture holder or his representatives sued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.
- (xi) Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member or debenture holder to the Company in respect of his shares or debentures, 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 shares or debentures as hereinafter provided:
  - (a) The Directors may, if it thinks fit, subject to the provision of the Act agree to and receive from any member willing to advance the same, all or any part of the amounts of his shares beyond the sums actually called up and upon the money so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate (not exceeding without the sanction of the Company in General Meeting 12% percent per annum) as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the member three months notice in writing. Provided the moneys paid in advance of calls shall not confer a right to dividend or to participate in profits.
  - (b) No member paying any such sum in advance shall be entitled to participate in profits or dividend or to voting rights in respect of the money so paid by him until the same would but for such payment become presently payable.

### **23. LIEN:**

- (i) The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares)/debentures/securities registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures/securities and no equitable interest in any shares shall be created except upon the footing and condition that this article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares/debentures/securities shall operate as a waiver of the Company's lien if any on such shares/debentures/securities. The Directors may at any time declare any shares/debentures/securities wholly or in part to be exempt from the provisions of this clause.
- (ii) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares/debentures/securities at the date of the sale.

### **24. FORFEITURE OF SHARES/DEBENTURES:**

- (i) If any member or debenture holder fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (ii) The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate not exceeding 20 percent per annum as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares or debentures or securities in respect of which the call was made or installment is payable will be liable to be forfeited.
- (iii) If the requirements of any such notice as aforesaid shall not be complied with, every or any share or debenture or securities in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or interest or any other moneys payable in respect of the forfeited share or debenture and not actually paid before the forfeiture.

- (iv) When any share or debenture or securities have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder 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 or register of debenture holders but no forfeiture shall be in any manner invalidated by any-omission or neglect to give such notice or to make any such entry as aforesaid.
- (v) Any share or debenture or securities so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
- (vi) Any member whose shares or debenture holder whose debentures have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares or debentures at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding 20% per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.
- (vii) The forfeiture of a share or debenture shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (viii) A declaration in writing that the declarant is a Director or secretary of the Company and that a share or debenture or securities in the Company has been duly forfeited in accordance with these Articles 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 shares or debentures.
- (ix) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to exercise an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the register in respect of the shares or debentures sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the register in respect of such shares or debentures, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (x) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares or debentures to the person or persons entitled thereto.

- (xi) The Board may at any time before any share or debentures or securities so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit.

**25. TERMS OF ISSUE OF SECURITIES:**

Any debentures, debenture stock, bonds or other Securities may be issued on such terms and conditions as the Board may think fit. Provided that debenture with a right to allotment or conversion into shares shall be issued in conformity with the provisions of Section 62 of the Act. Debentures, debenture stock, bonds and other securities may be made assignable free from any equities from the Company and the person to whom it may be issued. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with such sanctions as may be applicable.

**26. REGISTER OF MEMBERS:**

- (i) The Company shall maintain a Register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.
- (ii) A member, or other Security holder or Beneficial Owner may make inspection of Register of Members and annual return. Any person other than the Member or Debenture holder or Beneficial Owner of the Company shall be allowed to make inspection of the Register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the Company Secretary from time to time.
- (iii) Such person, as referred to in Article 26 (ii) above, may be allowed to make copies of the Register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 50 for each page, or such higher amount as permitted under Applicable Law.

**27. BORROWING POWERS:**

Subject to the approval of the President/CIL and the provisions of these Articles and provisions of Section 73 to 76, 179, 180 of the Act, the Board may by means of a resolution passed at a meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company, provided that no approval of President/CIL would be necessary for borrowing from the banks for the purpose of meeting the working capital requirements on the hypothecation of the Company's Current Assets.

## **28. REGISTER OF CHARGES:**

The Company shall keep at its registered office a Register of Charges in the manner as prescribed in Applicable Law and enter therein particulars of all charges registered with the Registrar of Companies on any property acquired subject to a charge as well as particulars of any modification of a charge and satisfaction of charge.

The above Register and the instrument of charges kept by the Company shall be open for inspection-

- (a) by any member or creditor of the Company without fees; and
- (b) by any other person on payment of a fee of Rs. 50/-only.

## **29. GENERAL MEETING:**

- (a) The Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on any day that is not a national holiday and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated.
- (b) All General Meetings other than Annual General Meeting shall be called as an Extraordinary General Meeting.
- (c) In the case of an Annual General Meeting, all businesses to be transacted at the meeting shall be deemed special, with the exception of business relating to:
  - (i) The consideration of financial statements and the reports of the Board of Directors and auditors;
  - (ii) The declaration of any Dividend;
  - (iii) The appointment of Directors in place of those retiring;
  - (iv) The appointment of auditors by the Comptroller & Auditor General of India and fixing of their remuneration by the shareholders of the Company.
- (d) In case of any other meeting, all business shall be deemed special.
- (e) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.
- (f) The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any security holders, the Company shall, subject to Applicable Law, be entitled to seek assent of members, members of a class of members or any holders of securities using such contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including that obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other security holder by way of personal presence in a meeting.

- (g) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as on the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
- (h) Any meeting called as above by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
- (i) Where there is voting in General Meeting, the person chairing the General Meeting may require a poll to be conducted.
- (j) At least twenty one clear days notice in writing, specifying the place, date, day and hour of General Meetings, with a statement of the business to be transacted at the meeting shall be served in writing or through electronic mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, auditor(s) and Directors of the Company.
- (k) A General Meeting may be called at a shorter notice, if consented to either by way of writing or any electronic mode by not less than 95% of the members entitled to vote at such meeting.
- (l) The accidental omission to give notice to or the non-receipt thereof by any member shall not invalidate any resolution passed at any such meeting.
- (m) No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (n) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in section 103 of the Act.
- (o) If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
- (p) No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
- (q) The Chairman shall be entitled to take the chair at every General Meeting of the Company.



- (r) If there is no such Chairman or if he is not to be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to Act as Chairman of the meeting, the Directors present shall elect one of their members to be Chairman of the meeting.
- (s) If at any meeting no Director shall be present within fifteen minutes after the time appointed for holding the meeting or if all the Directors present decline to take the chair, then the members present shall choose one of their member to be Chairman of the meeting.
- (t) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
- (u) The Chairman of General Meeting may with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting adjourn the same, from time to time and from place to place.
- (v) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (w) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (x) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **30. VOTE OF MEMBERS:**

- a) Subject to any rights or restrictions for the time being attached to any class or classes of shares,
  - (i) on a show of hands, every Member present in person shall have one vote.
  - (ii) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.
- b) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- c) A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy.



- d) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
- e) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- f) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- g) Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorised in accordance with section 113 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate, which he represents as the body could exercise if it were an individual member.
- h) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
- i) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a body corporate, under the common seal of such corporate, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. An instrument appointing a proxy shall be in the form as prescribed in terms of section 105 of the Act.
- j)
  - (i) A member present by proxy shall be entitled to vote only on a poll, except where Applicable Law provides otherwise.
  - (ii) The proxy so appointed shall not have any right to speak at the meeting.
  - (iii) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given; provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
  - (iv) A form of proxy shall be in the manner laid down under section 105 of the Act read with Rule 19 (3) of the Companies (Management & Administration) Rules, 2014 and as amended from time to time.

- (v). 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 bye-law required) be bound to recognize any benami trust or equitable contingent or other claim to or interest in such share on the part of any person whether or not it shall have express or implied notice thereof.
- k) (i) Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law.
- (ii) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (iii) Any such minutes shall be evidence of the proceedings recorded therein.
- (iv) The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the Company secretary from time to time, to the inspection of any member without charge.
- (v) Any member of the Company shall be entitled to a copy of minutes of the General Meeting on receipt of a specific request and at a fee of Rs. 10/- (*rupees ten only*) for each page, or such higher amount as the Board may determine, subject to any Applicable Law.

### **31. BOARD OF DIRECTORS:**

- a) The business of the Company shall be managed by the Board of Directors subject to the compliance of conditions stipulated in Department of Public Enterprises Office Memorandum no. DPE/11(2)/97-fin dated 22<sup>nd</sup> July, 1997, regarding Navratna/ Miniratna Status PSUs Guidelines, as modified from time to time.
- b) The first directors of the Company were:
1. Shri Prasenjit Kumar Sengupta
  2. Dr. Santosh Kumar Ghosh
  3. Shri Ganesh Chandra Mrig

### ***Number of Directors***

- c) The President shall from time to time determine the number of Directors of the Company which shall be not less than 2 and not more than 15. These Directors may be either Whole Time Functional Directors or Part-Time Directors. However, the Company may appoint more than 15 Directors after passing a special resolution. The Directors are not required to hold any qualification shares. Composition of the Board shall be in accordance with the provisions of section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall be (a) entitled to transact the business for the purpose of attaining the required composition of the Board and (b) would be entitled to carry out such business as may be required in the best interest of the Company in the meantime.

### ***Appointment of Functional Directors***

- d) The President may from time to time, appoint one or more Functional Directors who shall be whole time employees of the Company.

### ***Additional Director***

- e) Subject to the provisions of sections 149, 152 and 161 of the Act and Applicable Laws, the President shall have the power to appoint an Additional Director provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

### ***Nominee Director***

- f) In the event of Company borrowing any money from any financial corporation or institution or government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company.
- g) A Nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.

### ***Chairman/CMD/Managing Director/CEO***

- h) The Chairman/CMD/Managing Director/CEO of the Company shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President, subject to the provisions of the Act. An individual may be appointed or reappointed by the President as the Chairman of the Company as well as the Managing Director of the Company at the same time. Such person shall preside at all meetings of the Board as well as General Meetings of the Company.

### ***Vice-Chairman, Whole-Time Functional Directors and Other Directors***

- i) Subject to the provisions of the Act, in addition to the Chairman/ CMD/ Managing Director/CEO, the President shall also appoint Vice-Chairman, Whole-Time Functional Directors and other Directors in consultation with the Chairman.
- j) No such consultation will be necessary in case of appointment of the Director(s) representing the Government.

### ***Remuneration to Directors***

- k) The Directors shall be paid such salary and/or allowances as the President may, from time to time determine. Subject to the provision of the Act, such additional remuneration as may be fixed by the President may be paid to any or more Directors for extra or special services rendered by him or them; provided that where the Company takes a Directors' Liability Insurance, specifically pertaining to a particular Director, then the premium paid in respect of such insurance, for the period during which a Director has been proved guilty, will be treated as part of remuneration paid to such Directors.
- l) The Board or a relevant Committee constituted for this purpose shall seek to ensure that the remuneration paid to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### ***Entrust and Confer Powers***

- m) Subject to the provisions of section 179 and 180 of the Act, the Board may, from time to time, entrust and confer upon the Chairman/Vice Chairman/CMD/Managing Director/ CEO/ Director or a Departmental Head for the time being such of powers as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may think expedient and may, from time to time, revoke, withdraw, alter or vary all or any such powers.

### ***Sitting Fees***

- n) The Non-official Part-time Directors may be paid sitting fee for attending the meetings of Board of Directors or any Committee thereof as may be decided by the Board from time to time not exceeding the maximum limits as prescribed under the Act. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible electronic mode.

### ***Alternate Directors***

- o) Subject to the provisions of section 161(2) of the Act, the President may appoint an Alternate Director to Act for a Director (hereinafter called “the original Director”) during his absence for a period of not less than three months from India. An Alternate Director appointed under this article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any Retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director.
- p) For the purpose of absence in the Board Meetings in terms of section 167 (1) (b) of the Act, the period during which an Original Director has an Alternate Director appointed in his place, shall not be considered.

### ***Casual Vacancy***

- q) Subject to the provisions of the Act, the President shall have the power at any time and from time to time to appoint any person to be a Director to fill up a casual vacancy in the office of a Director. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not vacated by him.

### ***Removal of Director***

- r) Subject to the provisions of the Act, the President may from time to time or at any time remove the Chairman, Vice Chairman, CMD, CEO or any Whole Time or Part Time Director from office at his absolute discretion. Chairman, Vice Chairman, CMD, and Whole Time Director may be removed from office in accordance with terms of appointment or, if no such terms are specified on the expiry of 3 months notice issued in writing by the President or with immediate effect on payment of the pay in lieu of notice period.
- s) The President shall have right to fill any vacancy in the office of the Chairman, Vice Chairman, CMD, Managing Director, CEO, Whole Time Directors or Director caused by retirement, removal, resignation, death or otherwise, subject to the provisions of the Act.

- t) Any Director of the Company, except the one appointed by the National Company Law Tribunal, may be removed by way of ordinary resolution before the expiry of his term of office, subject to the provisions of section 169 of Act.

***Resignation by Director***

- u) Subject to the provisions of section and subject to the provisions of Applicable Law, a Director may resign from his office by giving a notice in writing to the Company and Board shall take note of the same. The Act of such resignation shall be mentioned in the Directors report laid in the immediately following General Meeting by the Company.
- v) CMD, Managing Director, CEO or a Whole-Time Director or any Executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person.
- w) The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later; provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

***Vacation of Office of Director***

- x) The office of a Director shall *ipso facto* be vacated:  
On the happening of any of the events as specified in section 167 of the Act, or:
- (i) If a person is a Director of more than the number of companies as specified in the Act at a time;
- (ii) In the case of Alternate Director, on return of the original Director in terms of section 161 of the Act;
- (iii) Having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (iv) If he is removed in pursuance of section 169 of the Act;
- (v) Any other disqualification that the Act for the time being in force may prescribe.
- (a) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office along with the requisite deposit of Rupees One (1) lac or such higher amount as the Board may determine, as permissible by Applicable Law.

- (aa) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to Act as a Director, if appointed.
- (aaa) A person other than a Director re-appointed after retirement by rotation immediately on the expiry of his term of office, or an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under section 161 of the Act, appointed as a Director or re-appointed as an additional or alternate Director, immediately on the expiry of his term of office, shall not Act as a Director of the Company unless he has submitted consent in writing to Act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.

#### ***Woman Director***

- y) Subject to the second proviso to Section 149 (1) of the Act and other applicable laws and Government Guidelines, if any, issued from time to time, the Company may have at least one Woman Director on the Board.

#### ***Independent Directors***

- z) Subject to the provisions of Section 149(6) of the Act and other Applicable Laws as well as Government Guidelines issued from time to time, the President shall have the power to appoint requisite number of Independent Directors to comply with the Act as amended from time to time.
  - i. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.
  - ii. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.
  - iii. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.
  - iv. An Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.



- v. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.
- vi. Subject to Applicable Law and Government Guidelines, if any, issued from time to time, an Independent Director shall hold office for a term for which he is appointed upto a maximum period of 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.
- vii. No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

**32. RESERVE FOR DECISION OF THE PRESIDENT/ CIL:**

Subject to the provisions of the Applicable Law, the Chairman shall reserve for decision of the President/CIL 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 decision of the President/CIL and no decision on such an important issue shall be taken in the absence of the Chairman appointed by the President/CIL.

Without prejudice to the generality of the above provision, the Board shall reserve for the decision of the President/CIL any matter relating to:

- a) Any programme of capital expenditure for an amount exceeding the limits, if any, contained in the government guidelines issued from time to time.
- b) The Company's revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government/CIL.
- c) The five-year and annual plans of development and the Company's Capital Budget.
- d) Agreement involving foreign collaboration proposed to be entered into by the Company.
- e) Winding up of the Company.
- f) Promotion of wholly or partly owned Company (ies) or subsidiary (ies) including participation in their share capital and entering into partnership and/or arrangements for sharing profits, subject to the government guidelines issued in this regard from time to time.
- g) Sale, lease, disposal or otherwise of the whole or substantially the whole of the undertaking of the Company.



### **33. DIRECTIVES FROM THE PRESIDENT/CIL:**

- (a) Notwithstanding anything contained in all these Articles the President/CIL may from time to time issue such directives or instructions as may be considered necessary in regard to conduct of, business and affairs of the Company and in like manner may vary and annul any such directive or instruction. The Directors shall give immediate effect to the directives or instruction so issued. In particular, the President/CIL will have the powers:
- (i) to give directives to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest;
  - (ii) to call for such returns, accounts and other information with respect to the property and Activities of the Company and its constituent units as may be required from time to time ;
  - (iii) to determine in consultation with the Board annual, short and long-term financial and economic objectives of the Company.

Provided that all directives issued by the President/ CIL shall be in writing addressed to the Chairman. The Board shall, except where the President/CIL considers that the interest of national security require otherwise, incorporate the contents of directives issued by the President /CIL in the annual report of the Company and also indicate its impact on the financial position of the Company.

- (b) No action shall be taken by the Company in respect of any proposal or decision of the Directors reserved for the approval of the President/CIL until his approval to the same has been obtained. The President/CIL shall have the power to modify such proposals or decision of the Directors.

### **34. DIRECTOR'S AND RELATED PARTY CONTRACT WITH THE COMPANY:**

Subject to Applicable Law, a Director or any related party as defined in section 2 (76) of the Act or other Applicable Law may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services, or other contract involving creation or transfer of resources, obligations or services, subject to such sanctions as required by Applicable Law. Unless so required by Applicable Law, no sanction shall, however, be necessary for any contracts with a related party entered into arm's length basis. Where a contract complies with such conditions or indicia of arms length contracts as laid down in a policy on related party transactions framed by the Board and approved in a General Meeting, the contract shall be deemed to be a contract entered into on arm's length basis. In the absence of such a policy, the Board shall be at liberty to determine the arms' length nature of any business subject to the provisions of any Applicable Law and proper justification being noted for the same.

**35. DISCLOSURE BY DIRECTORS:**

Every director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or when ever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in the manner as prescribed under Section 184 of the Act.

A Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in section 184(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other body corporate where the Director of the Company either himself or in association with any other Director hold or holds not more than two per cent of the paid-up share capital in such other body corporate.

**36. INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE IN BOARD'S PROCEEDING:**

Subject to the provisions of Section 184 of the Act, no Director shall act as Director or take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void.

**37. REGISTER OF CONTRACTS IN WHICH DIRECTORS ARE INTERESTED:**

The Company shall keep a register in accordance with section 189 (1) of the Act and Applicable Law. The register shall be kept at the registered office of the Company and shall be preserved permanently and kept in the custody of the Company secretary of the Company or any other person authorized by the Board for the purpose.

Such a register shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof may be provided to a member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs.10 (*ten rupees*) per page, or such higher amount as may be laid by the Board, as permitted by Applicable Law.

**38. REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND THEIR SHAREHOLDING:**

The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.

**39. BOARD MEETING:**

- a) The Directors may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings, as it thinks fit.

*Notice of Board Meeting*

- b) A meeting of the Board shall be called by giving not less than seven days notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
- c) The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode, and shall provide all the necessary information to enable the Directors to participate through such electronic mode.
- d) A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent Director, if any, shall be present at the meeting, or in case of absence of independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one independent Director. Where the Company does not have, for the time being, any independent Director, a Board meeting may be called at a shorter notice where such notice is approved by a majority of Directors present at such meeting.

*Number of Board Meetings*

- e) The Board shall meet at least four times every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit.

*Attendance*

- f) Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through electronic mode shall be entered and initialed by the Company Secretary, stating the manner in which the Director so participated.

### ***Calling a Board Meeting***

- g) The Chairman/ Vice Chairman/ CMD/ CEO/ Managing Director or a Director may, and the Company Secretary with the approval of Chairman/ Vice-Chairman/ CMD summons a meeting of the Board.

### ***Decision at Board Meeting***

- h) Save as otherwise expressly provided in the Act, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

### ***Chairman of the Meeting***

- i) CMD/ Chairman/ Vice Chairman shall preside at all meetings of the Board as well as General Meetings. If an individual is appointed or reappointed by the President as the Chairman of the Company as well as the Managing Director of the Company at the same time, in that case, such person shall preside at all meetings of the Board as well as General Meetings of the Company. Otherwise, the Board may elect a Chairman, and determine the period for which he is to hold office. The Managing Director/CEO may also be appointed by the Board as the Chairman.
- j) If no such Chairman is elected, or if at any meeting the Chairman is not present within five (05) minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairman of the meeting.

### ***Participation through Electronic Mode***

- k) Subject to the provisions of section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, electronic mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipments for ascertaining the views of such Directors who have indicated their willingness to participate by such electronic mode, as the case may be.
- l) The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through electronic mode, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law. In case of a place other than such places where Company makes arrangements as above, the Chairman may decline the right of a Director to participate through electronic mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairman so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairman, may be reimbursed by the Company.

- m) Subject as aforesaid, the conduct of the Board meeting, where a Director participates through electronic mode shall be in the manner as laid down in Applicable Law.
- n) The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through electronic mode, as the case may be.
- o) Upon the discussions being held by electronic mode, as the case may be, the Chairman or the Company secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.
- p) Subject to provisions of section 173 of the Act and the applicable rules, a Director may participate in and vote at a meeting of the Board by means of electronic mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board meeting.

#### ***Quorum***

- q) The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall decide.
- r) The continuing Directors may Act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may Act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company and for no other purpose.
- s) A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, discretions or powers as per the guidelines/orders issued by the Govt./CIL from time to time or under these Articles for the time being vested in or exercisable by the Board, or in accordance with section 179 (1) of the Act and rules made thereunder.

#### ***Delegation of Power by the Board to Committee***

- t) (i) The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of their powers, to Committees consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Unless a power of the Board is not capable of being delegated, such power may be delegated by the Board to any officer or Committee of officers as the Board may determine.

- (ii) Any Committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board.
- (iii) Subject to the provisions of the Companies Act, 2013 and the Rules made thereunder as well as other applicable laws, chairman of the committee may be appointed by the board.
- u) The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board.

***Passing of Resolution by Circulation***

- v) Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to section 175 of the Act or Applicable Laws, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, at their addresses registered with the Company 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 has been approved by a majority of the Directors or members as are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a Board meeting.

Provided further that where the resolution has been put to vote at a Board meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void.

***Defects in Appointment of Directors not to Invalidate Actions Taken***

- w) All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this article shall be deemed to give validity to Acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

## *Minutes*

- x) (i) The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within thirty days of the conclusion of every such meeting, entries thereof in the books kept for that purpose with their pages consecutively numbered in accordance to section 118 of the Act or Applicable Laws.
- (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (iii) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by pasting or otherwise, if the minutes are kept in physical form.
- (iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) Where the meeting of the Board takes place through electronic mode; the minutes shall disclose the particulars of the Directors who attended the meeting through such means.
- (vi) The draft minutes of the meeting shall be circulated among all the Directors within fifteen days of the meeting either in writing or in electronic mode as may be decided by the Board and/or in accordance with Applicable Laws.
- (vii) Every Director who attended the meeting, whether personally or through electronic mode, shall confirm or give his comments in writing, about the accuracy of recording of the proceedings of that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.
- (viii) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.
- (ix) The minutes shall also contain:
  - (i) The names of the Directors present at the meeting; and
  - (ii) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.
- (x) Nothing contained in Articles herein above, shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting:



- a. is, or could reasonably be regarded as defamatory of any person.
  - b. is irrelevant or immaterial to the proceedings; or
  - c. is detrimental to the interest of the Company.
- (xi) The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this article.
- (xii) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (xiii) Any Director of the Company may requisition for physical inspection of the Board meeting minutes by giving a prior notice of seven days.

Provided that the Director can requisition to inspect Board meeting minutes only for the period that he is on the Board of the Company.

Provided further that the physical inspection shall be done solely by the Director himself and not by his authorised representative or any power of attorney holder or agent.

#### ***Chairman of Committee of the Board***

- (xiv) 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 15 minutes after the time appointed for holding the same, the members present may choose one of their member to be Chairman of the meeting.

#### ***Directors may be Directors of Companies Promoted by the Company***

- (xv) A Director of this Company may be, or become, a Director of any Company promoted by this Company or in which it may be interested as a vendor, member or otherwise.

### **40. POWERS OF THE BOARD:**

- (a) The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act and Applicable Law made thereunder, or any other Act, or by the Memorandum, or by these Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made thereunder, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulations made by the Company in General Meeting shall invalidate any prior Act of the Board which would have been valid if that regulation had not been made.



### ***Loan to Directors***

- (b) The Board may, subject to Applicable Law, also give a loan to a Director or any entity in which the Director is interested. Where any sum of money is payable by a Director, the Board may allow such time for payment of the said money as is acceptable within customary periods for payment of similar money in contemporaneous commercial practice. Grant of such period for payment shall not be deemed to be a “loan” or grant of time for the purpose of sec 180 (1) (d) of the Act and applicable Law.

### ***Loan and Investment by the Company***

- (c) The Board may subject to section 186 of the Act and provisions of Applicable Law made there under shall by means of unanimous resolution passed at meeting of Board from time to time, invest, provide loans or guarantee or security on behalf of the Company to any person or entity.

## **41. SPECIFIC POWERS OF BOARD OF DIRECTORS:**

Without prejudice to the general powers conferred by section 179(3) of the Act or Applicable Laws made there under and the preceding article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in these Articles or the Applicable Law it is hereby declared that the Board of Directors shall have the following powers; that is to say, power:

- a. To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- b. To pay any interest lawfully payable under the provisions of the Act.
- c. To act jointly and severally in all or any of the powers conferred on them.
- d. To appoint and nominate any person(s) to Act as representative for purpose of attending and/or voting on behalf of the Company at a meeting of any Company or association.
- e. To comply with the provisions of Applicable Law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.
- f. To make, vary and repeal bye-laws for regulation of business of the Company and duties of officers and servants.
- g. Subject to sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may 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.

- h. Subject to the provisions of the Act and Applicable Laws, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged;
- i. To secure fulfillment of any contracts or arrangement 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 Company being or in such manner as they may think fit;
- j. To accept from any member, as far as may be permissible by law, surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;
- k. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debenture or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future).
- l. To open and deal with current account, overdraft accounts or any such account by availing fund based/ non-fund based limits with any bank/banks for carrying on any business of the Company.
- m. To approve budgets-To approve Capital Budgets and Revenue Budgets of the Company.
- n. To sub-delegate powers - To sub-delegate all or any of the powers, authorities and discretion for the time being vested in the Board of Directors subject, however, to the ultimate control and authority being retained by them. Any such delegate or attorney as aforesaid may be authorized by the Board of Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
- o. To appoint any person (whether incorporated or not) to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;
- p. To institute, conduct, defend, compound, refer to arbitration 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 debts due, and of any claim or demands by or against the Company and to appoint solicitors, Advocates, Lawyers, Counsel and other legal advisers for such purposes or for any other purposes and settle and pay their fee or remunerations.

- q. To refer any claims or demands or differences by or against the Company or to enter into any contract or arrangement for reference to arbitration, and observe, enforce, perform, compound or challenge such awards and to take proceedings for redressal of the same.;
- r. To act as trustees in composition of the Company's debtors and/or act on behalf of the Company in all matters relating to bankrupts and insolvents;
- s. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- t. Subject to the provisions of sections 179 and 186 of the Act, to invest and deal with any monies of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in section 187 of the Act, all investments shall be made and held in the Company's own name;
- u. To execute in the name and on behalf of the Company or in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- v. To determine from time to time who shall be entitled to sign, on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- w. Subject to provisions of Applicable Law, to give a Director or any officer or any other person whether employed or not by the Company, share or shares in the profits of the Company, commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- x. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit;
- y. To subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;

- z. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as a reserve fund, or sinking fund, or any special fund to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to section 179 of the Act, to invest the sums so set aside or so much thereof as required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the reserve into such special funds as the Board may think fit, with full power to transfer the whole, or any portion of a reserve fund or division of a reserve fund to another reserve fund or division, of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same, however, Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- aa. Subject to the provisions of the Act and applicable law, to create posts only for non-executive employees in any discipline and appoint, and at their discretion, institute disciplinary proceedings including suspension or removal of such general managers, managers, company secretary, assistants, supervisor, clerks, agents, other officers and employees, and servants of permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transact the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit.
- bb. To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- cc. Subject to applicable provisions of the Act and Rules made thereunder, and subject to any other applicable law, to appoint purchasing and selling agents for purchase and sale of Company's requirement and products respectively.

- dd. 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 elsewhere and to appoint any persons to the members of such local Boards and to fix their remuneration.
- ee. Subject to section 179 & 180 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or monies, 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 on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- ff. At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') and for' such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the members of any local Board, established as aforesaid or in favour of any Company, or the shareholders, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- gg. Subject to sections 184 and 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, agreements and to execute and do all such Acts, deeds and things in the name and on behalf of the Company as they may consider expedient;
- hh. Subject to the provisions of the Act, the Board may pay such remuneration to Chairman / Vice Chairman of the Board upon such conditions as they may think fit.
- ii. To take insurance of any or all properties of the Company and any or all the employees and their dependants against any or all risks.
- jj. (i).To take insurance on behalf of its CMD/Managing Director/CEO, Director(s), Manager, Chief Financial Officer, Secretary or any officer or employee of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

- (ii). To invest and deal with any of the monies of the Company in any currency not immediately required for the purposes thereof, upon such securities and in such manner as they may think fit and from time to time to vary or realize such investment, subject to compliance of RBI and Government Guidelines as issued from time to time.
- kk. To subscribe or otherwise to assist or to give Guarantee money to Scientific Institutions or Objects.
- ll. To authorize, the undertaking of works of a capital nature where detailed project reports have been prepared with estimates of different components parts of the project and to invite and accept tenders relating to works included in the approved estimate.
- mm. To authorize the undertaking of works of a capital nature, not covered *by* clause (ll) above, if required to be taken up in advance of the preparation of a detailed project report or otherwise as individual works, whether as part of existing or new schemes, not exceeding the limits contained in the Guidelines issued by the Govt. /CIL from time to time.
- (i) The project should be included in the approved five year and annual plans and outlays provided for,
- (ii) The expenditure on such works in subsequent years will be the first call on the respective allocations; and
- (iii) The required funds can be found from the internal resources of the Company and the expenditure is incurred on schemes included in the capital budget approved by the government/CIL.
- (iv) The enhanced delegation will be applicable in respect of projects for which no budgetary supports are envisaged i.e. projects funded 100% from IEBR. The term IEBR (internal and extra budgetary resources) for this purpose would include extra budgetary resources such as bonds, ECB and other similar mobilization made on their own internal strength by the PSUs but excluding Govt. Guaranteed borrowings.
- nn. To appoint agency or agencies or attorneys from time to time to provide for the management of the affairs of the Company outside the mining areas which in the context includes the townships and sites of operations of the Company in such manner as they think fit, and in particular to appoint any person to be the attorney or agent of the Company with such powers (excluding power to sub-delegate) and upon such terms as may be thought fit.
- oo. To exercise the powers as per guidelines/orders issued by the Govt./CIL from time to time.

- pp. The Board will have full powers other than those reserved for its shareholders, President/CIL in all matters for the operations of the company including inter alia all financial matters, all matters connected with taxes, duties, levies, cess, etc., Capital/ Revenue works, Land acquisitions, including payment of compensation to land outsees, employment to PAPs, purchases and contracts, write-off of stocks etc. by following of CIL Manuals and other applicable Policies and practices etc. like Tender Committees, Purchase Committees, Selection Committees, Departmental Promotion Committees for non-executives with due regard to Budget provision, Financial Concurrence, Service Rules & Guidelines, etc. as the case may be.
- qq. Subject to the provisions of the Act and of these Articles, the President shall have the power to appoint any of the Board member(s) as CMD/Managing Director(s)/CEO of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of these Articles the Board may by resolution vest in such Managing Director(s) such of the powers hereby vested to the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.
- rr. (i) Subject to the article above, the powers conferred on the CMD/Managing Director/CEO shall be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as the Board may think fit and it may confer such powers either collateral with or to the exclusion of and in substitution of all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers. CMD/Managing Director/CEO shall not exercise any powers under Section 179 of Act except such powers which can be delegated under the Act and specifically delegated by a resolution of the Board.  
  
(ii). Subject to Section 179 of the Act, to sub-delegate all or any of the powers, authorities and discretions for the time being vested in the Directors, subject however, to the ultimate control and authority being retained by them.
- ss. Any such delegates or attorney as aforesaid may be authorized by the Directors to sub-delegate all, or any of the powers authorities and discretions for the time being vested in them.
- tt. To lend money to subsidiaries and associated organizations, on such terms and conditions as they may consider desirable.
- uu. To carry out mergers and acquisitions subject to guidelines issued by the Govt. from time to time.
- vv. To enter into technology joint ventures and strategic alliances subject to guideline issued by Govt. from time to time.



- ww. To give Bonus etc. - To give, award, or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children, or dependants, that may appear to the Board of Directors just or proper, whether such employee, his widow, children or dependants have or have not a legal claim upon the Company.
- xx. To sanction/ reimburse expenses To sanction, pay and reimburse to the officers or employees of the Company in respect of any expenses incurred by them on behalf of the Company, or in connection with the business of the Company.
- yy. To hire any Person/ Firm/ Company (excluding Foreign Consultancy) as Consultants/ Experts/ Advisors to provide consultancy or to look after such matters as may be deemed fit in connection with the Company activities on monthly retainer fee basis or otherwise, or on such other terms & conditions as may be deemed fit, subject to guidelines, if any.

#### **42. VIGIL MECHANISM:**

Company shall establish a vigil mechanism for their Directors and employees to report their genuine concerns or grievances. Audit Committee shall oversee the vigil mechanism. The vigil mechanism shall provide for adequate safeguards against victimisation of employees and Directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee or the Director nominated to play the role of Audit Committee, as the case may be, in exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the Audit Committee may take suitable action against the concerned Director or employee including reprimand.

#### **43. DUTIES OF DIRECTORS:**

- (1) Subject to the provisions of this Act, a director of a Company shall act in accordance with the Articles of the Company.
- (2) A director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) A director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (6) A director of a Company shall not assign his office and any assignment so made shall be void.



- (7) If a director of the Company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

**44. MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER:**

Subject to the provisions of the Act and Applicable Law,

- (a) A Manager, Company Secretary or Chief Financial Officer may be appointed at a Board Meeting for such term, at such remuneration and upon such conditions as it may think fit; and any Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution at a Board Meeting;
- (b) The Board may also designate the head of the financial function to be the CFO of the Company.

**45. FUNCTIONS OF A COMPANY SECRETARY:**

The functions of the Company Secretary shall be in accordance with Section 205 of the Act and other Applicable Law.

**46. POWER TO AUTHENTICATE DOCUMENTS:**

Any Director or the Company Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents relating to the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the Company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract is a true and accurate records of a duly constituted meeting of the Directors.

**47. THE SEAL:**

- a. The Board shall provide a Common Seal for the purposes 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 Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Company shall also be at liberty to have an official Seal for use in any territory, district or place outside India.

- b. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf, and except in the presence of such Directors and the Company Secretary or such other person as the Board may specify/appoint for the purpose; and the Director and the Company Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Board shall provide for the safe custody of the Seal.

**48. DIVISION OF PROFIT & DIVIDEND:**

The profits of the Company available for payment of dividend, subject to any special rights relating thereto created or authorized to be created by these prescribed and subject to the provisions of those presents as to the reserve fund shall with the approval of the CIL be divisible amongst the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid upon a share during the period in respect of which a dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such share to an apportioned amount of such dividends as from the date of payment.

The Company in Annual General Meeting may declare a dividend to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board. The Company in general meeting may, however declare a lesser Dividend. No Dividend shall bear interest against the Company.

**49. INTERIM DIVIDEND:**

Subject to the provisions of section 123 of the Act and Applicable Law, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

**50. UNCLAIMED OR UNPAID DIVIDEND:**

There shall not be any forfeiture of unclaimed dividends and the Company shall comply with the applicable provisions of the Act relating to transfer of unclaimed and unpaid dividend to the investor education and protection fund or to any such other fund as may be required under Applicable Laws.

**51. INSPECTION OF ACCOUNTS AND BOOKS :**

The Directors shall from time to time determine whether and to what extent and at what time and places as 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 person (not being a Director) other than the President or his Nominees shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Company in General Meeting.

**52. PREPARATION OF REVISED FINANCIAL STATEMENTS OR BOARD'S REPORT:**

Subject to the provisions of section 131 of the Act and the Applicable Law made there under, the Board may require the preparation of revised financial statement of the Company or a revised Boards' report in respect of any of the three preceding financial years, if it appears to them that (a) the financial statement of the Company or (b) the report of the Board do not comply with the provisions of section 129 or section 134 of the Act.

**53. AUDIT:**

- (1) Statutory Auditors shall be appointed or re-appointed by the Comptroller & Auditor General of India and Cost Auditors, if any, shall be appointed by the Board. The rights and duties of auditors shall be regulated in accordance with sections 139 to 148 of the Act and other Applicable Laws, if any.
- (2) Subject to the provisions of section 139 of the Act and Applicable Laws made thereunder, the statutory auditors of the Company shall be appointed for a period not exceeding five consecutive years.
- (3) Secretarial Auditor shall be appointed by the Board and their rights and duties regulated in accordance with sections 204 of the Act and Applicable Law, if any.

**54. DOCUMENTS AND NOTICES:**

- (a) A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission, as prescribed in section 20 of the Act and Applicable Law made thereunder. Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so, service of the documents or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.
- (b) A document or notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.

- (c) A document or notice may be served or given by the Company or given to the joint-holders of a share by serving or giving the document or notice on or to the joint-holders named first in the register of members in respect of the share.
- (d) A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or 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 in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- (e) Documents or notices of every General Meeting shall be served or given in the same manner herein before on or to (a) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member, (b) every Director of the Company and (c) the auditor(s) for the time being of the Company.
- (f) Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the register of members, shall have been duly served on or given to the person from whom he derives his title to such shares.
- (g) Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.
- (h) All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or officer at the office by post or by registered post, or by leaving it at the office or by such other electronic means as prescribed in section 20 of the Act and Applicable Law made thereunder.
- (i) Any information in the form of a micro film of a document or image or a facsimile copy or any statement in a document included in a printed material produced by a computer shall be deemed to be a document and shall be admissible in any proceedings without further production of original, provided the conditions referred in section 397 are complied with. All provisions of The Information Technology Act, 2000 relating to the electronic records, including the manner and format in which the electronic records shall be filed, in so far as they are consistent with the Act, shall apply to the records in electronic form under section 398 of the Act.

## **55. WINDING UP:**

Subject to the provisions of Chapter XX of the Act and Applicable Law made thereunder

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, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.

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

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 if he considers necessary, but no member shall be compelled to accept any shares or other securities whereon there is any liability.

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

## **56. SECRECY CLAUSE:**

Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act.

No member shall be entitled to visit or inspect the Company's work without permission of a Director or to require discovery of or any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret success which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate to the public.

**57. INDEMNITY AND RESPONSIBILITY:**

For the purpose of this Article, the following expressions shall have the meanings respectively assigned below:

- (a) **“Claims”** means all claims for fine, penalty, amount paid in a proceeding for compounding/composition or immunity proceeding, actions, prosecutions, and proceedings, whether civil, criminal or regulatory;
- (b) **“Indemnified Person”** shall mean any Director, officer or employee of the Company, as determined by the Board, who in bonafide pursuit of duties or functions or of honest and reasonable discharge any functions as a Director, officer or employees, has or suffers any claims or losses, or against whom any claims or losses are claimed or threatened;
- (c) **“Losses”** means any losses, damages, cost and expense, penalties, liabilities, compensation or other awards, or any settlement thereof, or the monetary equivalent of a non-monetary suffering, arising in connection with any claim.

**58. INDEMNIFICATION:**

- (1) Where Board determines that any Director, officer or employee of the Company should be an Indemnified Person herein, the Company shall, to the fullest extent and without prejudice to any other indemnity to which the Indemnified Person may otherwise be entitled, protect, indemnify and hold the Indemnified Person harmless in respect of all claims and losses, arising out of, or in connection with, the actual or purported exercise of, or failure to exercise, any of the Indemnified Person's powers, duties or responsibilities as a Director or officer of the Company or of any of its subsidiaries, together with all reasonable costs and expenses (including legal and professional fees).
- (2) The Company shall further indemnify the Indemnified Person and hold him harmless on an 'as incurred' basis against all legal and other costs, charges and expenses reasonably incurred in defending claims including, without limitation, claims brought by, or at the request of, the Company and any investigation into the affairs of the Company by any judicial, governmental, regulatory or other body.
- (3) The indemnity herein shall be deemed not to provide for, or entitle the Indemnified Person to, any indemnification against:
  - (a) Any liability incurred by the Indemnified Person to the Company due to breach of trust, breach of any statutory or contractual duty, fraud or personal offence of the Indemnified Person;
  - (b) Any liability arising due to any benefit wrongly availed by the Indemnified Person;

- (c) Any liability on account of any wrongful information or misrepresentation done by the Indemnified Person;
- (d) The Indemnified Person shall continue to be indemnified under the terms of the indemnities in this Article notwithstanding that he may have ceased to be a Director or officer of the Company or of any of its subsidiaries.

**59. NOT RESPONSIBLE FOR THE ACTS OF OTHERS:**

Every officer 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 judgement is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal.

We, the several persons whose names and address are subscribed, are desirous of being formed into a Company in pursuance of these Articles of association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Name of Subscriber	Address, description & occupation if any	No. of Equity share taken by each subscriber	Signature of subscriber	Signature of witness and their address, description & occupation
1). COAL INDIA LIMITED	Private Limited Company Regd. Office 10, NetajiSubhas Road Calcutta – 700 001	6(Six)	For Coal India Ltd.  Sd/- (P.K. Sengupta) Director (Finance)	Sd/- AkhayaMahapatra Partner, B. Kishore & Co. Chartered Accountants Cuttack (Orissa)
2). Prasenjit Kumar Sengupta S/o Late Ajit Kumar Sengupta	Flat No. 2 8/6/1, Alipore Estate Calcutta – 700 027	1(One)	Sd/- (P.K. Sengupta)	
3). Dr. Santosh Kumar Ghosh S/o Late ManmathaNathGhosh	186 A, Harish Mukherjee Road Calcutta – 700 026	1(One)	Sd/- (S.K. Ghosh)	
4). Ganesh Chandra Mrig S/o Shri C.R. Mrig	CMD`s Bungalow Saraidhella Dhanbad	1(One)	Sd/- (G.C. Mrig)	
Total		9 (NINE)		
<b>Dated: 3<sup>rd</sup> April, 1992</b>				