

[THE COMPANIES ACT, 1956]

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

**JHARKHAND STATE BEVERAGES CORPORATION
LIMITED**

[A COMPANY WHOLLY OWNED BY GOVERNMENT OF JHARKHAND]

CONSTITUTION OF THE COMPANY

PRELIMINARY

1. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as The Companies Act, 1956, or any statutory modifications thereof in force at the date at which these Articles of Association become binding on the Company.
2. In these articles unless there be something in the subject or context inconsistent therewith-
 - i. "The Act" means the Companies Act, 1956, and any statutory modifications thereof;
 - ii. "The Company means" "Jharkhand State Beverages Corporation Limited"..
 - iii. The word "Governor" wherever used in these articles shall mean and include Government of Jharkhand.
 - iv. The "Board of Directors" or the "Board" means the Directors duly called and constituted as the case may be Directors assembled at a Board;

- v. "Chairman" means the Chairman of the company of the Board of Directors for the time being of the company.
- vi. "Managing Director" means the Managing Director of the Company for the time being, who shall be a State Government Officer not below the rank of Joint Secretary to the Government of Jharkhand as may be appointed by the Governor from time to time.
- vii. "Directors" means the Directors for the time being of the Company.
- viii. "Seal" means the common seal for the time being of the Company.
- ix. "Proxy" includes Attorney duly constituted under the power of Attorney.
- x. "Register" means the Register of Members of the Company to be kept pursuant to section 150 of the Act.
- xi. "State Government" means the Government of Jharkhand.
- xii. "Office" means the registered office for the company for the time being
- xiii. Executor or Administrator means a person who has obtained probate or letters of Administration as the case may be from some competent Court.
- xiv. "Capital" means the capital for the time being raised or authorized to be raised for the purposes of the Company.
- xv. "Share" means the share into which the capital is dividend and interest corresponding with such shares.
- xvi. Persons include Corporation as well as individuals.
- xvii. "Regulation of the Company" means the regulations for the time being in force for the management of the company.
- xviii. "Financial Year" means the period in respect of which any profit and loss account of the Company laid before the annual general meeting is made up, whether that period is a year or not.
- xix. "by-laws" means the by-laws which may be made by the Directors of the Company under these Articles and which may for the time being be in force;

- xx. "Dividend" includes bonus;
- xxi. "Month" means a calendar month (according to Gregorian calendar);
- xxii. "Words" imparting the masculine gender shall also include the feminine gender.
- xxiii. "In Writing" and "Written" include printing lithography and other modes representing or reproducing words in a visible form.
 - Word imparting the singular number includes the plural number and vice versa
 - Words imparting the masculine gender also include the feminine gender.
 - Marginal notes hereto shall not affect the construction thereof.

3. **TABLE "A" NOT TO APPLY**

The Regulations contained in table "A" in Schedule 1 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.

4. **COMPANY TO BE A PRIVATE COMPANY WITHIN THE MEANING OF SECTION 2 (35) AND 3 (1) (iii) OF THE ACT ACCORDINGLY**

The Company is a 'private limited company' within the meaning of section 2(35) and 3 (1) (iii) of the Companies Act, 1956 and accordingly the minimum paid capital of the company will be Rs. One lakh or such other higher amount as may be decided from time to time by the company,

- (a) The right to transfer of share shall be restricted as herein after prescribed:
- (b) Limits the number of members of the Company to fifty excluding:-
 - (i) Persons who are for the time being in the employment of the Company and
 - (ii) Persons who, having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment had ceased, and
- (c) Any invitation to the public to subscribe for any shares of debentures or debenture stock of the Company is hereby prohibited.

- (d) Prohibits any invitation or acceptance of deposits from persons other than its members, directors, or their relatives

II. SHARE CAPITAL

- 5. The authorized share capital shall be such amount and be divided into such shares as may from time to time be provided under clause V of the Memorandum of Association of the Company.

6. **POWER TO INCREASE CAPITAL**

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

7. **ISSUE OF NEW SHARES**

- i. Subject to such directions as may be issued by Governor in this behalf new shares shall be issued by the Company upon such terms and conditions and with such rights and conditions and with such rights and privileges annexed thereto as the General Meeting of the Company resolving, upon the creation thereof shall direct, and if no direct, and if no direction be given, as the directors shall determine, Provided that the Company shall not issue any shares (not being preference shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the right attaching to the holders of other shares (not being preference shares).
- ii. (a) Except so far as otherwise provided by the conditions of issue or by these articles any share capital raised by the creation of new shares shall be considered as part of the original share capital and shall be subject to the provisions herein contained with reference to the payment of calls.
- (b) New shares shall be at the disposal of the Board of Directors and may be allotted by them in such a manner as may be thought fit subject to the direction given by the Governor in that behalf.

III. REDUCTION OF CAPITAL

8. Subject to such directions as may be issued by the Governor in this behalf and to the provisions of sections 100 to 104 of the Act, the Company may, from time to time, by special resolution and without prejudice to the generality of the foregoing power, may:-

- (a) Extinguish or reduce the liability on any of its shares in respect of capital not paid up:
- (b) Either with or without extinguishing or reducing liability on any of its share, cancel any paid up share capital which is lost or is unrepresented by available assets: or
- (c) Either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the requirements of the Company. The Directors may subject to the provisions of the Act, accept surrenders of shares.

9. CLASSIFICATION OF SHARES

- (a) Subject to the provisions if any, in that behalf of the Memorandum of Association of the Company, any share in the Company, may be issued with such preferred or other special rights or such restriction whether in regard to dividends, voting, return of share capital or otherwise as the Company may from time to time by special resolution determine and preference share may with the sanction of a special resolution be issued on the terms that it is or in the opinion if the Company is liable to be redeemed.
- (b) If at any time the share capital is divided into different classes of shares, the right attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of the Act and whether or not the Company is wound up, be varied with the sanction of a resolution passed at a separate meeting of holders of those shares and supported by the votes of the holders not being less than 3/4 th of those shares.

10. CONTROL AND ALLOTMENT OF SHARES

Subject to the directions of the Governor in that behalf and subject to the provisions herein after contained, the shares shall be under the control of the board who may allot or otherwise dispose of the same to such persons as are approved by the Governor on such terms and conditions and at such times as the Board think fit and with full power to give to any person the calls on any shares whether at par or at a premium or (subject to the provisions of the Act) at a discount and for such consideration as the Board may think fit.

11. SHARE CERTIFICATE

Every person whose name is entered as a member in the register of members shall without payment, be entitled to a certificate under the common seal of the company specifying the shares held by him and the amount paid up thereon; provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate for share to one or several joint holders shall be sufficient delivery to all. A certificate for share shall be signed by at least two members of the Board.

12. ISSUE OF NEW SHARE CERTIFICATE IN PLACE OF ONE LOST, DESTROYED OR DEFACED

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

13. FUNDS OF THE COMPANY NOT TO BE EMPLOYED FOR PURCHASE OF ITS SHARES

Except to the extent allowed by the Act no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of the Company's shares.

IV. COMPANY'S LIEN ON SHARES

14. 1. The Company shall have a final and paramount lien
- (a). On every share (not being a fully paid share) for all moneys
(Whether presently payable or not) called or payable at the Fixed time in respect of that share, and
 - (c) On all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company
2. The Company's lien, if any, on a share shall stand to all dividends payable thereon.

15. ENFORCEMENT OF LIEN BY SALE

The Company may sell in such manner as the board think fit, any share on which the Company has a lien provided that no sale shall be made.

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

16. APPLICATION OF PROCEEDS OF SALE

The proceeds of the sale shall be received by the Company and applied towards 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 lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares on the date of the sale.

V. CALLS ON SHARES

17. The Board may from time to time make such calls as it think fit upon the members in respect of any moneys unpaid on the shares held by them and not by the conditions of allotment thereof made payable at fixed time and each member shall pay the amount of every call so made on him to such persons and at such times and places appointed by the Board. A call may be made payable by

installments. Provided, however, that the board may from time to time at its discretion extend the time fixed for the payment of any call and may extend such time save as matter of grace and favour.

18. SEVERAL AND JOINT RESPONSIBILITY OF JOINT SHARE HOLDERS

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

19. WHEN INTEREST ON CALL IS PAYABLE

- (a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at the rate of twelve percent per annum or at such lower rate, if any, as the board determine.
- (b) The Board may be at liberty to waive payment of any such interest wholly or in part.
- (c) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the purposes of these articles be deemed to be a call duty made and payable on the date on which by the terms of issue such sum becomes payable.
- (d) In case of nonpayment of such sum, all the relevant provisions of these articles as to payment of interest and expenses for forfeiture or otherwise shall apply as if such sum had become payable by virtue of call duty made and notified.

20. PAYMENT IN ANTICIPATION OF CALLS MAY CARRY INTEREST

THE BOARD;

- (a) May, if thinks fit, receive from any member willing to pay advance call money, all or any part of the moneys uncalled and unpaid upon any share held by him and

- (b) Upon all or any of the moneys so advanced may (until the sum would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct eight percent per annum as may be agreed upon between the member paying the sum of advance and the Board.

VI. FORFEITURE OF SHARE

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

22. NOTICE FOR PAYMENT OF CALL OR INSTALLMENT

The notice referred to in clause 20 shall

- (a) Name of a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and
- (b) State that in the event of nonpayment on or before the time appointed the shares in respect of which the call was made will be liable to the forfeited.

23. FORFEITURE OF SHARE BY RESOLUTION AFTER NOTICE

- (1) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required of by the notice has been made, forfeited by a resolution of the Board to that effect.
- (2) The resolution of forfeiture duly entered in the Minutes of the board shall be conclusive evidence of such forfeiture and no objection in respect hereof shall be entertained by the board.

24. DISPOSAL OF FORFEITED SHARE

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

25. DECLARATION OF FORFEITURE

- a. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all the persons claiming to be entitled to the share.
- b. The Company may receive the consideration if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to the shares is sold or disposed of.
- c. The transferee shall there upon be registered as the holder of share.
- d. The transferee shall not be bound to see to the application of the purchase money, if any nor shall his title to the share affected by any irregularity or invalidity in the proceedings in reference to the forfeiture sale or disposal of the share.

26. HOLDER OF FORFEITED SHARE TO CEASE TO BE MEMBER

- i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall notwithstanding the forfeiture, remain liable to pay to the Company all moneys, which at the date of forfeiture, were presently payable by him to the Company in respect of the share.
- ii. The liability of such person shall cease if any when the Company received payment in full of the nominal amount of the shares, together with the interest thereon, at the rate of twelve percent per annum and any other reasonable out of pocket expenses incurred by the Company in respect of such forfeiture.
- iii. The Board may enforce payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.

27. The provision of these articles as to forfeiture shall apply in the case of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the share or by way of premium as if the same had been payable by virtue of call duly made and notified.

VII. TRANSFER AND TRANSMISSION OF SHARES

28. 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 only to a person or persons approved by or on behalf of the Governor, and to no other persons.
 - (b) Subject as aforesaid the Board may decline to register any proposed transfer of shares.

29. REFUSAL TO REGISTER TRANSFER

If the Board refuses to register the transfer of any shares it shall, within two months from the date on which the instrument of transfer or the intimation of such transfer, as the case may be, is delivered to the Company, send to the transferee and the transferor, notice of the refusal, save as herein otherwise provided, the Board shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognize benami trust or equitable or contingent or other claim or interest in such share on the part of any person, whether or not it shall have express or implied notice thereof.

30. EXECUTION OF TRANSFER

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

31. FORM OF TRANSFER

Shares in the company shall be transferred in the prescribed form, or in any usual or common form which the Board shall approve.

32. SUSPENSION AND RECOGNITION OF TRANSFER OF SHARES

The Board may suspend the registration of transfers during the fourteen day immediately preceding the Annual General meeting in each year. Refusal of the Board to recognize any instrument - the board may decline to recognize any instrument of transfer unless:-

- (a) A fee of rupees ten is paid to the Company in respect thereof
- (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer.

VIII. SHARES HELD BY GOVERNOR

33. If any shares are held by any person as a nominee of the Governor and on the Governor requiring him to transfer any such share to the Governor or to any other person or persons nominated by the Governor, the following shall take effect, namely.

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

be deemed to have been duly and properly executed for and estate shall cease to have any interest whatsoever in such share.

- (iv) If the proper transfer form along with the certificate is handed over as aforesaid then the share shall thereupon stand cancelled and become void and of no effect and the Company shall be entitled thereafter to issue new certificate in lieu thereof in favour of the Governor or such person or persons as he may nominate.

**IX. REGISTRATION OF SHARE ON THE DEATH OR
INSOLVENCY OF A SHAREHOLDER**

- 34. (i) Any person becoming entitled to share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Board elect.
 - (a) Either to be registered as a member in respect of the share or,
 - (b) To make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case have the same right to decline or suspend registration as it would have had if the deceased or insolvent member had transferred the share before his death or insolvency.
- (iii) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (iv) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (v) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were assigned by that member.
- (vi) A person becoming entitled to share by reasons of the death or insolvency of the holder shall be entitled to the same dividend and other advantages to which he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the company.

35. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

36. **DIVISION, SUB-DIVISION AND CONSOLIDATION OF SHARES**

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 share;
- (b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, nevertheless, to the provision of clause (d) of sub-section (1) of section 94;
- (c) Cancel any share which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

X. BORROWING POWER

37. The Board may from time to time with prior approval of the Governor, at its discretion, raise or borrow or secure the payment of any sum of money for the purpose of Company by means of a resolution passed at a meeting of the Board.

38. The Board may subject to the approval of the Governor raise or secure the payment or repayments of such sum or sums in such manner and upon such terms and conditions as it may think fit and in particular by the issue of bonds perpetual or redeemable debentures, or mortgage charge or other security on the undertaking of the whole or any part of the property of the Company both present and future including its uncalled capital for the time being.

39. **SECURITIES MAY BE ASSIGNABLE FREE FROM EQUITIES**

The debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

40. ISSUE OF DEBENTURES,

Subject to the approval of Governor and subject to the provisions of the Act any debentures, bonds, or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender drawings, appointment of Director and otherwise:

Provided that no debentures carrying voting right at any meeting of the Company, whether generally or in respect of particular classes of business shall be issued.

XI. SHAREHOLDER'S MEETING

41. HOLDING OF ANNUAL GENERAL MEETING

Except in case when for any special reason time for holding any annual general meeting (not-being the first annual general meeting) is extended under section 166 of the Act, no greater interval than 15 months shall be elapsed between the date of the annual general meeting and that of the next. All other meetings of the Company shall be called extraordinary general meetings.

42. WHEN EXTRAORDINARY GENERAL MEETINGS TO BE CALLED

The Board may, whenever it thinks fit, and it shall, on the requisition of the holders of not less than 1/10th of the issued capital of the Company upon which all calls or other sums than due have been paid, forthwith proceed to convene an extraordinary general meeting of the Company and in the case of such requisition the following provisions shall have effect.

- (a) The requisition must state the objects of the meeting and such requisition must be signed by the requisitionists and submitted at the registered office of the Company.
- (b) Any meeting convened under this article by requisitionists shall be convened in the same manner as nearly as possible in accordance with the provisions laid down under the Act.
- (c) A requisition by joint holders of shares must be signed by all such holders.

43. NOTICE OF MEETING

A general meeting of the Company may be called by giving not less than seven days notice in writing specifying the place, day, and time of meeting. Such notice shall be served on every member in the manner hereinafter provided but with the consent in writing of all the members entitled to receive the notice of same. Any particular meeting may be convened by such shorter notice and in such manner as those members may think fit. Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by provisions of the Act, notice of such meeting specifying the intention to propose the resolution as a special resolution shall be served.

44. NON-RECEIPT OF NOTICE NOT TO INVALIDATE PROCEEDINGS

The accidental non-receipt of any such notice by any member shall not invalidate the proceedings of any meeting.

45. BUSINESS AT ANNUAL GENERAL MEETING

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

46. QUORUM

The quorum for a general meeting shall be two directors or 1/3 of the total number of directors, whichever is higher. If, however, a corporation is the member of the Company it shall be deemed to be personally present if represented through a duly notified representative.

In case a general meeting is adjourned for want of quorum, then such meeting shall be adjourned to next week, same time and place to transact the business specified in the original meeting.

If however if a meeting is adjourned due to non fulfillment of quorum, then on the next date of adjournment, the member(s) present shall be treated as quorum to transact the business specified for the original meeting, and the business so transacted shall be treated as valid and effective.

47. CHAIRMAN OF GENERAL MEETING

- (a) The Chairman of the board of Directors shall preside as chairman at every general meeting of the company.
- (b) The Governor of Jharkhand shall appoint chairman of the Company from amongst the directors of the Company for the time being.
- (c) If at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman then the members present shall choose one of their members to be Chairman of the meeting.

48. POWER TO ADJOURN GENERAL MEETING

The Chairman with the consent of all members' present in the meeting at which a quorum is present, and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for one month or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

49. PROOF OF PASSING OF A RESOLUTION WHEN POLL NOT DEMANDED

At any general meeting a resolution put to the vote in the meeting shall be decided by the show of hands unless a poll is (before or on the declaration of the result of show of hands) demanded in accordance with the provisions of the Act, and unless a poll is so demanded in accordance with the provisions of the Act, a declaration by the Chairman that resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority or lost, and any entry to that effect in the books of the Proceedings of the Company shall be conclusive evidence of the fact without proof the number or proportion of the votes recorded in favour of, or against that resolution.

50. POLL

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

51. EQUALITY OF VOTES AND CHAIRMAN'S CASTING VOTE

In the case of an equality of votes, whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

52. WHEN POLL CAN BE TAKEN WITHOUT ADJOURNMENT

A poll demanded on the election of a Chairman or on question of adjournment, shall be taken forthwith without an adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

XII. VOTES OF MEMBERS

53. VOTING BY MEMBERS

- (1) Subject to any rights or restriction for the time being attached to any class or classes of shares-
 - (a) On a show of hands every member present in person shall have One vote in respect of each share held by him.
 - (b) On a poll the voting rights of members shall be as laid down in Section 87. Provided, however, that so far as the Governor is concerned a vote may be given on his behalf on show of hands or on a poll by any person, whether a member or not, authorized by him to be present and vote at all or any of the meetings of the Company.
- (2) The Governor may at any time revoke or cancel the authority of any person to vote on his behalf as aforesaid and make fresh authorization.

54. VOTING ON BEHALF OF GOVERNOR

Any person authorized by the Governor to vote on his behalf as aforesaid may if so authorized by any order of the Governor as aforesaid appoint another person (whether a member or not) as a proxy or substituted authority whether special or general to vote on behalf of the Governor as aforesaid and such proxy or substituted authority shall be entitled to vote on a show of hands or on a poll.

55. JOINT HOLDERS

Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, then, one of the said persons present whose name stands first in the register of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of this clause be deemed joint holders therefore.

56. VOTE IN RESPECT OF SHARES OF MEMBERS OF UNSOUND MIND

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

57. NO MEMBER ENTITLED TO VOTE WHILE CALL MONEY IS DUE TO COMPANY

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

58. VOTING BY PROXY

On a poll votes may be given either personally or by proxy provided that no company shall vote by proxy as long as a resolution of its board authorizing any person to act as its representatives at any meeting of the Company passed in accordance with the provisions of the Act is in force.

59. INSTRUMENT APPOINTING PROXY TO BE IN WRITING

Subject as aforesaid the instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorized in writing or if the

appointer is a corporation either under the common seal or under the hands of an officer or attorney authorized by it and no person shall act as a proxy unless he is a member of the Company.

60. INSTRUMENT APPOINTING PROXY TO BE DEPOSITED AT OFFICE

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it signed or a notarially certified copy of that power of authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

XIII. DIRECTORS

- 61.** (1) The number of directors in the Company shall not be less than two and more than ten.
- (2) The following shall be the ex officio directors of Company-
- a. Secretary, Excise Department, Government of Jharkhand.
 - b. Secretary, Commercial Taxes Department, Government of Jharkhand.
 - c. Finance Secretary, Government of Jharkhand.
 - d. Excise Commissioner, Government of Jharkhand
 - e. Managing Director of Company
- (3) The directors shall unless otherwise determined by the Governor be appointed by the Governor.
- (4) The directors of the Company shall not be liable to retire by rotation. All directors including chairman and managing Director shall hold office till such time as the Governor may think desirable from time to time.
- (5) The Governor shall have the power to remove any director including the Chairman and Managing Director from office at any time in his absolute discretion.
- (6) The Governor shall have the right to fill up any vacancy in the office of director caused by retirement, removal, resignation, death or otherwise and shall also be competent to sanction their leave and determine the terms and condition of appointment.

- (7) The Governor shall have the power to appoint any other person as a director of the Company subject to the maximum number as prescribed hereinbefore, provided however, the directors of Company shall be state government officials not below the rank of Joint Secretary of the State.
- (8) The Finance Secretary and Secretary, Commercial Taxes of the State being an ex officio director of Company may depute a state Government official to attend the Board meeting on his behalf, Provided that such state government official shall not be below the rank of Joint Secretary.

62. REMUNERATION OF DIRECTORS

The remuneration or compensatory allowance of ex-officio directors i.e., those who are appointed as a director by virtue of holding any position in the government shall be such as may be determined by the Governor. Directors (other than ex-officio) shall be entitled for such allowance or compensation for participating in the meeting of the board as may be determined by the Governor in this regard from time to time..

63. The Director shall not be required to hold any qualification shares.

64. The First Directors of the Company will be the following:-

- a. Shri Jyoti Bhramar Tubid, Principal Secretary, Excise Department Government of Jharkhand.
- b. Shri Jyoti Bhramar Tubid, Principal Secretary, Commercial Taxes, Government of Jharkhand.
- c. Shri Sukhdeo Singh, Secretary, Finance Department, Government of Jharkhand.
- d. Shri Ashok Kumar Sharma, Excise Commissioner, Government of Jharkhand.
- e. Shri Manoj Singh, Special Secretary, Excise Department, Government of Jharkhand.

XIV. POWERS AND DUTIES OF BOARD

65. GENERAL POWER OF THE COMPANY VESTED WITH THE BOARD

- (1) Subject to the provisions of the Act, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do subject to provisions of section 292 of the Act. PROVIDED THAT the Board shall not exercise any powers or do any such acts or things which is directed or required, whether by the Act or any other Act or by the Memorandum and Articles of the Company or otherwise to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or any other Act or in the Memorandum and Articles of the Company or in any regulation not inconsistent therewith and duly made there under, including regulation made by the Company in the general meeting.
- (2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

66. SPECIFIC POWERS TO BOARD

Without prejudice to the general powers conferred by the last preceding articles, and the other powers conferred by the articles the board shall exercise the following:-

- (1) To purchase, take on lease or otherwise acquire for the Company property, rights or privileges which the company is authorized to acquire at such price and generally on such terms and conditions as are approved by the Governor.
- (2) To plan schemes, to call for tenders, and to execute the works, provided that no scheme involving a capital expenditure exceeding rupees ten crores shall be sanctioned by the Board unless prior approval of the Governor in this regard has been obtained.
- (3) To pay for any property, rights or privileges acquired by or services rendered to the company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bond, debentures or other securities may be either specifically charged upon all or any part of the Company and its uncalled capital or not so charged.
- (4) Subject to provisions of the Act, to secure the fulfillment of any contract or engagement entered into by the company and its uncalled capital for the time being or in such other manner as the directors may think fit.

- (5) To appoint and promote and at their discretion, remove, retire or suspend managers, secretaries, officers, clerks, agents and servants, employees in permanent, temporary or special services as the board may from time to time think fit and to determine their powers and duties and fix their salaries or emolument and to require security in such instances and to such amount as the board may think fit.
- (6) To appoint any person or persons whether incorporated or not to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- (7) To institute, conduct, defend, compound and abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company.
- (8) To refer any claims or receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- (9) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.
- (10) To determine who shall be entitled to sign on the Company's behalf bills of exchange, promissory notes, receipts, acceptance, endorsements, cheques, releases, contracts and other documents.
- (11) To provide from time to time for the management of the affairs of the Company in such manner as the board may think fit and in particular to appoint any person to be the attorneys or agents and upon such terms as may be thought fit.
- (12) Subject to the provisions of the Act to invest in the Reserve Bank of India or State bank of India or in such securities as may be approved by the Governor and to deal with any of the money of the company upon such investments authorized by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as the Board may think fit and from time to time to vary or realize such investments.
- (13) To execute in the name and on behalf of the Company in favour of any director or other person who may incur or about to incur any liability for

the Company's property (present and future) as the board may think fit and any such mortgage may contain the power to sale and such other power, covenants and provisions as may be agreed upon.

- (14) To give to any person employed by the Company a commission on the profits of any particular business, transaction, or a share in the general profits of the Company any such commission or share of profits shall be treated as part of the working expenses of the Company.
- (15) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.
- (16) To give award or allow any bonus, pension, gratuity or compensation to any employee of the Company or his widow, children or dependants whether they have or have not a legal claim upon the Company.
- (17) Before declaring any dividend and subject to the approval of the Governor to set aside such portion of the profits of the company as the board may think fit, to institute a fund, to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such a manner as the Board may deem fit.
- (18) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as the board may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (19) To sub-delegate powers by general or special order in writing to the Managing Director or to any other member of the Board of Directors or to any officers of the Company subject to such conditions and limitations as may be specified in the order, such of its powers and functions as may be considered necessary.
- (20) To execute mortgage and charges on its properties.
- (21) Subject to the overall control and policies of the Governor, to develop and frame specific policies laid down and enforce time action schedule programme and methods for the implementation and speedy execution in the most economic way.

- (22) To ensure that Managing Director and the subordinates are delegated adequate authority to carry out their responsibilities for the fulfillment of the objectives as set out above with such appropriate limitation to their authority as may be defined in writing and clearly understood with respect to management, administration and operation of the Company.
- (23) To engage in short and long term planning and to develop, assist and provide facilities for basic and applied research and to see that full advantage is taken of long term potentialities of the business with the Company.
- (24) To provide and arrange for training for all categories of personnel.
- (25) To secure consultancy services and other suitable technical expertise whatever and whenever needed.
- (27) To ensure that all agreements, contracts or other commitments entered into are in accordance with the laws for the time being in force in the State.
- (28) To prescribe policy and lay down procedure for the operation of the Company.
- (29) To ensure that due observance of code of conduct/discipline at all levels of the employment under the Company.
- (30) To grant benefits, concessions and other facilities admissible under the statutes and rules governing service in the State;
- (31) To establish a sound accounting, costing and financial administration in keeping with the general directives of the Governor and any other directive that may be issued from time to time and to review and to supervise annual and quarterly budgets, balance sheets, etc.
- (32) to ensure economy and profitability of operations.
- (33) to prescribe a procedure for inspection and verification of stocks, stores and inventories.
- (34) to obtain, evaluate information on general and specific business conditions and guide the operations in the Company in a manner most suited to the objectives of the Company.

67. Notwithstanding anything said in articles, 66 and 67 above, the Managing Director shall have the powers to exercise the powers of Board of Directors in anticipation of Board of Directors provided that all such instances of exercising

such power shall be placed for approval before the Board of Directors at the Board's immediate next meeting.

XV. MANAGING DIRECTOR

68. APPOINTMENT OF MANAGING DIRECTOR

- (1) Subject to the provision of the Act, the Governor may appoint a State Government Officer not below the rank of Joint Secretary to be the Managing Director for such period and upon such terms as he may think fit, for the conduct or management of the business of the Company subject to the control and supervision of the Board of Directors. The Managing Director so appointed may be authorized by the Board to exercise such of the powers and discretion in relation to the affairs of the Company as are specifically delegated to him by the Board and are not required to be done by the Board of Directors of the Company at the general meeting under the Act.
- (2) The Managing Director shall be paid such salary and allowances as may be fixed by the Governor subject to the provisions of the Act.
- (3) In the absence of the Managing Director or he is on leave or otherwise, the Board may with the previous approval of the Governor empower any other Director or any principal officer of the Company to perform all or any of his functions and duties:

69. MANAGEMENT

Subject to the provisions of the Act and these articles, the Managing Director shall be in charge of the management of the whole affairs of the Company subject to the superintendence, control and direction of the board of the Company. Without prejudice to the general powers conferred otherwise by these Articles, the managing Director shall have the following powers subject to the supervision and control of the Board:-

- (a) To carry on the business of the Company in any manner beneficial to the Company and to provide for the management of the affairs of the

company in any specified locality in or outside India and to delegate to persons in charge of the local management such powers as the Board of Directors may decide.

- (b) To sanction and pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration, fees and stamps paid in respect thereof and the cost of advertising, printing, stationery, brokerage legal charges, furniture and fittings of office and other such costs and charges as also to incur expenditure of any scheme up to rupees 25, 00,000.00 (Twenty Five lakhs).
- (c) To sell, exchange, mortgage, let on lease, royalty, grant licenses, options and other rights over and in any other manner to deal with or dispose off the property moveable or immovable, any rights or privileges belonging to the Company or in which the company is interested or over which the Company may have any such properties or rights, belonging to the Company for other property or rights.
- (d) To appoint at any time and from time to time by Power of Attorney or otherwise any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers and authorities and directions and for such period and subject to such conditions as the Managing Director may from time to time think fit with powers for such Attorneys to sub-delegate all or any of the powers, authorities, and discretions vested in the Attorney for the time being.
- (e) To execute all deeds and agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for money or goods or properties received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and demands of the Company. Such authority for issue of receipts may be delegated by the Managing Director to any officer of the Company.
- (f) To institute, conduct, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the said actions, suits and legal proceedings.
- (g) To enter into, vary or cancel all manner of contracts on behalf of the Company.

- (h) To invest, subject to the provisions of Section 49 of the Act, all moneys and properties of the Company on such terms, and in such manner as he thinks fit and to alter, vary or realize by sale, mortgage or otherwise such investments from time to time.
- (i) To engage and at his discretion bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants employees of every description and to employ any professional or technical or skilled assistants from time to time which may in his opinion be necessary or in the interest of the Company and upon such terms as to duration of employment, on remuneration or otherwise and may require security in such investment and such amounts as the Managing Director may think fit.
- (j) To acquire by purchase, lease, exchange, pledge, hypothecation or otherwise lands, estates, fields, building, office showroom, godowns and other buildings in the State of Jharkhand or elsewhere machinery, engines, plants, rolling stock, tools, machine-tools, outfit stores, hardware, provisions, liquors and beverages of various kinds and description, and any other material of whatever description either on credit or for cash and for present or future delivery.
- (k) To plan, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expense in this behalf.
- (l) To erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Jharkhand or any other place.
- (m) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and to do all such acts, deeds and things in the name of and on behalf of the Company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- (n) To pay all moneys due by the Company and to look after the finances of the Company.
- (o) To open current and time deposit accounts with banker or bankers of his choice and to operate on such accounts and also when necessary to overdraw or take loans on such account on the security of the Company or of any of its assets.
- (p) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, delivery orders, Government promissory notes other Government instruments, bond, debenture or debentures, Stock of Corporation Local Bodies, Port Trusts, Improvement Trusts or of other

Corporate Bodies and to execute transfer deed for transferring stock shares or stock, certificates of the government and other local or Corporate bodies in connection with any business or any object of the Company.

- (q) Subject to prior approval of Governor and of Board of Directors to borrow from time to time such sum of money for the purposes of the Company upon such terms as may be expedient, and with or without security
- (r) To make loans from time to time upon terms and of such sum as may be expedient, with or without security
- (s) To receive and give effectual discharge on behalf of and against the company for moneys, funds, goods or property lent, payable or belonging to Company or for advances against the goods of the Company.
- (t) To make or receive advance of money, goods, machinery plants and other things by way of sale, mortgage hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as he may deem fit.
- (u) To submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (v) To institute, appear in or defend any legal proceedings in the name of and on behalf of the Company, to sign pleadings and other documents, engage and to instruct any advocate, Solicitors and Lawyers and to execute Vakalatnama or other authority in their favour and to compound compromise any claims, suits and proceedings.
- (w) To take all types of insurance for protecting Company's men, material and machine..
- (x) To delegate all or any of the powers, authorized and discretion for the time being vested with the Managing Director and also from time to time provided by the appointment of any Attorney or Attorneys, to sign, seal, execute, deliver, register or, cause to be registered all instruments, deeds, documents or writings usually necessary or expedient for any of the purposes of the Company not requiring the common seal of the Company.

XVI. DUTIES OF DIRECTORS

- 70.** The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the

provisions in regard to the registration of the particulars of mortgages and charges created by it affecting the property of the company, and to keep a register of the Directors and to send to the Register all returns due to be filled in his office under the provisions of the Act.

71. MANAGING DIRECTOR'S DUTY FOR RECORDING OF MINUTES OF PROCEEDINGS

- (1) The Managing Director shall cause minutes of the proceedings to be recorded in the book provided for the purpose:-
- (a) of all appointment of officers made at the meeting showing also the remuneration paid respectively to them;
 - (b) of all the names of the Directors present at each meeting of the Directors and of any Committee of the directors;
 - (c) of all resolutions and proceedings of all meeting of the company, and of the Directors and of Committee of Directors and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for that purpose.
 - (d) of the name of the Directors if any dissenting from or not concurring with any resolution passed at a meeting.

72. THE SEAL

The Board shall have powers to provide a common seal for the purpose of the Company. The seal of the Company shall not be affixed on any instrument except by the authority of resolution of the board of Directors and in the presence of at least one Director or such other person as the Board may appoint for the purpose; and any such Director or other authorized person as aforesaid shall sign every instrument to which the seal of Company is so affixed in his presence.

XVII. DISQUALIFICATION OF DIRECTORS

- 73.** (a) The office of the Director shall be vacated on the happening of any of the event or events enumerated in Section 283(1) of the Act.

- (b) This is however without prejudice to the absolute right of the Governor to remove any Director without assigning any reason whatsoever. Provided, however, subject to the provisions of the Act regarding the non-disclosure of interests, no director shall vacate his office by reason of his being a member of any Company, which has entered into contract with or done any work for, the Company of which he is a Director, but the Director shall not vote in respect of any such contract or work and if he does so his vote shall not be counted.

XVIII. BOARD AND COMMITTEE MEETINGS

74. PROCEEDINGS

The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit, provided that the Director shall hold a meeting at least once in every quarter so that at least four such meetings must be held in a year. Question arising at any meeting shall be decided by a majority of votes. In case of equality of votes, the Chairman shall have second or casting vote. The Chairman may at his discretion or on the request of a Director summon or cause to be summoned a meeting of the Directors, provided that if the Managing Director is satisfied, any matter before the Company required an immediate consideration of Director and due to any cause whatsoever it is not possible or convenient to convene a meeting at a short notice he may obtain the opinion of the Board by circulation of the matter among the Directors.

75. CHAIRMAN OF MEETING OF COMMITTEES

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

76. DELEGATION OF POWERS TO COMMITTEE SUBJECT TO THE PROVISIONS OF THE ACT.

The Board of Directors subject to the provisions of the Act may by a resolution delegate any of their powers to committee consisting of such members or of its body as it thinks fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board.

77. QUORUM FOR TRANSACTION OF BUSINESS OF THE BOARD

Subject to the provisions of the section 287 of companies Act the quorum necessary for the transaction of the business of the Board or the Special Committee of Directors shall be two directors or 1/3 of the total number of directors, whichever is higher.

78. CONTINUING DIRECTORS

The directors shall continue to function and meet from time to time to transact the business at a meeting notwithstanding the fact that there is a vacancy in the Board for any reason whatsoever so long as the number of directors is not below the minimum number as prescribed by these Articles.

79. ELECTION OF CHAIRMAN OF SPECIAL COMMITTEE

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

80. MEETINGS OF SPECIAL COMMITTEE

A committee may meet and adjourn as it may think proper: Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairman shall have a second or casting vote.

81. VALIDATION OF ACTS DONE BY BOARD

All acts done by any meeting of the board or of a committee or Directors, or by any person acting as a Director shall not withstanding that it may be afterwards discovered that there was some defect in the appointment or any such director or persons acting as aforesaid, or that they or any of them were disqualified, be valid as if such Director or such person had been duly appointed and was qualified to be a Director Provided always that the said acts were performed in good faith and in the interest of and for the benefit of the Company and in the absence of any knowledge of such a defect at that time.

XIX. RESERVATION OF PROPOSALS OR DECISIONS FOR

THE APPROVAL OF THE GOVERNOR

82. i. The Chairman or the Managing Director shall reserve for the approval of the Governor any proposal or decisions of the directors in respect of any of the following matters; namely:-
- (a) Increasing or reducing the issued capital of the Company;
 - (b) Granting by the Company of a loan or the giving of a guarantee or any other financial assistance to any one particular concern an amount exceeding **Rupees 5,000,00.00 (five lakhs)**
 - (c) Winding up of the company;
 - (d) Any other matter, which in the opinion of the Chairman/Managing Director be of such importance as to be reserved for the approval of the Governor
- ii. No action shall be taken by the Company in respect or any proposal or decision of the Board reserved for the approval of Governor aforesaid until his approval to the same has been obtained.

83. **POWER OF THE GOVERNOR TO ISSUE DIRECTIVES OR INSTRUCTIONS TO THE COMPANY**

Notwithstanding anything contained in any of these Articles the Governor may from time to time issue such directives or instructions as he may think fit in regard to the finances and the conduct of the business and affairs of the Company, and the Board shall duly comply with and give effect to such directives or instruction.

XX. DIVIDENDS

84. **DIVIDENDS AND RESERVE**

The Company in general meeting may declare dividends to be paid to the members according to their rights and interest in the capital, and may fix time for payment but dividends shall not exceed the amount recommended by the Board.

85. **PAYMENT OF INTERIM DIVIDENDS**

The Board may from time to time pay to the members such of interim dividends that may appear to it to be justified by the profits of the Company.

86. DIVIDENDS TO BE PAYABLE ONLY OUT OF PROFITS

No dividends shall be paid otherwise than out of profit of the year or any other undistributed profits.

87. PAYMENT OF DIVIDENDS UPON SHARES

Subject to the rights of persons, entitled to shares with special rights as the dividends all dividends shall be declared and paid or credited as paid on the shares in the Company in respect here of the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared as paid according to the amounts of the shares. No amount paid or credit as paid on a share in advance of calls shall, which carrying interest, be treated for the purposes of this Article as paid on the shares.

88. POWER OF THE BOARD TO DECLARE RESERVES

Subject to such directions as may from time to time to be issued by the Governor, the Board may before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board be applicable for meeting contingencies, or for equalizing dividends or for any purposes to which the profits to the Company may be properly applied, and pending such application, such sums may at the like discretion of the Board either be employed in the business of the Company or be invested in such investments (other than shares of the company) as the Board may from time to time think fit.

89. CAPITALIZATION OF PROFITS

- (1) The Company in general meeting may, upon the recommendation of the Board, resolve:
 - (a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of Company's reserve account or to the credit of the profit and loss account otherwise available for distribution: and

- (b) That such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled if distributed by way of dividend and in the same proportions.
- (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provision contained in clause (3) 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, un-issued shares or debentures of the Company to be allotted and distributed credited as fully paid up, to amongst such members in the proportion aforesaid, or
 - (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (3) A share premium account and a capital redemption reserve fund may, for the purpose of this article only be applied in the paying up of unused shares to be issued to members of the company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this article.
- (5) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
 - (a) Make all appropriations and application of the undivided profits resolved to be capitalized there by, and all allotments and issues of fully paid up share or debentures, if any, and
 - (b) Generally do all acts and things required to give effect there to.
- (6) The board shall have full power to make such provisions by the issue of fractional certificates or by payment in case or other wise as it thinks fit, in the case of shares or debentures becoming distributable in fractions and also to authorize any persons to enter, on behalf of all the members entitled thereto, into agreement with the company providing for the allotment to them respectively, credited as fully paid up, any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.

90. NOTICE OF DECLARATION OF DIVIDENDS

Notice of any dividends that may have been declared shall be given to the persons entitled to share therein.

91. DIVIDENDS NOT TO BEAR INTEREST

No dividend shall bear interest against the Company.

XXI. ACCOUNTS & AUDIT

92. BOOKS OF ACCOUNTS

- (1) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them shall be open to the inspection of members not being directors.
- (2) No member (not being a director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorized by the Board or by the Company in general meeting.

93. BOARD TO CAUSE PROFIT AND LOSS ACCOUNT PREPARED.

The Board shall as required by the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets and reports as are referred to in the Act.

94. PROFIT AND LOSS ACCOUNT TO SHOW GROSS INCOME AND EXPENDITURE.

The profit and Loss account shall in addition to the matters referred to in the Act shall show/arranged under the most convenient heads the amount of gross income distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of the establishment salaries and other like matters, every item of expenditure chargeable against the year's income shall be brought into accounts, so that a just balance of profit and loss may be laid before the meeting and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year the whole amount of such item shall be stated which the addition of the

reasons why only a portion of such expenditure is charged against the income of the year.

95. BALANCE SHEET AND REPORT OF THE DIRECTORS

A balance sheet shall be made out in every year and laid before the Company in general meeting. The balance sheet shall be accompanied by a report of Directors as to the state of the Company's affairs and the amount which they recommend to be paid by way of dividend and the amount, if any, which propose to carry towards the reserve fund.

96. AUDIT

Auditors shall be appointed and their duties are regulated in accordance with the provisions of the Act, or any statutory modifications thereof for the time being in force.

XXII. NOTICE TO MEMBERS

97. NOTICE

A notice may be given by the Company to any member either personally or through post to him at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to him.

98. SERVICE OF NOTICE

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

99. SUBSTITUTED SERVICE OF NOTICE IN CERTAIN CASES

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

100. NOTICE TO THE FIRST NAMED JOINT HOLDER TO BE DEEMED AS NOTICED TO ALL JOINT HOLDERS

A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representative 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 so entitled or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

101. NOTICE OF GENERAL MEETING

Notice of every general meeting shall be given in the same manner as herein before authorized to:-

- (a) Every member of the Company (including bearers of share warrants) except the members who having no registered address within the country have not supplied to the Company an address within the country for giving of notice to them and also to;
- (b) Every person entitled to a share in consequence of the death or insolvency of a member who but for death or insolvency would be entitled to receive, notice of the meetings.

XXIII. INDEMNITY CLAUSE

102. INDEMNIFICATION OF DIRECTORS, MANAGERS AND OTHER OFFICERS OF THE COMPANY

Subject to the provisions of the Act, every Director, Manager and other Officers or servant of the Company shall be indemnified by the Company against all liabilities incurred by him as such Director, Manager or other officer or servant in defending any proceedings whether civil or criminal in which judgment is given in his favour of which he is required or in connection with any application under the Act in which relief is granted by the court and it shall be the duty of the Board of the Company to pay all costs, losses, damages and expenses which any

such officer entered into or act or things done by him as such, Director, or other officer or servant or in anyway in the discharge of his duties including traveling expenses and in particular and so as not to limit the generosity of the foregoing provisions against.

103. DISPATCH OF CORRESPONDENCES BY THE COMPANY TO THE GOVERNOR

Notwithstanding anything contained in these Articles, all submissions and references to be made to the Governor under any of these Articles shall be made through the Department of Excise, Government of Jharkhand.

104. PROTECTION OF DIRECTORS, MANAGERS AND OFFICERS OF THE COMPANY

Subject to the provisions of the Act, no director, other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer of the Company or other act for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any security or property in or upon which any of the money of the Company shall be invested or for any loss or damage arising for the bankruptcy, insolvency or torturous act of any person or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his officer or in relating thereto, unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.

We, the several persons whose names and addresses and occupations are subscribed below are desirous of being formed into a company in pursuance of this Articles of Association and we respectively agree on behalf of the Government of Jharkhand to take the number of ordinary shares in the capital of the company set opposite our respective names.

Name, Father;s Name, Address, and Occupation Of the Subscribers	Numbers of Shares	Signature Of Subscribers	Signature of Witness with Address, Description and Occupation

Place: Ranchi

Date: