

**THE COMPANIES ACT, 2013  
(COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION  
OF  
\* TALCHER FERTILIZERS LIMITED**

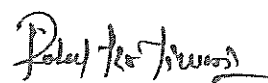
**PRELIMINARY**

1. Subject as hereinafter provided the regulations contained in Table "F" of the Companies Act, 2013 shall not apply to the Company, save and except so far such regulations are embodied in these Articles.

**INTERPRETATION**

2. (i) In the construction of these Articles unless inconsistent with the context, the singular shall include the plural and the masculine shall include the feminine and vice versa and persons shall include bodies corporate, and the following words and expression shall have the following meanings:
  - a. "ACT" shall mean the Companies Act, 2013 and the rules framed there under and any statutory modification or re-enactment thereof for the time being in force;
  - b. "AGREEMENT" or "JVA" means the Joint Venture Agreement between RCF, CIL, GAIL and FCIL and any amendments or supplement thereof from time to time by an agreement in writing among the promoters;

*[\*Amended vide Special resolution passed at an Extra –ordinary General Meeting held on 24<sup>th</sup> May, 2016]*



**Rahul Kumar Tiwari  
Company Secretary  
Talcher Fertilizers Ltd.  
Talcher, Odisha  
Memb. No- A-40333**

- c. **"AFFILIATES"** in relation to each of the Promoters hereto shall mean Person(s)/body corporate of which each of the Promoters hereto is owner or beneficial owner of not less than 50% of the paid-up capital/voting rights;
- d. **"ALTERNATE DIRECTOR"** means any person appointed as an Alternate Director in accordance with the ACT and the Agreement;
- e. **"APPROVAL"** shall mean approval of the Central Government, State Governments (as may be applicable), Boards of respective Parties and regulatory permissions, consents, validations, confirmations, licences and other authorizations required to be obtained in order to implement the joint venture and to give effect to the terms and conditions of the Agreement;
- f. **"APPLICABLE LAW"** means any statute notification, bye law, rules and regulations, directive, ordinance, order or instruction having the force of law enacted or issued by any Governmental Authority or courts of competent jurisdiction, whether in effect as of the date of these Articles or thereafter;
- g. **"ARTICLES"** or **"AOA"** means this Articles of Association of the Company as amended from time to time in accordance with provisions of the Act and the Agreement;
- h. **"AUDITORS"** means the entity appointed as statutory auditors of the Company in accordance with the provisions of the Act;
- i. **"BENEFICIAL OWNER"** means a person or persons whose name is recorded as such with a depository;

- j. **"THE BOARD"** or **"BOARD OF DIRECTORS"** in relation to the Company means collective body of the Directors of the Company;
- k. **"CIL"** means Coal India Limited;
- l. **"CHAIRMAN"** shall mean the chairman of the board or of a General Meeting as the context may require, appointed from time to time in accordance with the Agreement and the Articles;
- m. **"DEED OF ADHERENCE"** shall mean the deed attached to the Agreement which shall be signed by any new party before they are admitted as members of the Company;
- n. **"DEPOSITORY"** shall mean a Depository as defined in Section 2(1)(e) of the Depositories Act, 1996;
- o. **"DIRECTOR"** or **"DIRECTORS"** means a director appointed by the Board of the Company;
- p. **"DIVIDEND"** shall include interim dividend;
- q. **"ENCUMBRANCES"** means any mortgage, pledge, equitable interest, prior assignment, conditional sale contract, hypothecation, right of others claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge or other condition, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership;
- r. **"EQUITY SHARES"** means the equity shares of the Company with a nominal value of Rs. 10/- each or as may be amended in accordance with these Articles and Applicable law;

- s. **"FCIL"** means Fertilizer Corporation of India Limited ;
- t. **"GENERAL MEETING"** means an Annual General Meeting, an Extraordinary General Meeting or any other meeting of the Members of the Company convened in accordance with the provisions of the Act;
- u. **"GAIL"** means GAIL (India) Limited;
- v. **"GOVERNMENTAL AUTHORITY"** means any government department, statutory authorities or public body or regulator;
- w. \* **"JV"** or **"COMPANY"** means, "Talcher Fertilizers Limited (TFL)";
- x. **"LOCK IN PERIOD"** shall mean window of time in which investor/ Promoter are not allowed to sell, transfer, pledge, create charge, hypothecate or encumber shares of the Company in any manner, whether whole or in part;
- y. **"KEY MANAGERIAL PERSON"** in relation to a company, means-
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole Time Director;
  - (iv) the Chief Financial Officer;
  - (v) such other officer as may be prescribed;
- z. **"MATERIAL BREACH"** means a persistent breach by any party of any representation, warranty, undertaking or obligation under the Agreement which would substantially and materially affects the rights of the other promoters or alter the purpose of the Agreement;

*[\*Amended vide Special resolution passed at an Extra –ordinary General Meeting held on 24<sup>th</sup> May, 2016]*

- aa. **"MEMBER"** or **"MEMBERS"** means the duly registered holder(s) of the Shares of the Company from time to time;
- bb. **"MEMORANDUM"** or **"MOA"** shall mean the Memorandum of Association of the Company as amended from time to time in accordance with the provisions of the Act and the Agreement;
- cc. **"OFFICE"** shall mean the registered office of the Company for the time being or moved to other place as approved by the Board of directors/shareholders of the Company after necessary government approvals;
- dd. **"PERSON(s)"** means any natural Person, central or state government, corporation, company, body corporate, partnership firm, voluntary association, joint venture, trust, society, unincorporated organization, authority or any other entity whether acting in an individual, fiduciary or other capacity;
- ee. **"PROJECT"** means all activities that are to be undertaken by the JV starting with Zero Date culminating on commissioning of fertilizer and chemical manufacturing complex including, inter alia, 3850 MTPD Urea plant, coal washery if required, integrated utilities and captive power plant at Talcher, Odisha.
- ff. **"PRE PROJECT EXPENSES"** shall be as defined in the Agreement;
- gg. **"PROMOTER(s)"** shall mean RCF, CIL, GAIL and FCIL so long as they continue to hold equity capital of the Company;
- hh. **"RCF"** means Rashtriya Chemicals and Fertilizers Limited;

- ii. **"REGISTER"** or **"REGISTER OF MEMBERS"** shall mean the register of members to be kept pursuant to the provisions of the Act;
- jj. **"REGULATION(S)"** shall mean the regulations contained in Table F of Schedule I of the Act;
- kk. **"SEAL"** shall mean the common seal of the Company;
- ll. **"SHAREHOLDERS"** shall mean and include any Person who becomes the shareholder, holding Shares of the Company from time to time, in accordance with the provisions of the Agreement and the Articles;
- mm. **"SHARES"** shall mean and include, as the context may require, equity shares and / or any other class of shares issued by the Company as permissible under the Act;
- nn. **"TECHNOLOGY LICENSOR"** means Licensor for Coal Gasification Technology;
- oo. **"TRANSFER,"** in respect of Shares, shall mean transfer, sell, assign, mortgage, pledge, hypothecate, create a security interest in or lien, transfer by operation of law or in any other way subject the Shares to any encumbrance or dispose off whether or not voluntarily;
- pp. **"ZERO DATE"** shall mean the date on which first Letter of Intent (LoI) is given to the Lump-Sum-Turn-Key (LSTK) contractor for supply, erection and commissioning of any of the unit (i.e. Ammonia, Urea or Coal Gasification) for the Project

And subject as aforesaid and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification

thereof in force at the date on which these Articles become binding on the Company.

**\*\***(ii) The provisions of these Articles shall be subservient to the clauses of the Joint Venture Agreement dated 27th October, 2015, as annexed hereto as 'Annexure', including any amendment(s) thereof entered into between Rashtriya Chemicals and Fertilizers Limited, Coal India Limited, GAIL (India) Limited and Fertilizer Corporation of India Limited, which pertain to shareholding, management rights and other such rights, obligations, covenants or conditions as may be specifically provided therein. The Promoters do hereby agree that in case of any supplemental Joint Venture Agreement or amendment thereto, the Parties shall make the supplemental Joint Venture Agreement or amendment also a part of these Articles by annexing the same hereto. In the event of any inconsistency between the provisions hereof and the provisions of the Joint Venture Agreement, the provisions of the Joint Venture Agreement shall prevail.

### **PUBLIC COMPANY**

3. The Company is a Public Limited Company within the meaning of Section 2(71) of the Companies Act, 2013.

### **SHARE CAPITAL**

- \*\*\*\***4(1) (a) The Authorized Share Capital of the Company shall be Rs.75,00,00,00,000/- (Rupees Seven Thousand Five Hundred Crore Only) divided into 7,50,00,00,000 Shares of Rs.10/-each.
- (b) All Shares shall be of the same class and shall be identical in all respects and subject to the provisions of the Act and JVA, the holders thereof shall be entitled to have identical rights and

*[\*\*Amended vide Special resolution no. 1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

*[\*\*\*Amended vide Special resolution passed at 3<sup>rd</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2018]*

*[\*\*\* Amended vide ordinary resolution passed at Extra Ordinary General Meeting held on 23<sup>rd</sup> July, 2019]*

*[\*\*\*\* Amended vide Special Resolution passed at Extra Ordinary General Meeting held on June 19, 2025]*

privileges (excluding any specific rights and privileges given to Shareholders /Promoters as per JVA) including, without limitation, dividend, voting rights and distribution of assets in proportion to the shareholding in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

**\*\*4(2) \*\*\*\*(a)** Notwithstanding any equity subscription and the shareholding percentage of the Promoters during the setting up period of the project, the shareholding of the Company, upon formation of JV Company, shall be in the following proportion:

I.	RCF	: 31.85%
II.	CIL	: 31.85%
III.	GAIL	: 31.85%
IV.	FCIL	: 4.45%

(b) Promoters agree that the shareholding of FCIL in the Company is subject to change depending on valuation of assets transferred by FCIL to the Company as FCIL does not intend to provide any equity in cash in the Company beyond the transfer of Talcher assets and the Initial Subscription of shares respectively. If due to above, the shareholding of FCIL gets reduced below 10.99%, then Promoters shall contribute such reduction so that the overall 100% shareholding is with Public Sector Companies. In case the asset value is ascertained to be higher, FCIL shareholding may also be higher than 10.99%. In that case RCF, CIL and GAIL shareholding will be reduced in equal proportion.

(c) The equity percentage as mentioned above shall also be inclusive of the Shares held by the Affiliates of respective Promoters. The Promoters shall have a right to increase/decrease their respective shareholding after the lock-in period.

*[ \*\*New Article inserted vide Special resolution no. 1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March '2017 ]*

*[ \*\*\*\*Amended vide Special resolution no. 3 passed at an Extra –ordinary General Meeting held on 10th Jan.'2022 ]*



## **INCREASE IN AUTHORIZED CAPITAL**

5.

- (a) The Company may from time to time, in General Meeting alter the conditions of its Memorandum so as to increase its Authorized Share Capital by the creation of new shares of such class and amount as its thinks expedient.
- (b) Any Capital raised by the creation of new Shares shall be considered part of the original Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

## **POWER TO PAY COMMISSION AND BROKERAGE**

6. The Company may exercise the powers of paying commissions and brokerage subject to and in accordance with the provisions of Section 40 of the Act.

## **ISSUE OF REDEEMABLE PREFERENCE SHARES**

7. The Company may subject to and in accordance with the provisions of Section 55 of the Act and any other applicable laws, shall have the power to issue Redeemable Preference Shares on such terms and conditions as may from time to time think fit.

## **ISSUE OF FURTHER SHARES**

8. Without prejudice to the provisions of these Articles and pursuant to the provision of Section 62 of the Act, it shall be lawful for the Company to issue further shares in the manner set out in Section 62 of the Act as the Board thinks fit either at par or at a premium

(if necessary, by increasing the authorized capital of the Company). Such shares shall rank pari-passu with the existing Shares of the Company.

#### **SHARES WITH DIFFERENTIAL VOTING RIGHTS**

9. Subject to Section 43 of the Act, the Company shall have the power to issue shares with differential rights as to dividend, voting or otherwise in accordance with the Companies (Share Capital & Debentures) Rules, 2014.

#### **BUY BACK OF SHARES/ SECURITIES**

10. The Company subject to and in accordance with the provisions of the Companies Act, 2013, and any other Applicable Law, shall have powers to buy-back any of its own shares and/or other Securities

#### **ALLOTMENT OF SHARES AND SHARE CERTIFICATES**

- \*\*\*\*11. Subject to the provisions of Section 62 of Companies Act 2013 and these Articles, the shares of the Company shall be under the control of the Board of 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 at a premium or at par and at such time as they may from time to time think fit to give 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 Director think fit.

*[ \*\*\*\*Amended vide Special resolution no. 4 passed at an Extra –ordinary General Meeting held on 10th Jan. '2022 ]*

12. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case maybe
13. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of the shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register of Members of the Company shall for the purpose of these Articles be deemed to be a Member.
14. The money, if any, which the Board shall, on the allotment of any shares made by them require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion or inscription of the name of the allottee in the Register of Members as the name of the holder of such shares, by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.
15. Save as herein otherwise provided, the Company shall be entitled to treat the person, whose name appears in the register in respect of any shares, as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as required under Section 89 of the Act or by any Applicable Law, be under any obligation to recognize any trust, benami or equitable contingent

or any other claim to interest (future or partial) in such share on the part of any other person whether or not it shall have express or other notice thereof.

16. Every Member shall from time to time notify in writing to the Company a place in India to be registered as his address.
17. Subject to the provisions of the Companies (Share Capital & Debentures) Rules, 2014 or any statutory modification or enactment thereof, Shares may be registered in the name of any person or Company or other corporate body. The certificates of title to shares and duplicates thereof when necessary shall be issued under the Seal of the Company which shall be affixed in the presence of (i) two Directors, at least one of them shall be person other than Managing Director or Whole Time Director, if any, and (ii) the Secretary or such other person/official duly authorized by the Board for the purpose.
18. Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two (2) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one (1) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.
19. Every certificate of Shares shall be issued under the seal of the Company and shall specify the number and distinctive numbers of

shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, 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 of shares to the person whose name appears first shall be sufficient delivery to all shareholders.

20. If share certificate(s) be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn, decrepit, worn-out or where the cage in the reserve for recording transfers have been duly utilized, then, upon surrender thereof to the Company, the Board may order the same to be cancelled and may issue new certificate in lieu thereof.
21. When a new Share certificate has been issued in pursuance of Article 20, there shall be stated on the face of it and against the stub or counter-foil that it is "issued in lieu of a certificate (whose number shall be given) of Shares" which have been consolidated or divided or sub-divided or in replacement of a Share certificate (whose number shall be given) which has been defaced, torn or worn out or the cage on the reverse of which for recording transfers have been fully used as the case may be.
22. If a Share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out of pocket expenses incurred by the Company in investigating evidence except from Promoters, as the Board thinks fit.
23. When a new Share certificate has been issued in pursuance of Article 22, there shall be stated in the face of it and against the

stub or counterfoil that is a "duplicate issued in lieu of the Share certificate (whose number shall be given)" and the word "Duplicate" shall be stamped or punched in bold letters across its face.

24. Shares certificates shall be printed and they shall be printed only by authority of a resolution of the Board. Share certificate shall be consecutively machine numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such certificate shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these certificates to the Board.
25. The Managing Director or Secretary of the Company or any authorized officer for the time being of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates.
26. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:
  - a) The joint-holders of any share shall be liable severally as well as jointly, in respect of all payments, which ought to be made in respect of such share.
  - b) On the death of anyone of such joint-holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share by the Directors may require such evidence of death as they may deem fit.

- c) Anyone of such joint-holders may give effectual receipts for any dividend or return of capital payable to such joint-holder.
- d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint-holders.

\*\*\*\*26A. Notwithstanding anything to the contrary contained in this AOA including Article 2 hereof, the Company acknowledges and accepts that any bank and financial institution acting in the capacity of a lender (secured or unsecured) to the Company may, as per Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the rules thereto and all applicable laws, exercise their rights to convert the outstanding and overdue amounts under terms of the respective financing agreements into equity shares of the Company in accordance with the terms agreed upon under terms of such financing arrangements.

#### DEMATERIALIZATION OF SECURITIES

- 27. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the provisions of the Depositories Act, 1996.
- 28. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by

*[ \*\*\*\*Amended vide Special resolution no. 1 passed at an Extra-ordinary General Meeting held on 10th Jan.'2022 ]*

the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the Company shall intimate to such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

29. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 88 & 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
- 30.
- (a) Notwithstanding anything contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
  - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
  - (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits



and be subject to all the liabilities in respect of his securities, which are held by depository.

31. Notwithstanding anything in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
32. Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
33. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
34. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
35. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

#### **CALLS ON SHARES**

36. The Board may from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by resolution passed only at duly convened meeting of the

Board, make such calls as they think fit upon the Members in respect of money unpaid on the shares (whether on account of nominal value of shares or by way of premium) held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments.

37. A call shall be deemed to have been made at the time when the resolution of the Board approving such call was passed.
38. At least fifteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment and to whom such call shall be paid and no call shall be made payable within one month from the day appointed for payment of the last preceding call.
- 39.
- (i) The Board may from time to time, at their discretion, extend the time fixed for payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension. But no Member shall be entitled to such extension saved as a matter of grace and favor.
  - (ii) If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof till the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recovery any interest from any such member.

40. 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 nominal value of the Share or by way of premium, shall, for the purpose of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same become payable, and, in the 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.

The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the moneys due upon the share or shares held by him beyond the sums actually called for, and upon the moneys so paid in advance or so much thereof as from time to time, and, at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of shares on account of which such advances are made, the Board may pay or allow interest at such rate, as the member paying the sum in advance and the Board agrees upon, subject to the provisions of the Act

No member paying any such sum in advance shall be entitled to voting rights in respect of the money so paid by him, until the same would, but for such payment, become presently payable.

41. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any Member of the Company in respect of his shares, 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 as hereinafter provided.

## TRANSFER AND TRANSMISSION OF SHARES

42. Shares or debentures in the Company shall be transferred by an instrument in writing in the prescribed form and shall be duly stamped, dated and delivered to the Company within the prescribed period in accordance with the provisions of the Act but subject to Clause 11 of the JVA wherein stipulation / restriction is prescribed for a Lock in Period of Five Years to the Promoters of the Company from the date of incorporation of the Company or commercial operation date of any one of the works of the proposed Project of the Company or date of allotment of shares in the JV for the first time, whichever is later.
43. Subject to the provisions contained herein, any person becoming entitled to shares in consequence of the death, lunacy or insolvency of any Member, may with the consent of the Board, (which they shall not be under any obligation to give) be registered as a Member in respect of such shares upon producing proper evidence of the grant of probate or Letters of Administration or Succession Certificate or such other evidence that sustains the capacity in which he proposes to act under this Article.
44. Subject to, and in accordance with the following conditions for nomination.
- (i) Every holder of shares in, or holder of debentures of, the Company may, at any time, nominate, in the prescribed manner,

as notified by the Company, a person to whom his shares in, or debentures of, the Company shall vest in the event of his death.

- (ii) Where the shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, as notified by the Company, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner, as notified by the Company, purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner, as notified by the Company.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint in the prescribed manner, as notified by the Company, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

(v) Any person who becomes a nominee by virtue of the provisions of section 72, or the Articles herein, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either -

(a) To be registered himself as holder of the share or debenture, as the case may be or

(b) To make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.

(vi) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture, himself as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, as the case may be.

(vii) All the limitations, restrictions and provisions of the Act and these Articles relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.

(viii) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share

or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

(ix) Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, 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 or debenture, until the requirements of the notice have been complied with.

45. The Company shall keep a book to be called "The Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares in the Company.
46. The instrument of transfer of any share shall be in writing and all provisions of Section 56 of the Act and of any statutory modification thereof, for the time being shall be duly complied with in respect of all transfers shares and of the registration thereof.
47. Notwithstanding anything contained in these Articles and subject to the provisions of Section 58(1) of the Act and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules and Regulations made there under and other applicable laws, the Directors may, in their absolute discretion decline to register any transfer of shares.

The Company may decline to register a transfer of shares in respect of the shares upon which the Company has a lien or whilst any monies in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

48. No transfer shall be made to a minor or insolvent or person of unsound mind. However, in respect of fully paid up shares, shares may be transferred in favor of minor acting through legal guardian, in accordance with the provision of Law.
49. Subject to the provisions of clause herein the Promoters agree that after the initial lock-in period mentioned above, there will be a restriction on Transfer of Shares to the extent that none of the Promoters will be entitled to directly or indirectly sell, transfer, assign, pledge, convey, create an encumbrance on or otherwise alienate or dispose of in any way (hereinafter collectively called as transfer) of its shareholding, either in whole or part, to any other Person save and except to the extent provided as follows:
- (i) If any of the Promoters desires to transfer their Shareholdings in the JV either in whole or in part, the said Promoter (herein after referred to as Transferor) shall offer, in writing, such Shares to the other Promoters (herein after referred to collectively as Transferees and singularly as Transferee) in such proportions as the Transferees are holding Shares in the JV.



**\*\***(ii) None of the Transferors shall sell or otherwise transfer all or any part of the Shares owned by it in the Company to any third Party, not being their Affiliates, unless the said shares have first been offered to the Transferees at the book value or fair value, as certified by an independent and registered Valuer as mutually agreed between Transferor & Transferee, whichever is higher. The Transferee shall have eight weeks' time, after receipt of the notice, to accept such offer or decline. The Transferee can accept such offer for all or part of such Shares offered for transfer by the Transferor. However, if any Transferee does not accept such offer/ declines in writing to the selling party, within the eight weeks' time, the Transferor will be entitled, subject to remaining Transferees also declining to accept such offer, at its sole discretion to offer the said Shares to any another Government company/Public Sector Undertaking/FIs/Private Sector, within a period of two months from expiration of said eight weeks' time or issue of decline of offer by Transferee, provided that the price and terms & conditions on which such offer is made to such another Government company/Public Sector Undertaking/FIs/Private Sector shall not be more favourable compared to the offer made to the Transferees to the Agreement.

The another Government company/Public Sector Undertaking/FIs/Private Sector acquiring the shares shall agree, in writing by the way of signing the deed of Adherence to abide with the Terms and conditions of the Agreement in place of the Transferor, before transfer of shares by the Transferor in such a way that none of the parties hold 51% or more of the shares of the company.

**\*\***If Central Government or any State Government, Government Company or Corporation owned or controlled by the Central or any State Government desires to subscribe to the equity capital of the Company, then by mutual consent, such entity may be accommodated as shareholder, either by issue of new Shares or

by transferring the shares held by the Promoters in such proportion as may be agreed between themselves. In such a reduction in shareholding, provisions of lock-in-period as aforesaid in Article 42 shall not apply.

**\*\*In the event of the Transferees or another Government company/Public Sector Undertaking/FIs/Private Sector expressing their willingness to purchase the Shares at the price offered by the Transferor, the Transferee or another Government company/Public Sector Undertaking/FIs/Private Sector will be liable to pay to the Transferor the price within the date by which the offer was valid for acceptance and the Transferor will simultaneously with the payment sign the share transfer deed and / or any other document/agreement signifying the transfer of the Shares in favour of the Transferee.**

**\*\*All transfer of Shares by one party to another will be subject to restrictions imposed by any law by which the transfer of shares is to be dealt.**

**\*\*However, in any case, shareholding by Government Company/Public Sector Companies shall be more than 74% or minimum required for Coal Block allocated for the project, whichever applicable.**

50. Every instrument of transfer shall be left at the Office, duly stamped for registration accompanied by the certificate of the shares to be transferred with such other evidence as the Company may require to prove the title of transferor or his right to transfer the shares and upon payment of the fee the transferee shall (subject to the Directors' right to decline to register hereinbefore mentioned) be registered as a Member in respect of such shares. The Directors may waive the production of any certificate upon satisfactory evidence to them of its

*[\*\*Amended vide Special resolution no. 1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

loss or destruction and upon such terms as to, indemnifying the Company or otherwise as the Board may think fit.

51. All instruments of transfer which shall be registered shall be retained by Company but any instrument of transfer which the Directors decline to register shall be returned to the person depositing the same. The Directors may, however, cause to be destroyed all instruments of transfer (including those relating to debentures) lying with the Company after such period as Directors think fit, not being less than five years from the date of approval of transfer.
52. No fee shall be charged by the Board for transfer and on registration of each probate, letters of administration, certificate of death or marriage, power of attorney or other instrument
53. The Transfer Books and Register of Members may, on giving seven days' previous notice by advertisement in terms of Section 91 of the Act, be closed during such time as the Board think fit not exceeding in the whole 45 days in each year and not exceeding thirty days at any one time.
54. On the death of any Member (not being one of several joint-holders of a share) the executors, legal heirs or administrators of such deceased Member or the person or persons to whom Succession Certificate has been granted by a competent court in respect of the shares held by such deceased Member shall be the only persons recognized by the Company as having any title to such share.
55. Any Person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any Member (herein referred to as a

person entitled by transmission) shall produce to the Company such evidence as may be reasonably required by the Board to prove his title including in the case of death a Grant of Probate or Letters of Administration or Succession Certificate, as the case may be; from some competent Court in India and declare in writing his election either to be himself registered as a Member in respect of the share or instead of being registered himself to make such transfer as the deceased, bankrupt or insolvent person could have made.

56. If any person entitled to any shares by transmission shall give the required proof of his title and shall declare his election to be himself registered as a Member of the Company the Directors may (but without any obligation on their part to do so) upon payment of such fee as shall be fixed by the Board place his name upon the Register in respect of the said shares and if such person as aforesaid shall give the required proof and nominate some other person to be registered the person so nominating and the person so nominated shall respectively as transferor and transferee execute an instrument of transfer and the name of the transferee may subject to the regulations as to transfers hereinbefore contained, upon payment of such fee as shall be fixed by the Board, be placed upon the Register in respect of the said shares.
57. If any person becoming entitled by transmission to any partly paid shares shall not have complied with the terms of the preceding Articles from the time of so becoming entitled, the Board may cause to be served on him a notice requiring him to comply with the said terms within a period as shall be fixed by the Board from the date of such notice and stating that he does not comply with the requirements of the said notice the shares in respect of which such notice is given will be liable to forfeiture and if the person on whom

such notice has been served shall not comply with the requirements thereof within the time mentioned therein, the shares, in respect of which the said notice was given together with any dividends declared shall be liable to be forfeited by a resolution of the Board passed at any time before the requirements of the said notice shall have been complied with.

58. The Guardian of an infant entitled to shares and the Committee of a lunatic Member or of a lunatic entitled to shares may upon producing to the Directors such evidence of their position as may be reasonably required be placed upon the Register in respect of the shares to which such infant or lunatic may be entitled as the case may be.
59. The Board shall have the same right to refuse to register the person entitled to any shares by reason of the death, bankruptcy, insolvency lunacy or infancy of any Member or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
60. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by an apparently legal owner thereof (as shown or appearing in the register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any books of the Company and the Company shall not be bound or required to attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to

in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

### ALTERATION OF CAPITAL

61. The Board may with the sanction of the Company in General Meeting may, from time to time by a special resolution, increase the Share Capital by the creation of new shares of such amount as may be deemed expedient and as prescribed by such Resolution.

The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct, and if no direction be given as the Board of Directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividend, and in the distribution of assets of the Company and with or without any special right of voting.

62. Where it is proposed to increase the subscribed capital of the Company by the issue of new shares, such new shares shall be offered to the persons who, at 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-upon these shares at that date;
- i. the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer

within which the offer, if not accepted, will be deemed to have been declined;

- ii. 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 shall contain a statement of this right;
- iii. after the expiry of the time specified in the notice aforesaid 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 Company.
- iv. To employees under a scheme of employees' stock option, subject to Special Resolution passed by the company and subject to such conditions as may be specified in the relevant Rules.
- v. To any persons, by way of passing a Special Resolution to that effect, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration.
- vi. other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be specified in the relevant Rules

Whenever any shares are to be offered to the members the Directors may dispose of any such shares which, by reason of the proportion borne by them to the number of persons entitled

to such offer or by reason of any other difficulty in apportioning the same cannot in the opinion of the Directors be conveniently offered to the members.

63. Any capital raised by the creation of new shares shall unless otherwise provided by the conditions of issue, be considered as part of the original capital and shall be subject to the same provisions with reference to the payment of calls and the forfeiture of shares, on non-payment of calls, transfer and transmission of shares, lien or otherwise as if it had been part of the original capital.
64. The Company may from time to time by Special Resolution, in such manner specified in Section 66 of the Act and subject to such consents as may be required under any other law for the time being in force, reduce in any manner:
- i. its share capital
  - ii. any capital redemption reserve account; or
  - iii. any securities premium account.

#### **SUB - DIVISION AND CONSOLIDATION OF SHARES**

65. The Company may by ordinary resolution:
- (i) Consolidate all or any of its share capital into shares of larger amount;
  - (ii) Sub-divide its existing shares into shares of smaller amount subject to provisions of clause (d) of Sub-clause (1) of Section 61 of the Act;



- (iii) Cancel any shares not taken or agreed to be taken by any person;
66. The resolution whereby any share is sub-divided if confirmed, by a resolution passed by the class of shareholders whose rights will be affected thereby passed in manner prescribed in Article 65 hereof, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantages as regards dividends, capital, voting or otherwise over or as compared with the other subject nevertheless to the provisions of Section 47 of the Act.

#### MODIFICATION OF RIGHTS

67. Whenever the share capital by reason of issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Sections 48 of the Act be varied, commuted, affected, abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is sanctioned by Special Resolution passed at a separate meeting of the holders of the shares of that class and supported by the votes of the holders of not less than three-fourths of the shares of that class. This Article is not to derogate from any power the Company would have if this Article were omitted.
68. A person entitled to a share by transmission shall subject to the right of the Board to retain such dividends or money as herein

provided, be entitled to receive and may give discharge for, any dividends or other moneys payable in respect of the share.

69. The Board shall cause a proper register to be kept in accordance with the Act, of all mortgages, debentures and charges specifically affecting the property of the Company and shall cause the requirement of the Act in that behalf to be duly complied with. The Company shall have power to keep in any State or country outside India a branch Register of Debenture Holders resident in that State or country.

### **BORROWING POWERS**

70.

- (i) Subject to the provisions of Sections 73, 179 and 180 of the Act, the Board of Directors may from time to time, by resolution passed at a Meeting of the Board accept deposits, or borrow moneys from members, either in advance of calls or otherwise or accept deposits from public and may generally raised and secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds perpetual or redeemable debentures or debenture stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future), including its uncalled Capital for the time being.
- (ii) Debentures, Debenture stock, Bonds or other securities, may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (iii) Subject to the provisions of Section 53 and 71 of the Act, any Bonds Debentures, Debentures stock, or other securities may be

issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of Shares, appointment of Directors and otherwise. Debentures, Debenture stock, Bonds or other securities with the right to allotment of or conversion into Shares shall be issued only with the consent of the Company in General Meeting.

- (iv) If any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Managing Director (MD) may authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled Capital and the provisions hereinbefore contained in regard of such uncalled Capital and the provisions hereinbefore contained in regard to calls, shall mutatis mutandis apply to calls made under such authority may, be made exercisable either conditionally or unconditionally and either presently or contingently and either to exclusion of the Managing Director's power or otherwise and shall be assignable if expressed to be.
- (v) Whenever any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.
- (vi) If the Managing Director /Directors or any of them, or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Managing Director/Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of

the Company by way of indemnity to secure the Managing Director/Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

## GENERAL MEETING

71. The company shall in addition to any other meetings, hold a General Meeting of the Company which are hereinafter referred as "Annual General Meeting" at such intervals and in accordance with the provisions of Section 96 of the Act.
72. All General Meetings other than Annual General Meetings shall be called Extra-Ordinary General Meetings.
73. The Board may, whenever it thinks fit, and it shall, on the requisition of such number of Members as hold, at the date of the deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carried the right of voting in regard to the matter to be considered at the meeting forthwith proceed to call an Extra-Ordinary General Meeting, and in the case of such requisition the following provisions shall apply:
  - i The requisition shall state the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company. The requisition may consist of several documents in like form each signed by one or more requisitionists.
  - ii Where two or more distinct matters are specified in the requisition, the requisition shall be valid only in respect of those

matters in regard to which the conditions specified in Section 100(3) of the Act are fulfilled.

- iii If the Board does not, within twenty-one days from the date of the receipt of a valid requisition in regard to any matters, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of the receipt of the such requisition the meeting may be called and held by the requisitionists themselves within the period of three months from the date of receipt of the requisition.
- iv Any meeting called under this Article 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.
- v Where two or more persons hold any shares jointly a requisition or notice calling a meeting signed by one or some of them only shall for the purposes of this Article have the same force and effect as if it had been signed by all of them.
- vi Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be reimbursed to the requisitionists by the Company and any sum so paid shall be deducted from any fee or other remuneration under Section 197 payable to such of the Directors who were in default in calling the meeting.

74. In the case of an Extra-ordinary Meeting called in pursuance of requisition, no business other than that stated in the requisition shall be transacted.

75. A General Meeting of the Company may be called by giving at least clear twenty one day's notice in writing or through electronic mode. However, the same may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than ninety five percent of the members entitled to vote at such meeting.
76. Every notice of the meeting of the Company shall specify the place, day, date and the hour of the meeting and shall contain a statement of business to be transacted thereat.
77. Where any items of business to be transacted at the meeting are deemed to be special as provided in Article 80 there shall be annexed to the notice of the meeting a statement setting out all materials facts concerning each such item of business namely:
- (a) The nature of concern or interest, financial or otherwise, if any of the following persons, in respect of each item of:
    - i. every Director and the Manager; if any;
    - ii. every other Key Managerial Personnel; and
    - iii. relatives of the persons mentioned in sub-clause (i) and (ii);
  - (b) Any other information and facts that may enable members to understand the meaning, scope and implementation of the items of business and to take decision thereon.
78. In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that at the Member entitled to attend and vote is entitled to appoint a proxy and that proxy need not be a Member.

79. The accidental omission to give any such notice to any of the Members or the non-receipt by any Member of such notice shall not invalidate any resolution passed at any such meeting.

### PROCEEDINGS OF GENERAL MEETING

80. The ordinary business of an Annual General Meeting shall be to receive and consider the Financial Statements and the Report of the Directors, and Auditors, to appoint Directors in place of those retiring by rotation, to fix the remuneration of auditors and to declare dividends. All other business transacted at the Annual General Meeting and all business transacted at an Extra-ordinary General Meeting shall be deemed special business.
81. No business shall be transacted or discussed at a General Meeting while the Chair is vacant. The Chairman of Board shall be entitled to take the Chair at every General Meeting. If there be no such Chairman or if any meeting, he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the Directors present shall appoint one of the nominee Directors of such Promoter, whose nominee is at that time the Chairman of the Board, to act as Chairman of that meeting.
- \*\*82 The quorum for a General meeting shall consist of 5 (five) members or such number of persons as prescribed under the provision of section 103 of the Act provided that at least presence of one representative of GAIL,RCF, CIL and FCIL is present.

If within half an hour from the time appointed for the meeting, a quorum of members is not present, the meeting, if convened upon

the requisition of Members as aforesaid shall be cancelled, but in any other case it shall stand adjourned as per provisions of sub-section 2 of section 103 of the Act.

83. The Chairman may with the consent of any meeting at which a quorum is present, 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. It shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting. If however a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in case of original meeting.
84. Except where otherwise provided by the Act or by these Articles every question to be decided by the General Meeting shall in the first instance be decided by show of hands. In case of an equality of votes, the Chairman of any meeting shall both on a show of hands and at a poll (if any) held pursuant to a demand made at such meeting, have a second or casting vote.
85. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the

*[\*\*Amended vide Special resolution no.1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*



resolution or on which an aggregate sum of not less than Rs. 5,00,000 or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

86. If a poll is demanded as aforesaid it shall (subject to the provisions of the next succeeding Article hereof) be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
87. A poll demanded on any question other than adjournment of the meeting or appointment of Chairman shall be taken at such time, not being later than 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.
88. Minutes shall be maintained for the purpose of all resolutions and proceedings in General Meeting and any such minutes shall be signed by the Chairman of the meeting to which it relates or by a Director duly authorized by the Board in the event of the death or inability of the Chairman for the purpose. The minutes kept in accordance with the provisions of the Act, shall be evidence of the proceedings recorded therein.

89. The Board, subject to the provisions of Section 110 of the Act, may and in case of resolutions relating to such business as declared by the Central Government by notification to be conducted by means of postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the company.

### VOTES OF MEMBERS

- 90.
- i Subject to any rights and restrictions for the time being attached to any class or classes of shares by these Articles or by the Act, on a show of hands every Member entitled to vote and present in person shall have one vote only. Upon a poll the voting rights of Members shall be as laid down in Section 47 of the Act Provided that save as provided in Clause 2 of Section 47 of the Act, a Member of a Company holding any preference share capital therein, shall in respect of such capital have a right to vote only on the resolution placed before the Company which directly affects the rights attached to his preference shares.
  - ii No Member not personally present shall be entitled to vote on a show of hands unless such Member is a body corporate present by a proxy or by a representative duly authorized under section 113 of the Act in which case such representative may vote on show of hands as if he were a Member of the Company.
91. No Member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or as a proxy for any other Member 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, or in regard to which the Company has, and has exercised, any right of lien.

92. A Member being a Body Corporate (whether a company within the meaning of the said Act or not) may by resolution of its Board of Directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Body Corporate which he represents as that body could exercise if it were a member, creditor or holder of debentures of the Company.
93. Where there are joint registered holders of any share, anyone of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy then one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Provided always that a person present in any meeting personally shall be entitled to vote in preference to a person present by proxy, although the name of such person present by proxy stands first on the register in respect of such shares. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Article be deemed joint-holders thereof.
94. If any Member be a lunatic, idiot or non-composmentis his vote may be exercised by his Committee or other legal guardian and not

otherwise and any such Committee or guardian may, on a poll, vote by proxy.

95. Any person entitled under the transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were a registered holder of such shares; Provided that a least 48 hours before the time of the holding of the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

96. Any Member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. The proxy so appointed shall not have the right to speak at the meeting. A proxy shall also not be entitled to vote except on poll.

On a poll being taken at a meeting a Member entitled to more than one vote or his proxy, or other person entitled to vote for him, as the case may be need not if he votes, use all his votes or cast in the same way all votes he uses.

97. The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorized in writing. If the appointer is a Body Corporate such instrument shall be under its seal or be signed by an officer or an attorney duly authorized by it, or by the persons authorized to act as the representative of such company under Article 92. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or

join in the demand for a poll on behalf of the appointer, where a poll has not been ordered to be carried out electronically.

An instrument appointing proxy shall be in Form MGT-11 or any other form modified by enactment.

98. A vote given in pursuance of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy or any power-of-attorney under which such proxy was signed or the transfer of the shares in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the vote is given.
99. No objection shall be made to the validity of any vote except at the meeting or poll at which such vote, shall be tendered and every vote whether given personally or by proxy or by any means hereby authorized and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.

### **ANNUAL RETURNS**

100. The Company shall make the requisite returns in accordance with the Act and all statutory modifications and substitutions thereof.

### **BOARD OF DIRECTORS**

101. The property, business and affairs of the Company shall be managed exclusively by and under the direction of the Board. The Board may exercise all such powers of the Company and have such authority and do all such lawful acts and things as are permitted by law and the Company's Memorandum of Association and these Articles.

## CONSTITUTION OF BOARD

\*\*102

(i) Until otherwise determined by the Company in General Meeting and subject to the provisions of the Act, as may be applicable to the Company, the number of Directors at any given point of time shall not be less than Seven (7) and more than 15 (Fifteen).

\*\* (ii) Each of CIL, GAIL and RCF shall nominate two Directors and one (1) Director shall be nominated by the FCIL. The Company will have one (1) Managing Director (MD) and two (2) whole time Directors, namely Director (Operations) and Director (Finance) who will exercise powers subject to the superintendence, control and direction of the Board of Directors. GAIL will nominate the first MD, CIL will nominate the first Director (Finance) and RCF will nominate the first Director (Operations). MD and whole time Directors shall be appointed for a period of three years on rotation. After the expiry of the period of three years of appointment of the Managing Director and whole Time Directors as stated hereinbefore, the manner of subsequent appointment and rotation of MD and Whole Time Directors shall be decided jointly by GAIL, RCF & CIL.

\*\* (iii) For the first time the Chief Executive Officer (CEO) shall be appointed by GAIL and the Board of Directors of the Company will decide whether the CEO should be a member of the Board or not. The Board of Directors of the Company will decide at an appropriate time to appoint a Managing Director and to induct other whole time Directors.

103. In addition to the nominee Directors, the Company may appoint such number of independent directors as may be required to be appointed under the Act.

**\*\*104** Subject to the provisions of the Act, further change in the number of Directors of the Company shall be in proportion to the equity share holding of the Promoters. However, Promoter(s) shall always have the right to appoint one nominee Director on the Board of the Company as long as their shareholding in the Company is not zero.

105. Promoters shall have the right to replace at any time and from time to time the Directors nominated by them.

106. The Promoters shall take all necessary action and steps including exercise of their voting rights (including the voting powers of the Directors, if any, nominated by them) to ensure that all Person(s) so nominated by them are appointed as the Director(s) of the Company in accordance with the provisions of the Agreement.

107. For this purpose, the shareholding of a Party in the issued and outstanding equity shares of the Company shall mean and include the shareholding of their respective Affiliates who agree to be bound by the terms of the Agreement.

108. Any appointment of Director(s) to the Board at the request of financial institutions advancing loan to the Company, may be considered by the Board by increasing the total number of Directors within the maximum limit fixed by the Articles of Association of the Company.

**\*\*\*\*108A.** Notwithstanding anything to the contrary contained in this AOA including Article 2 hereof, the financing company or body or a financing corporation or credit corporation or a bank or any insurance corporation (each such financing company or body of financing corporation or credit corporation or any insurance corporation is hereinafter referred to as " Financial Institutions ") providing financial assistance (" Facilities ") to the Company shall be entitled to appoint, remove or replace from time to time, directors on the Board("Nominee Directors") and/or

*[\*\*Amended vide Special resolution no. 1 passed at an Extra –ordinary General Meeting held on 1<sup>st</sup> March, 2017]*

an Observer on the board of the Company (" Observer ") as per the terms of the relevant loan agreements/ facility agreements executed from time to time in relation to such Facilities (" Financing Documents ") in case of default in accordance with the terms of the Financing Documents.. Such Nominee Directors and/or Observer appointed from time to time by such Financial Institutions shall have such rights and entitlements as may be contained in the Financing Documents.

109. The following shall be first Directors of the Company.

- i. Shri R. G. Rajan (Nominated by RCF)
- ii. Shri Suresh Warior (Nominated by RCF)
- iii. Shri Anirban Kundu (Nominated by RCF)
- iv. Shri Chander Bhushan Sood (Nominated by CIL)
- v. Shri Niranjana Das (Nominated by CIL)
- vi. Shri Tapas Bandopadhyay (Nominated by CIL)
- vii. Shri Munukutla Vasuki Ravi Someswarudu (Nominated by GAIL)
- viii. Shri Sushil Pal (Nominated by FCIL)

110. The Directors need not hold any qualification shares.

111. Nothing contained in the provisions made in Section 164 of the Act, or any other articles, contained herein shall invalidate any act done at any meeting of the Directors or of a Committee of Directors or by any person acting as a Director notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director(s) or person(s) acting as aforesaid or that they or any of them were disqualified.

*[ \*\*\*\*Amended vide Special resolution no 2 passed at an Extra –ordinary General Meeting held on 10th Jan.'2022 ]*



112. The Board shall, subject to the provisions of Section 161 of the Act, have power from time to time and at any time to appoint Additional Director(s), but so that the total number of Directors shall not at any time exceed maximum number fixed as above, and so that no such appointment shall be effective unless the majority of the Directors concur therein. Such Additional Director(s) shall hold office only up to the next Annual General Meeting of the Company.

At every Annual General Meeting of the Company, one -third of such of the Directors, for the time being, are liable to retire by rotation as per Section 152(6) of the Act. The Chairman shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire.

#### **ALTERNATE DIRECTOR**

113. Subject to the provisions of the Act and approval of RCF, CIL, GAIL and FCIL for their respective nominees, the Board of Directors of the Company 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 Clause shall vacate office if and when the original Director returns to India.

If the term of office of the original Director is determined before he so returns to India, any provision in the said Act or in the Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director.

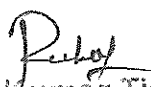
114. Any casual vacancies occurring on the Board, including, without limitation, as a result of death, resignation, removal by the shareholders or incapacity of any members of the Board, shall be filled by the Board in accordance with Applicable law. Such individual shall hold office till the date on which the Director whose place he is filling would have held office had the vacancy not occurred.

#### **REMUNERATION OF DIRECTORS**

115. Independent Directors shall be entitled to sitting fee as may be determined by the Board or from time to time for attending Board meetings and other meetings of Committees constituted by Board in addition to expenses incidental thereto. No Sitting fee or any other remuneration shall be payable to the Directors nominated by the Promoters for attending any meetings

#### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

116. The Board of Directors shall meet from time to time for the conduct of business, adjourn and otherwise regulate their meetings and proceedings as they think fit subject to the provisions of the Act, provided that at least four meeting of the Board of Directors shall be held in every year and not more than 120 days should lapse between two meetings. A Director not present at the location where the meetings is to be held may attend such meeting via video conferencing or other audio visual means. The matter which are prescribed by the Central Government other than matters which shall not be dealt with in a meeting through video conferencing or other audio visual means may be conducted in the meeting through video conferencing.

  
Rahul Kumar Tiwari  
Company Secretary  
Talcher Fertilizers Ltd.  
Talcher, Odisha  
Mem. No. A-40333

## 117. Quorum

- \*\***(a) The quorum for a meeting of the Board of Directors shall be one third of the strength of the Board or three Directors, whichever is higher, with the presence of at least one Director each nominated by RCF, CIL, GAIL. Any fraction of a number shall be rounded off as one.
- (b) A meeting of the Board could not be held for want of quorum, the meeting shall be automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.
- \*\***(c) At a meeting adjourned in accordance with Section (b) above, the quorum shall be one third of the strength of the Board or three whichever is higher and only the unfinished business of the original meeting shall be transacted excluding the matters reserved for affirmative vote pursuant to Article 128 hereinafter.

## 118. Notice and agenda of the Board Meeting:

- (i) The Chairman of the Board or any Director of the Company or any other person authorised by the Board shall give a written notice, (either by personal delivery, mail, e-mail, telefax, at the address, email address, telefax number supplied from time to time by the Directors, provided that any notice sent by telefax should be followed by a copy of the notice sent by mail), at least seven days in advance of the date of the meeting of the Board. Provided, however, a meeting of the Board may also be convened at a short notice at the sole discretion of the Chairman and subject to the conditions as specified in the Act.

*[\*\*Amended vide Special resolution no. 1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

- (ii) In case of a meeting of the Board called on a short notice, the Company shall ensure that the notice of the meeting is properly delivered to the Directors prior to the meeting. The notice shall ordinarily cover the agenda of the business to be transacted at such meetings in full and sufficient detail along with necessary supporting documents and the date, time and place of the meeting.

119. Circular Resolution

Subject to the provisions of the Act and the Agreement, a resolution not being a resolution which under the Agreement or the Act, requires it specifically to be passed in the meeting of the Board of Directors, may be passed without the meeting of the Board or a committee of Directors provided the resolution has been circulated in draft together with necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed and has been approved by a majority of the directors or members, who 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 chairperson shall put the resolution to be decided at a meeting of the Board

120. Constitution of Committees by the Board

- \*\***(i) The Board may, from time to time, by passing a resolution, constitute committee(s) of the Directors of the Company. The committee(s) so formed shall consist of at least one Director nominated by each of RCF, GAIL and CIL.

- (ii) The Board of Directors may, from time to time and subject to the Agreement and the Articles and the restrictions contained in the Act, delegate to a committee or committees, to managers, secretaries, officers, assistants and other employees or persons any of the powers, for the time being vested in the Board and may, at any time, revoke, withdraw, alter and vary all or any of such powers, authorities and discretion.
- (iii) Any committee so formed shall, in exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (iv) Subject to as otherwise specifically provided in the Agreement or the Articles, the provisions relating to the notice, quorum and convening of Board meeting shall mutatis mutandis apply to the meetings of the committees also.

**121. Chairman of the Board.**

- \*\***(a) CIL, GAIL and RCF shall have the right to nominate any one of the Directors nominated by them as the Chairman of the Board for alternate periods of three years. The first Chairman of the Company shall be nominated by RCF. The Chairman will continue to hold office after completion of each three-year period till a new Chairman is nominated by CIL, GAIL and RCF. The next Chairman of the Board shall be as decided amongst CIL, GAIL & RCF.
- (b) If at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, or if he is not willing to act as Chairman, the Directors present shall appoint one of the nominee Directors of such Promoter, whose nominee is at that time the Chairman of the Board, to act as Chairman of that meeting.

*[\*\*Amended vide Special resolution no.1 passed at an Extra-ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

- (c) In case of equality of votes, the Chairman shall have a second or casting vote.

## MANAGEMENT

**\*\*122.** (i) Chief Operating Officers (COO)s for Mining, Gasification/Upstream and Downstream would be appointed and would report to Director (Operations). COO (Mining) would be nominated by CIL, COO (Gasification/Upstream) would be nominated by GAIL & COO (Downstream) would be nominated by RCF. The COOs will work under guidelines and powers delegated by the Board. COOs will be Project Heads (Mining/Gasification/Downstream) till commissioning of the Project. Thereafter they will be In-charge of Operation and Maintenance (O&M) of respective areas.

**\*\***(ii) A Chief Financial Officer (CFO) would be appointed to oversee all financial matters of the Company and shall report to CEO/MD. The CFO will work under the guidelines and powers delegated by the Board and shall be an Invitee to all Board meetings of the Company. On appointment of whole-time Directors, the Director (Finance) will be the CFO. The duration of appointment of every CFO shall be for a period of three years on rotational basis by and amongst CIL, RCF & GAIL. The appointment of the first CFO will be made by CIL and thereafter on the expiry of the appointment of three years the said CFO will be replaced on rotational basis by and amongst RCF, CIL & GAIL alternatively. The RCF, CIL and GAIL shall jointly decide any issue arising out of duration, appointment, duties etc. of the CFO.

*[\*\*Amended vide Special resolution no.1 passed at an Extra-ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

- \*\*123.** Chief Executive Officer (CEO) or Managing Director (MD) shall carry out the day-to-day operation of the Company in accordance with the objectives laid down by the Board. The responsibilities of the CEO/MD shall include, without limitation, general control over all functions of the Company including administration, marketing, finance, manufacturing and technology of the Company.
- \*\*124.** The CEO/MD shall appoint or dismiss personnel, other than senior officers who are appointed under the directions given by Board, and fix their wages in accordance with the provisions of the applicable laws and policies of the Company and negotiate collective employment agreements.
- \*\*125.** The CEO/MD shall represent the company vis-à-vis third Parties/Promoters, including all public bodies and before judicial tribunals whether as plaintiff or defendant, within the context of matters concerning the day-to-day management, and in addition, take any defensive legal measures which he deems useful or necessary against any authority or entity in order to protect the interests of the JV. The MD can also appoint an attorney / officials to represent him for such matters.
- \*\*126.** The CEO/MD may delegate part of his powers, for a specific time, to an executive of the JV and under his full responsibility, on approval by the Board.
- 127.** No member of the Board will in his individual capacity have automatic power to sign any document on behalf of the JV or to bind the JV in any form or manner whatsoever.

*[\*\*Amended vide Special resolution no.1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

## BUSINESS NEEDING AFFIRMATIVE APPROVAL

**\*\*128.** All questions arising in Meeting of the Board shall be decided by majority of votes of Directors present and voting, provided, however that in respect of the following matters, no resolution shall be passed or decision taken at a Meeting of the Board unless it has the affirmative vote of at least one Director from each of RCF, CIL, GAIL and FCIL or their Alternate Directors, as the case may be:

- a) Any amendment to the Memorandum and Articles of Association (AoA) of the Company;
- b) Any increase or reduction in the authorized, issued, subscribed and paid up share capital of the Company;
- c) Any issuance and/or allotment of any shares of the Company;
- d) Any declaration of dividends (whether interim or final) and any other similar distribution or payments of profits/ bonus shares;
- e) Fixation of remuneration and commission to Directors.
- f) Capital expenditures in excess of Rs. 100 crore at any one time or Rs.1000 crore in the aggregate over any period of twelve (12) months;
- g) Any change of the JV location, any merger, consolidation, reconstruction or liquidation of the JV, or any sale, lease, exchange or other disposition of all or substantially all of the assets or business of the Company;
- h) The establishment of annual operating and capital expenditure budget and any material changes therein;
- i) The appointment of the JV Auditors and Legal counsel;
- j) Any change in accounting practice/policies of the Company;
- k) The approval of the financial statements of the Company;
- l) The mortgage, encumbrance or other creation of a security or interest in any portion of the assets of the Company.
- m) Any change in the nature of the business or purpose of the Company;
- n) Winding up of the Company;



- o) Any licensing or granting with respect to any of the rights, interests or properties of the Company;
  - p) Any activity or transaction outside the ordinary scope of the business of the Company;
  - q) The purchase by the Company of any securities of any other company or entity;
  - r) Any transaction between the Company and the Shareholders and/or their affiliates;
  - s) Any borrowing or lending of money or guaranteeing of indebtedness as per the Act;
  - t) Granting powers of attorney not in the ordinary course of business to act for and on behalf of the Company including power to further delegate;
  - u) Issue of shares to public and matters associated therewith;
  - v) Any proposal to form any new company or any subsidiary of the Company;
  - w) Any proposal for sale of assets exceeding Rs.10 Crore in each case.
- \*\*{x}** Fixation of the value of assets transferred by FCIL to the Company to arrive at value of FCIL's equity contribution in the Company and resultant shareholding ratios of RCF, CIL and GAIL.

*[\*\*Amended vide Special resolution no.1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

*[\*\*Inserted vide Special resolution no.1 passed at an Extra –ordinary General Meeting held on 14<sup>th</sup> March, 2017]*

## VOTING

129. All questions arising at a Meeting of the Board or any Committee thereof shall be decided by majority of votes of Directors present and voting except items requiring affirmative approval.
130. All acts done by any meeting of the Board of Directors or of a Committee 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 any persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to acts done by such Directors, Committee or persons acting as aforesaid after it has been shown that there was some defect in such appointment or that they or any of them were disqualified.
131. The Directors shall cause entries to be made in books provided for the purpose of minutes of the proceedings of all meetings of the Board and of the names of the Directors present at such meetings and in case of each resolution passed at the meeting, the names of the Directors, if any, dissenting or not concurring in the resolution.
132. All such minutes shall be signed by the Chairman of the meeting as recorded or in case of the inability for any cause of such Chairman to sign the same then by the person who shall preside as Chairman at the next ensuing meeting and all minutes purporting to be so signed shall for all purposes whatever be prima-facie evidence of the actual passing of the resolutions recorded and the actual and regular transactions or occurrence of the proceedings so recorded and of the

regularity of the meeting at which the same shall appear to have taken place.

133. No Director shall act as a Director, take 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 with or interested in such contract or arrangement as stipulated in the Act.

#### **MANAGING DIRECTOR/WHOLE-TIME DIRECTOR (S)**

134. Subject to the provision of Sections 196,197,198 and 203 read with schedule V & all other applicable provisions of Act & The Companies (Appointment& Remuneration of Managerial Personnel) Rules, 2014, RCF and CIL shall nominate Managing Director/Whole-Time Director (s) alternatively, subject to the approval of the Shareholders, who shall run the Company.

The term of office of the Managing Director/Whole-Time Director(s) shall also be determined by resolutions of the Board but in no event shall be longer than five (5) years, subject to renewal.

135. Subject to the provisions of the Sections 196 &197 of the Act, Managing Director/Whole-Time Director (s) shall, in addition to the remuneration payable to him/them as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be sanctioned by the Company.

## COMPANY SECRETARY

136. The Board may from time to time appoint and at their discretion remove, a Company Secretary to perform such function which by the said Act or by these Articles and to execute any other duties which may from time to time be assigned to the Secretary by the Board..

## POWERS OF THE BOARD

137. Subject to Section 179 of the Act, the Board shall have right to delegate any of their powers to such Directors, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers. The Board may authorize Directors to sub-delegate the delegated powers.
138. 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 except those powers which are expressly directed or required to be done by the Company in a general meeting, by these Articles, or by the Act or any other legislation or Rules, provided that in exercising any such power or doing any such act or thing, subject to the provisions contained in that behalf in the Act or any other legislation or in the Memorandum or Articles of the company or any other applicable Regulations.

## DIVIDENDS


139. The Company in General Meeting may declare dividend to be paid to the Members as per section 123 of the Act.

140. Subject to the provisions of Section 123 of the Act, 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.
141. No dividend shall be declared or paid except out of the net profits of the year or any other undistributed profits and no dividend shall bear interest against the Company.
142. If and where any bonus on shares is declared out of profits and whether alone or in addition to any dividend thereon, the bonus shall for all purposes whatsoever, be deemed to be a dividend on the shares.
143. The Board may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
144. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amount paid or credited as paid on the Shares in respect whereof the dividend is paid up, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on share in advance of calls shall be treated for the purpose of this Articles as paid on the share.
145. Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered, the Company shall:

- (a) Transfer the dividend in relation to such shares to the special account referred to in Section 123 of the Act unless the Company is authorized by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and
- (b) keep in abeyance in relation to further issue of shares under section 62 of the Act and any issue of fully paid up bonus shares in pursuance of Section 63 of the Act.

146. If several persons are registered as joint holders of any shares, anyone of them may give effectual receipt for any dividend payable on the shares and such receipt by anyone of them will be binding against all the joint holders.

147. Unless otherwise directed by the Company in General Meeting, any dividend may be paid by Cheque or electronic mode or Warrant sent through post to the registered address of the Member entitled or in the case of joint holders to the registered address of that one whose name stands first on the Register in respect of the joint-holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the act of such cheque or warrant having been so posted shall be a complete discharge to the Company against all claims in respect of such dividend. No dividend shall be paid by the company in respect of any share except to the registered holder of such shares or to his order or to his bankers or in case of bearer shares to the bearer of the share Warrants or to his bankers.

  
Rahul Kumar Tiwari  
Company Secretary  
Talcher Fertilizers Ltd.  
Talcher, Odisha  
Memb. No- A-40333

## ACCOUNTS

148.

- (i) The Directors shall cause to be kept proper books of account with respect to (1) all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place; and (2) all sales and purchases of goods by the Company; (3) the assets and liabilities of the Company on accrual basis and according to the double entry system of Accounting; (4) Except for the first financial year, the accounting year of the Company shall be financial year commencing from 1st April to 31st March of the subsequent calendar year.
- (ii) Where Company has a branch office, the Company shall be deemed to have complied with the provisions of sub-clause (i) above if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns, made up to dates at intervals of not more than three months, are sent to the Company at its Office or other place referred to below.
- (iii) The books of account shall be kept at the registered Office of the Company or at such other place or places as the Board think fits and shall be open to inspection by the Directors during business hours.
- (iv) The Board shall from time to time, determine whether and to what extent and at what times and places and under what conditions of regulations the account books and documents of the Company or any of them shall be open to the inspection by Members as permitted under the Act.

149. At every Annual General Meeting there shall be laid before the Company a Financial Statements of the Company for a period in the case of the first Annual General Meeting beginning with the incorporation of the Company and ending with day which shall not precede the day of the meeting by more than 9 months and in the case of any subsequent Annual General Meeting of the Company beginning with the day immediately after the period for which the account was last submitted and ending with a day which shall not precede the day of the meeting by more than six months. The said Financial Statements shall contain such particulars and shall be in such form as prescribed by Section 129 of the Companies Act, 2013 or as near thereto as circumstances admit.
150. The Financial Statements shall be signed in accordance with the provisions of Section 134 of the Act. The Directors shall make out and attach to every Balance Sheet laid before the Company in General Meeting a Report of the Board of Directors which shall comply with the requirements of and shall be signed in the manner provided by Section 134 of the Act.
151. The Statement of profit & loss shall give a true and fair view of the profit & loss of the company for the financial year and shall subject to the provisions of Section 129 of the Act, and shall be in form or form as may be provided for different class or classes of Companies in Schedule III.
152. The Financial Statement shall be audited by the Auditor or Auditors of the Company as hereinafter provided and the Auditors' Report shall be attached thereto and shall be open to inspection by any Member of the Company.



153. A copy of such Financial Statement and Report as aforesaid and every other document required by law to be annexed or attached to the Balance Sheet shall be made available for inspection at the Office of the Company during working hours for a period of twenty one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid shall at least twenty one days previous to such meeting be served on every Member of the Company in the manner in which notices are hereinafter directed to be served as also to every trustee for holders of Debentures.

#### **APPOINTMENT OF AUDITORS**

154. The Auditor or Auditors of the Company shall be appointed as per provisions of section 139 of the Act.
155. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting or in such manner as may be determined by the shareholders except the remuneration of first Auditors may be fixed by the Board.

#### **ACCOUNTS, AUDIT AND INSPECTION**

156. **Records** - JV will follow financial accounting procedures for accounts and maintain records in accordance with generally accepted accounting principles, standards and practices as required by Indian Laws in respect of its business operations.
157. The Promoters hereto shall be entitled to receive full information, data and statements relating to the operations and other activities of the Company including financial statements immediately following the close of the financial year and/or as may be required by them.

158. **Special Audit** - The Promoters shall have the right to carry out at any time, a special audit of the books of accounts, records and affairs of JV as may be desired by them, either individually or jointly. Any such special audit shall be at the expense of the Party requesting the same. Provided however, if any such special audit reveals any material discrepancies, the same shall be referred to the Board.
159. **Safety Audit** - The Promoters shall have the right to carry out at any time a safety audit to ensure compliance with internationally accepted safety standards. Such inspections shall be carried out by either Party, individually or jointly or their nominee(s) and shall be at the expense of the Party requesting the same. In case of material discrepancy, the same shall be referred to the Board.
160. **Technical Audit**-The Promoters shall have the right to carry out at any time a Technical audit of the JV. Such Audit shall be carried out by either Party, individually or jointly or its / their nominee(s) and shall be at the expense of the Party requesting the same. In case of material discrepancy, the same shall be referred to the Board.

#### NOTICES AND SERVICE OF DOCUMENTS

161. A notice may be given by the Company to any Member either personally or by sending it through registered post or by speed post or by courier services or by means of electronic or other mode addressed to such Member at his registered address or (if he has no registered address in India), to his address, if any, within India supplied by him to the Company for the giving of notices to him.

  
Rahul Kumar Tiwari  
Company Secretary  
Talcher Fertilizers Ltd.  
Talcher, Odisha  
Memb. No. A-40332

162. Each holder of shares shall from time to time notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
163. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these presents shall be sufficiently given, if given by advertisement, one in English and one in a vernacular daily newspaper circulating in the city, town or village in which the registered office of the Company is situate and the such notice shall be deemed to be duly given to such Member on the day on which the advertisement appears.
164. Any notice required being or which may be given by advertisement shall be advertised once in one or more daily newspapers circulating in the neighborhood of the registered office of the Company and the notice shall be deemed to be given on the date on which the advertisement first appears. The notice should be advertised in one vernacular language and other in English.
165. All notices shall with respect to any registered shares to which persons are jointly entitled be given to whichever of such persons in named first in the register and notice so given shall be sufficient notice to all the holders of such shares.
166. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting the envelope or wrapper containing the notice and unless the contrary is proved, to have been effected, in case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the same is posted and in any other case at the time at which the

letter would be delivered in the ordinary course of post. A certificate in writing signed by any Director or other officer of the Company that the envelope or wrapper containing the notice was so addressed and posted shall be conclusive evidence thereof.

167. Every person who by operation of law or transfer or other means whatsoever shall become entitled to any share or stock shall be bound by every notice in respect of such share or stock which previously to his name and address being entered on the Register shall be duly given to the person from whom he derives his title to such share or stock.
168. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of 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.
169. Notice of every General Meeting shall be given in same manner hereinbefore authorized to (a) every Member of the Company (including bearers of share warrants except those Members who having no registered address within India) have supplied to the Company an address within India for the giving of notices 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 his death or insolvency would be entitled to receive notice of the meeting.(c) Auditor(s) for the time-

being of the Company. No other person shall be entitled to receive notices of General meetings.

170. The signature to any notice to be given by the Company may be written or printed.
171. Where a given number of days notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided be counted in such number of days or other period.

Notices or other communication required or permitted to be given or made hereunder shall be in writing and signed by an authorized person of the sender and delivered Personally or sent by prepaid registered post or by electronic means or by legible fax addressed to the intended recipient at its address set out below or to such other address or fax number as any Party may from time to time notify to the other Party.

## WINDING UP

172. Subject to the provisions of Chapter XX of the Act and rules made thereunder:
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not
  - (ii) 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

- (iii) 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 so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### INDEMNITY

173. The Board shall be entitled to meet out of the funds of the Company to defend, every officer of the Company as defined by Section 2(59) of the said Act, or any person (whether an officer of the Company or not) employed by the Company, against all claims made on them (including losses, expenses, fines, penalties or such levies), in or about the discharge of their respective duties.
174. The Company may take and maintain any insurance as the Board may think fit on behalf of its directors (present and former), other employees and the Key Managerial Personnel, for insurers to directly meet all claims, losses, expenses, fines, penalties or such other levies, or for indemnifying any or all of them against any such liability for any acts in relation to the Company for which they may be liable.
175. No Director of the Company, Manager, Secretary, Auditor and other officer or servant of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or servant or for joining in any receipts or other act for the sake of conformity merely or for any loss or expenses happening to the Company through the insufficiency or deficiency in point of titles or value of any property acquired by the order of the Directors for or on behalf of the Company or mortgaged to the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of

the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation to or with whom any moneys, securities or effects of the Company shall be entrusted or deposited or for any loss occasioned by any error of judgement, omission default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in relation to the execution or performance of the duties of his office or in relation thereto, unless the same happen through his own dishonesty

176. All Promoters agree to indemnify the other Promoters against all reasonable costs, charges, expenses and claims whatsoever directly incurred or suffered by such other Party solely attributable to a material breach of representation and warranty of the indemnifying Party contained herein.

#### SECRECY

177. 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 bona-fide transactions of the Company with its customers and the state of accounts with individuals 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 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.

178. The Promoters, to the extent of their respective rights to do so, shall exchange such information and data as is reasonably required by each Party to perform its obligations and responsibilities under the Agreement. Each Party agrees to keep in confidence and to use the same degree of care as would do with respect to its own proprietary data to prevent disclosure to other Promoters of all technical information, data and confidential business information

### SEAL

179. The Board shall provide for the safe custody of the Company Seal which shall only be used by the authority of the Board or of a Committee of the Board authorized by the Board in that behalf and every instrument to which the Seal shall be affixed shall be in the presence of and shall be signed by a Director and countersigned by the Secretary/ or some authorized person. The Certificates of shares or debentures (if any) of the Company shall be sealed and signed in the manner provided by the Companies (Share Capital & Debentures) Rules, 2014 or any statutory amendment thereof for the time being in force.


Note: The Articles shall be signed by each subscriber of the Memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

S.No.	Name, address, description and occupation of subscribers	Signature	Witness (along with name, address, description & occupation
1.	Rashtriya Chemicals and Fertilizers Limited Through:	Sd/-	Signed before me Witness for S. No.1 & 2,



S.No.	Name, address, description and occupation of subscribers	Signature	Witness (along with name, address, description & occupation)
	Shri R. G. Rajan S/o Shri P. G. Raman, (Chairman and Managing Director), Priyadarshini, Eastern Express Highway, Sion, Mumbai- 400 022 (Service)		Shri D. M. Sati S/o Shri Late Mahindrapratap Sati R/o Flat No.143, Hi-Five, RCF Colony, Chembur, Mumbai 400 074 Occupation : Company Secretary, RCF Limited,
2.	Shri Anirban Kundu, S/o Shri Mahindranath Kundu, ( Executive Director (Planning and Project Development)), Nominee of Rashtriya Chemicals and Fertilizers Limited, R/o Hi-Five, 172, RCF Colony, Chembur, Mumbai- 400 074 (Service)	Sd/-	Sd/-  "I witness to subscribers, who have subscribed and signed in my presence on 28.10.15 at Mumbai; Further I have verified their Identity Details (ID) for their identification and satisfied myself of their identification particulars filled in"
3.	Coal India Limited Through : Shri Sutirtha Bhattacharya S/o Late Amiya Bhusan Bhattacharya	Sd/-	Signed before me Witness for S. No.3 & 4, Shri M. Vishwanathan S/o Late S Mahadevan

S.No.	Name, address, description and occupation of subscribers	Signature	Witness (along with name, address, description & occupation)
	(Chairman and Managing Director), Coal Bhawan, Premises No.4, MAR, Action Area-1A, Newtown, Rajarhat, Kolkata -700 156		R/o. Devaloke Residency, Block 202/1, N.S.C. Bose Road, Bansdrani, Kolkata 700 047 Occupation : Company Secretary, Coal India Limited
4.	Shri Nagendra Kumar S/o Late Mohan Lala Shah Director (Technical) CIL, Nominee of Coal India Limited 12 C, Lord Sinha Road, 6th Floor, Kolkata 700 016	Sd/-	Sd/-  "I witness to subscribers, who have subscribed and signed in my presence at Kolkata on 26.10.15; Further I have verified their Identity Details (ID) for their identification and satisfied myself of their identification particulars filled in"
5.	GAIL (India) Limited Through: Shri Munukutla Vasuki Ravi Someswarudu S/o Shri Munukulta Subrahmanya Somayajulu,	Sd/-	Signed before me Witness for S. No.5 & 6, Name : Vinay Parshad Father Name: Late Shri Shiri Parshad

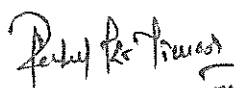
  
**Rahul Kumar Tiwari**  
 Company Secretary  
 Talcher Fertilizers Ltd.  
 Talcher, Odisha  
 Memb. No- A-40323

S.No.	Name, address, description and occupation of subscribers	Signature	Witness (along with name, address, description & occupation)
	(Executive Director (Exploration & Production and Project Development) GAIL Bhawan, 16 Bhikaiji Cama Place, R.K. Puram, Ring Road, New Delhi-110066 (Business))		R/o. 114, GAIL Apartment, Sector 62, Noida, UP. Occupation : Service  Sd/-
6.	Shri Dakinedi Madhukar Rao S/o Dakinedi Vasudeva Rao (General Manager (Project Development)) Nominee of GAIL (India) Limited R/o. H. No.9617, Sector 3, Pocket 9, Vasant Kunj, Delhi 110070 (Service)	Sd/-	"I witness to subscribers, who have subscribed and signed in my presence on 27th Oct, 2015 at New Delhi; Further I have verified their Identity Details (ID) for their identification and satisfied myself of their identification particulars filled in"
7.	Fertilizer Corporation Of India Limited Through: Shri Sushil Pal S/o Shri Umesh Bahadur Pal (Director (Finance)) 7, Institutional Area, SCOPE Complex, Core III, Lodhi Road, New Delhi-110003 (Service)	S/d-	Signed before me Witness for S. No.7, Sion Kongari D/o Late Martin Hemron, 107, Uttarakhand, Jawaharlal Nehru University, New Delhi-67 Occupation : General Manager, FCIL

S.No.	Name, address, description and occupation of subscribers	Signature	Witness (along with name, address, description & occupation)
			<p>Sd/-</p> <p>"I witness to subscribers, who have subscribed and signed in my presence at Kolkata on 26.10.15; Further I have verified their Identity Details (ID) for their identification and satisfied myself of their identification particulars filled in"</p>

Dated: 28/10/2015

Place: Mumbai

  
**Rahul Kumar Tiwari**  
 Company Secretary  
 Talcher Fertilizers Ltd.  
 Talcher, Odisha  
 Memb. No- A-40353