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MEMORANDUM OF ASSOCIATION  
AND  
ARTICLES OF ASSOCIATION  
OF  
**NATIONAL SCHEDULED TRIBES FINANCE  
AND DEVELOPMENT CORPORATION**

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A COMPANY LIMITED BY SHARES NOT FOR PROFIT UNDER  
SECTION 25 OF  
THE COMPANIES ACT, 1956

**(Last amendment made on 18/12/03)**

*(THE COMPANIES ACT, 1956)*

*(A Company Limited by Shares not for Profit under Section 25 of the  
Companies Act, 1956)*

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**MEMORANDUM OF ASSOCIATION  
OF  
NATIONAL SCHEDULED TRIBES FINANCE  
AND DEVELOPMENT CORPORATION**

1. The name of the Company is **NATIONAL SCHEDULED TRIBES FINANCE  
AND DEVELOPMENT CORPORATION.**

II. The REGISTERED OFFICE of the Company will be situated at National Capital  
Territory of Delhi.

**III. OBJECTS**

A. THE MAIN OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE :

1. To identify trades and other economic activities of importance to Scheduled Tribes and promote the setting up of businesses, trades, professions and other economic activities by members of Scheduled Tribes in rural as well as urban areas of the country with such income levels as may be decided by the Government from time to time and to assist them by grants, subsidies, loans, advances, know-how, training, technology, process design, extension support, inputs and/or raw material supply and marketing of produce, products and material legally collected or produced by any member of Scheduled Tribes and to undertake and to cause collection of minor forest produces from Government and private forests for processing, marketing or otherwise and implement Government policies and programmes in the matter.

2. To upgrade skill and process used by Scheduled Tribes, to set up, run and manage production, training, quality control, process development, technology and common facility centers or units and to collaborate or tie -up with other agencies, firms and enterprises for the purpose.
3. To promote, establish, improve, develop, administer, own and run conjunctional infrastructural activities like small, cottage and village, industries based on agro-forestry or otherwise, projects or enterprise or programmes related to agriculture, land development, irrigation, pasture development, social-forestry, fisheries, village and cottage industries, handicrafts, weaving, sericulture, horticulture, poultry, pisciculture, diary farming, piggery, duck farming, goat rearing, animal husbandry and other for the upliftment of Scheduled Tribes and for that purpose to acquire and develop land, farms, business property, assets or rights from State or Central Government or State Corporation or any other person, firm or being and to catalyse the process of development and growth of Scheduled Tribes and in support of their economic pursuits independently and/or in collaboration with other Central and State Government Agencies and the Apex Controlling, co-ordinating and financing organisations at the National as well as other levels including the States/UT's Scheduled Tribes Development Corporations so as to fill the critical gaps and make these programmes more effective.
4. To develop and finance Pilot Programmes, projects, schemes and for that purpose to construct, execute, carry out, equip, improve, develop, administer, manage or control works and conveniences of all kinds for upliftment and welfare of Scheduled Tribes and construct or to cause construction of suitable houses, factories, estates, godowns, warehouses and other structures for such classes. For this purpose, the Corporation may utilise the services of voluntary organisations, besides the other Central and State Government agencies including the Scheduled Tribes Development Corporations.
5. To raise grants, aids, borrowings, loans, advances or other money or otherwise from National and International Institutions or Agencies, NABARD, IDBI, IFCI, SFCs, SIDBI, bilateral or multilateral aid cum development agencies, nationalised and Scheduled Banks, Regional Rural Banks, Co-operative Banks and such other institutions and agencies on such terms and conditions as deemed appropriate and subject to rules, regulations and guidelines issued by the Government of India from time to time, to improve the flow of financial assistance to Scheduled Tribes and to use such funds for the economic well being of Scheduled Tribes independently or through institutions and agencies pursuing similar objectives; and
6. To assist State Scheduled Tribes Development Corporations in setting up their projects by way of project preparation, training of staff, providing margin money and other possible financial assistance for obtaining commercial funding.

## **B. ANCILLARY OBJECTS**

The objects Incidental or Ancillary to the attainment of the Main Objects are:

1. To procure all pre-requisites for attainment of above objects from inside and/or outside the country, as the Corporation may deem fit.
2. To undertake financial and commercial obligations, transactions and operations of all kinds connected with procurement and supply of such pre-requisites.
3. To establish branches, offices or agencies of the Corporation at any place in India and to discontinue the same.
4. To promote and/or establish such Government organisations, advisory boards and other suitable bodies in the different States as well as Union Territories as may be deemed necessary in carrying out the aforesaid effectively.
2. To select certain activities at the National/State/UT level with a view to help Scheduled Tribes population in various parts of the country. The activities would be selected with care so that the procurement of the raw material supplies, technology, process, design and marketing, can be organised better.
6. To enter into contracts with and take up indents from the Central Government/State Government/Union Territories in the Union of India, Statutory bodies, companies, firms or individuals or organisations for fabrication, manufacturing, marketing, assembling and supply of agricultural produce, goods, material, articles and equipments of any description and to arrange for the performances of such contracts and attainments by subcontracting them or placing orders in respect thereof.
7. To promote self-employment and other ventures of or for the Scheduled Tribes by entering into tie-up or collaborative arrangements with various Government Ministries and Departments, Government and non-Government agencies at National/State/UT and other lower administrative level and arrange subsidy, loans, grants and other technological infrastructure and back-up support through existing or newly set-up institutions.

8. To develop, operate and implement specific pilot programmes, projects and schemes anywhere in India independently or in collaboration with other agencies in support of promotion of the economic activities of Scheduled Tribes with a view to introduce innovations, technological upgradation and bridging the critical gaps of infrastructure input supply, output processing and marketing.
9. To begin with, these programmes and projects will be taken up in areas with very high concentration of Scheduled Tribes having generally low income levels, the Corporation may undertake the setting up of conjunctional/infrastructural activities which would enable a large number of entrepreneurs to take up selected activities deriving support from the infrastructure set up. The projects will be taken up as far as possible in clusters to prevent diffusion of its efforts. The company will also take up specific projects which will mutually support the marketing activities of TRIFED and such like State Federations.
10. To undertake and/or support technically, managerially or financially research and evaluation studies, Techno-Economic and related surveys, preparation and appraisal of project reports and documents, feasibility and other studies for developing viable programmes, projects, schemes including pilot projects for the benefit of Scheduled Tribes and to this effect commission such studies through engaging reputed consultants and/or consultancy firms and extend such support to other National/State/UT level institutions working primarily for the economic well being of Scheduled Tribes.
11. To acquire for Scheduled Tribes by way of concessions, grants, purchase, barter, licence, lease or other-wise, either absolutely, conditionally, solely or jointly with other, any tract or tracts of country lands, estates, houses, farms, watch rights, way-leaves and other works, privileges, rights hereditaments and any machinery plant utensils, trade marks or other movable and immovable property of any description whatsoever in any place in or outside India and to explore, survey, cultivate or develop the same.
12. To develop the resources of and turn to account any lands and any rights over to or connected with lands belonging to or in which the Company is interested by cleaning, drainage, fencing, irrigating, grazing and by promoting, irrigating and the establishment of colonies and settlements.
13. To manage wholly or in part jointly or other-wise factories, farms, estates, gardens, forest, plantations and other establishments or concerns, manufacturing any forest agricultural or animal products or bye-products.

14. To sell, acquire, initiate or dispose of or transfer the business, projects, schemes or activities of the Company or any part thereof, for such consideration as the company may deem proper to other Company agency or institutions in general, having objects altogether or in part similar to those of the Company.
15. To promote any Company or companies for the purpose of acquiring all or any of the properties, rights and/or liabilities, of the Company or for any other purpose calculated to the benefit the Company, directly or indirectly and to distribute as may be resolved, in specific or otherwise, amongst the collaborating and/or associating agency(ies) or others, the assets passed, created or received by the Company, if it is satisfied that it will promote the objects of the Company in particular and of Scheduled Tribes in general.
16. To apply for, acquire and hold any charters, privileges, licences, monopolies, concessions, patents or other rights, or powers, from the Central/State/UT Government or any local or other authority in India or from any commercial or other companies, bodies, entities, individuals or institutions and to exercise any powers, rights, privileges, so obtained.
17. To purchase, take on lease or otherwise acquire for the purposes of the Company any estates, lands, plantations, buildings, machinery, industrial units, roads railways or railway sidings or other interests in any immovable property and to mortgage, sell let on lease, convey, assign or exchange and to manage in any way the property and assets of the Company or any rights therein on such terms and conditions as the Company may think fit.
18. To purchase, or otherwise, acquire, erect, maintain, construct, repair and alter any buildings, sheds, offices, plants, machinery, drains, roads, bridges, culverts, railways and railway sidings, stalls, godowns, fences and boundaries and all other structure deemed necessary or convenient for the purpose of the Company and its beneficiary Scheduled Tribes.
19. Subject to Sections 3(1)(iii), 58 A and 292 of the Companies Act, 1956, and rules made there under and directives of Reserve Bank of India to raise, borrow, or secure money in such manner and such terms as may deem expedient and in particular by way of grants from National and International development-cum-aid-agencies, loans, advance, borrowings, and issue of bonds, debentures or mortgages whether perpetual or otherwise and charged or not charged on the whole or any part of the rights or properties of the Company including the uncalled capital and redeem, purchase or pay off any such securities.

20. To pay all costs, charges and expenses incidental to the promotion, formation, registration and establishment of the Company or its branches and including any commission, brokers' fees, lawyers' charges, consultancy charges and to remunerate in cash or in any other manner, any person or agency for services rendered or to be rendered in introducing business development project, scheme or activity for Scheduled Tribes to the Company or in placing or assisting to place, debentures, debenture stock or any other securities of the company or for any reason and for arrangements made prior to and in anticipation of the formation and incorporation of the Company as the Company may think proper and assess.
21. To receive aids, grants, loans, advances or other moneys or otherwise, from State or Central Government, Banks, Companies, trustee or individuals without allowance or interest thereon, but without doing the business of banking within with or the meaning of the Banking Regulation Act, 1949 (Central ACT X of 1949).
22. To lend or deposit money belonging to, entrusted to or at the disposal of Company to such persons or companies on such terms as may deem expedient and in particular to customers and others dealing with the Company with or without security upon such terms as may be thought proper and guarantee the performance of contracts by any such persons or companies but not to do the business of banking as defined in Banking Regulation Act, 1949.
23. To invest the moneys of the Company, not immediately required, in such manner, other than in the shares of this Company or any other Company or any other investment of speculative nature, as from time to time may be determined.
24. To establish, maintain, subscribe to or give subsidies or become member of training institutions, research laboratories, research institutions and experimental workshops for scientific and technical research and experiments.
25. To act as agent for Government or other authorities or any manufacturers, merchants and/or others and to transport and carry agency business of every kind and of any description.
26. To employ or pay experts, Indian or Foreign Consultants etc., in connection with Planning and Development of all or any of the business connected with the Company's operations or activities.

27. To create any depreciation fund, reserve fund, sinking fund, insurance fund, risk fund or any special or other funds, whether for relief to Scheduled Tribes or depreciation or for repairing, replacing, improving, extending or maintaining any of the property of the Company or for redemption of debentures or for any other purpose whatsoever, and to transfer any such fund or part thereof to any of the other funds herein mentioned.
28. To use trade marks or trade names or brands for the produces and goods of the company and adopt such means of making known the business and products of the Company or of any Company in which the Company is interested as may deem expedient and in particular by advertising in news papers, magazines, periodicals, by circulars, by purchase and exhibitions of products of interest by opening stalls and exhibition by publications and distribution of books and periodicals, calendars, almanacs and diaries, by distribution samples and by granting prizes, rewards and donations.
29. To provide for the welfare of employees or ex-employees of the Company and the spouses, widows and families or dependants of such persons by establishing provident or other funds, by grants of money, pensions or other payments, and by providing or subscribing towards educational/professional/vocational institutes and recreation and hospitals, dispensaries, medical and other assistance, as the Company shall think fit and to subscribe money to or for and otherwise help any charitable or benevolent object or any exhibition or any public show or useful object.
30. To employ foresters, cultivators, gardeners, engineers, mechanics, masons, carpenters, scaffold setters, painters, electricians and other technicians, sales persons commercial and administrative and such other staff as may be found necessary for the efficient handling and conduct of the business and/or activities of the Company.
31. To make advances upon or for the purchase of materials, goods, machinery stores and other articles required for the purpose of the Company.
32. To let out on hire all or any of the properties of the Company including every description of apparatus and appliances of the Company.
33. To obtain any Act of the Central or State Legislature, provisional order, license of autonomous body or authority for enabling the Company to carry out any of its objects to put into effect or for effecting any modification of the Company's constitution or for any other purpose which may deem expedient and to oppose any proceeding of application which may seem calculated directly or indirectly to prejudice the Company's interest and objects.

34. To open account or accounts with any individual, firm or Companies or with any bank or banks and to pay into and to withdraw moneys from such account or accounts.
35. To improve, manage, work, develop, alter, exchange, lease, mortgage, turn to account, abandon or other-wise deal with all or any part of the property, rights and concessions of the Company.
36. Subject to the provision of the Companies Act, 1956 and the Constitution of India, to subscribe or contribute or to guarantee money to or other-wise to assist charitable, benevolent, scientific, national or other institutions or objects or for any exhibition or for any public or useful object.
37. To procure the registration or other recognition of the Company in any country, state or place outside India.
38. To open and keep a register or registers in any country or state in India or abroad, wherever it may be deemed necessary and expedient to do so.
39. To undertake and execute any trust and undertaking which may seem desirable, either gratuitously or otherwise.
40. To do all or any of the matters hereby authorised (in any part of the world) either alone or in conjunction with or as factors, trustees or agents for any other companies, firms, entities or persons, or by or through any factors, trustees or agents.

Provided that the company shall not support with its funds, or endeavour to impose on, or procure to be observed by, its members or others, any regulation or restriction which, if an object of the Company, would make it a Trade Union.

Provided further that the Company shall not do the business of banking as defined in the Banking Regulations Act, 1949.

C. **OTHER OBJECTS** - Nil

IV. The objects of the company extend to whole of India.

- V. 1. The income and property of the company, when so ever derived shall be applied solely for the promotion of its objects as set forth in this Memorandum.
2. No portion of the income or property aforesaid shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to persons who, at any time, are or have been members of the company or to anyone or more of them or to any person claiming through any one or more of them.
3. Except with the previous approval of the Central Government no remuneration or other benefit in money or moneys worth shall be given by the company to any of its members, whether officers or servants of the company or not, except payment of out of pocket expenses, reasonable and proper interest on money lent or reasonable and proper rent on premises let to the company.
4. Except with the previous approval of the Central Government, no member shall be appointed to any office under the company which is remunerated by salary, fees, or in any other manner not excepted by sub-clause (3).
5. Nothing in this clause shall prevent the payment by the company in good faith of reasonable remuneration to any of its officers or servants (not being members) or to any other person (not being a member) in return for any services actually rendered to the company.
- VI. No alteration shall be made to this Memorandum of Association or to the Articles of Association of the Company which are for the time being in force, unless the alteration has been previously submitted to and approved by the Regional Director, Department of Company Affairs.
- VII. The liability of the members is limited.
- VIII The Authorised Share Capital of the Company will be Rs.500.00 Crores  
(Rupees Five Hundred Crores) divided into 50,00,000 (Fifty lakhs) equity shares of Rs.1000/- (Rupees One Thousand) each.

- IX. True accounts shall be kept of all sums of money received and expended by the company and the matters in respect of which such receipts and expenditures take place, and of the property(ies), assets, credits and liabilities of the company; and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the company for the time being in force, the accounts shall be open to the inspection of the members. Once at least in every year, the accounts of the company shall be examined and the correctness of the balance sheet and the income and expenditure account ascertained by one or more properly qualified auditor or auditors.
- X. If upon a winding up or dissolution of the Company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other company having objects similar to the objects of the Company, to be determined by the members of the Company at or before the time of dissolution or in default, thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

We, the several persons whose names, addresses and description are subscribed hereto are desirous of forming a Private Company not for profit in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Sl. No.	Name, address, description & occupation of subscriber	Number of equity shares agreed to be taken by each subscriber	Signature of the subscriber	Name, address, description and occupation of the witness and his signatures
1.	<p>President of India Shri K.R. Narayanan Rashtrapati Bhawan New Delhi – 01.</p> <p>Represented by : Shri S.K. Naik S/o Shri R.D.Naik, Secretary to Govt. of India, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi-01.</p>	<p>99 (Ninety Nine)</p>	Sd/-	<p>I witness that both the subscribers have signed in my presence at New Delhi on 23.3.2001</p>
2.	<p>S.Chatterjee S/o Late Shri B.K. Chatterjee, Joint Secretary to Govt. of India, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi –01.</p> <p style="text-align: center;">Total</p>	<p>1 (One)</p> <hr/> <p>100</p> <hr/> <p>One Hundred</p>	Sd/	<p style="text-align: center;">Sd/- (B.L. KHATRI) ADVOCATE S/o Late Shri L.R. Khatri, R/o 67, Nehru Aptt., Opp. Kalkaji, New Delhi –19.</p>

Place : New Delhi  
Date : 23.3.2001

*(THE COMPANIES ACT, 1956)*

*(A Company Limited by Shares not for Profit under Section 25 of the  
Companies Act, 1956)*

ARTICLES OF ASSOCIATION

**NATIONAL SCHEDULED TRIBES FINANCE  
AND DEVELOPMENT CORPORATION**

(THE COMPANIES ACT, 1956)

**ARTICLES OF ASSOCIATION  
OF  
NATIONAL SCHEDULED TRIBES FINANCE  
AND DEVELOPMENT CORPORATION**

(A COMPANY LIMITED BY SHARES NOT FOR PROFIT UNDER SECTION 25 OF  
THE COMPANIES ACT, 1956 )

**I. INTERPRETATIONS**

1. In these Articles unless there be anything repugnant to the subject or context the following words have the meaning written against them:

“Board” means the Board of Directors of the Company or a Committee.

“Capital” means the capital for the time being raised or authorised to be raised for the purpose of the Company and includes the paid up capital of the Company.

“Executors” or “Administrator” means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent Court.

“Financial Year” means the period in respect of which any Income and Expenditure Account of the Company, laid before it in its Annual General Meeting, is made up, whether that period is a year or not.

“In writing” and “written” include printing, lithography and other modes representing or reproducing words in a visible form.

“Month” means an English Calendar month.

“Persons” includes individuals, Corporation as well as other legal entities.

“President” means the President of India.

“Register” means the register of members to be kept in accordance with the Act.

“Regulations of the Company” means the regulation for the time being in force for the management of the Company.

“Scheduled Tribes” means and would include such tribes or tribal communities or parts of or groups within such tribes or tribal communities, as are deemed under Article 342 of the Constitution, to be Scheduled Tribes for the purposes of the Constitution.

“Seal” means the Common seal of the Company.

“Shares” means the shares or stocks into which the capital is divided and the interest corresponding with such shares or stocks.

“The Act” or “the said ACT” means the Companies Act, 1956 (1 of 1956) as may be in force from time to time or any other enactment in its place and includes all rules made thereunder.

“The Company” or “Corporation” means **NATIONAL SCHEDULED TRIBES FINANCE AND DEVELOPMENT CORPORATION.**

“The Director” means the Directors for the time being of the Company.

“The Government” means the Government of India.

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

Words importing the singular number include the plural number and vice-versa.

Words importing the masculine gender also include the feminine gender

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

**COMPANY TO BE A  
GOVERNMENT  
COMPANY**

**TABLE 'A' TO  
APPLY**

2. The Company will be a Government Company within the definition of Section 617 of the Companies Act, 1956.
3. The regulations contained in Table 'A' in the First Schedule to the Act shall apply except in so far as they have been specifically excluded by/or under these Articles.
4. The Company will be a Private Company, within the meaning of Section 3(1)(iii) and Section 2 (35) of the Companies Act, 1956 and accordingly the company :-
  - (a) restricts the right to transfer its shares
  - (b) limits the number of its members to fifty not including –
    - 2.7.1 persons who are in the employment of the company; and
    - ii. persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the employment ceased; and
  - (c) prohibits any invitation to the public to subscribe for any shares in or debentures of, the company;
  - (d) prohibits any invitation or acceptance of deposits from persons other than its members, directors or their relatives.
5. The Articles for the management of the Company and for the observance of the members thereof and their representative shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of, or addition to its Articles by Special resolution, as prescribed or permitted by the Act, be such as are contained in these Articles

## II. SHARE CAPITAL

### **AUTHORISED SHARE CAPITAL**

6. The Authorised Share Capital of the Company will be Rs.500.00 Crores (Rupees Five Hundred Crores) divided into 50,00,000 (Fifty lakhs) equity shares of Rs.1000 (Rupees One Thousand) each.
7. No part of the funds of the Company shall be employed in the purchase of or in giving loans upon the security of the Company's shares. No share shall be transferred by any holder without prior consent of the Government but this restriction shall not apply to transfers in favour of nominees of the Government.
8. Subject to the provisions of the Act and these Articles and to the direction of the Central Government, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as it may think fit. The Board shall have full discretion to fix the amount of each sum called in respect of a share and to determine the interval between two calls.

### **SHARE CERTIFICATE(S)**

9. 1. Every person whose name is entered as a member in the register of members shall be entitled to receive within three months after allotment or within two months of the application for registration of transfer (or within such other periods as the conditions of issue shall provide) one certificate for all his shares, without payment. Several certificates may also be issued each for one or more of his shares, upon payment of one rupee for every certificate after the first.

2. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

**ISSUE OF NEW  
SHARE  
CERTIFICATE**

10. If a share certificate is defaced, lost or destroyed, it may be renewed or a duplicate of a certificate may be issued if such certificate is proved to have been lost, destroyed, or having been defaced or mutilated or torn is surrendered to the Company. No fee need be charged this being restricted to Government nominees.

11. The provision of Companies (issues of Share Certificates) Rules 1960 shall apply.

**TRANSFER OF  
SHARES**

12. The right of members to transfer their shares shall be restricted as follows:

1. A share can be transferred by a member, or other person entitled to transfer, only to a person approved by the Central Government;
2. Subject as aforesaid, the Board may, in its absolute and uncontrolled discretion refuse to register any transfer of share(s) without assigning any reason;
3. Shares in the Company shall be transferred in the form prescribed under the Companies (Central Government) General Rules and Forms 1956. No fee need be charged for transfer, this being restricted to Government nominees; and
4. A notification would be issued by the Company Secretary or other authorised representative of the Company whenever the share transfer takes place on the basis of above.

**TRANSMISSION OF  
SHARES**

13. In the event of death of a sitting member, his share holding shall automatically devolve upon his successor/new incumbent.

**III. ALTERATION OF CAPITAL**

**POWER TO  
INCREASE  
CAPITAL**

14. Subject to the approval of the Central Government, Board may with the sanction of the Company in a general meeting increase the share capital by such sum to be divided into shares of such amount as the resolution shall prescribe.
15. Subject to such directions as may be issued by the Central Government in this behalf, new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Board shall determine; provided that no such shares shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares.
16. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, lien, voting, surrender and otherwise.

**REDUCTION OF  
SHARE CAPITAL**

17. Subject to the provisions of Section 100 to 104 of the Act, and to such directions as may be issued by the Central Government in this behalf, the Company may from time to time, by special resolution, reduce its capital by paying off capital or cancelling capital, assets, or is superfluous, or by reducing the liability on the shares or otherwise as may seem expedient and capital may be paid off upon the footing that it may be called up again or otherwise, and the Board may, subject to the provisions of the Act, accept surrender of shares.
18. Subject to the approval of the Central Government, the Company in general meeting may, from time to time, sub-divide or consolidate its shares or any of them and

exercise any of the other powers conferred by Section 94 of the Act and shall file with the Registrar such notice of exercise of such power as may be required by the Act.

#### **IV. POWER TO RAISE FUNDS**

##### **POWER TO BORROW**

19. Subject to the provisions of Sections 3(1)(iii), 58 A and 292 of the Act and subject to the maximum limits as may be imposed by the Central Government the Board may, from time to time borrow or secure the payment of any sum or sums of money for advancing the objectives of the Company.
20. The Board may secure such moneys from National and International development cum-aid agencies in such manner and upon such terms and conditions it thinks fit and in accordance with the guidelines provided by Government from time to time. It may also do so by the issue of bonds, perpetual or redeemable debentures or debenture stock or by creating any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
21. 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.
22. Subject to such directions as may be issued by Central Government in this behalf and subject to Section 76 of the Act any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any privileges as to redemption, surrender, drawings, allotment of share, appointment of Directors and otherwise.

##### **PERSONS NOT TO HAVE PRIORITY OVER ANY PRIOR CHARGE**

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

**INDEMNITY MAY  
BE GIVEN**

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

**V. MEETINGS  
GENERAL  
MEETINGS**

25. The Company shall in each year hold in addition to any other meeting, a General Meeting as its Annual General Meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The first Annual General Meeting of the company shall be held within eighteen months from the date of its incorporation and there-after subject to the provision of section 166 read with section 210 of the Act, the Annual General Meeting of the Company shall be held within 6 months after the expiry of each financial year. Every Annual General Meeting shall be held during business hours on a day other than a public holiday either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office is situated.

**EXTRA ORDINARY  
MEETINGS**

26. The above mentioned General Meetings shall be called 'Annual General Meetings'. All other General Meetings shall be called "Extraordinary Meetings".
27. The Board may call an Extraordinary Meeting whenever it thinks fit.
28. The Board shall call an Extraordinary Meeting whenever a requisition in writing is received in accordance with section 169 of the Act.
29. If the Board does not proceed to call a meeting within 21 days from the date of a valid requisition being so

deposited to be held not later than 45 days from the date of such deposit then the requisitionists or the majority of them in value or as permitted by sub-clause (b) of sub-section (6) of section 169 of the Act may themselves call the meeting, but any meeting so called shall not be held after 3 months from the date of such deposit. Any meeting convened under this article by the requisitionists shall be convened in the same manner as far as possible that in which meetings are to be convened by the Board.

**NOTICE OF MEETINGS**

30. Seven days notice at least specifying the place, the day and the hour of meeting and in the case of special business, the general nature of such business accompanied by an explanatory statement under section 173 of the Act, shall be given in the manner hereinafter mentioned and as required by section 172 of the Act to such members as are entitled in law to receive notice from the company.

Providing that, accidental omission to give such notice to, or the non-receipt of such notice by any member shall not invalidate any resolution passed or proceeding at any such meeting.

**VI. PROCEEDINGS OF GENERAL MEETINGS**

**BUSINESS OF GENERAL MEETINGS**

31. The business of an Annual General Meeting shall be to receive and consider the income and expenditure account, the balance sheet and the report of the Board and of the Auditor and to transact any other business, which under these articles ought to be transacted at Annual General Meeting. All other business transacted at such meeting and all business transacted at an Extraordinary Meeting shall be deemed special. All business at Annual General Meeting shall be transacted in accordance with Section 173 of the Act.

**QUORUM**

32. The members present in person of whom one shall be a representative of the President shall be a quorum for a general Meeting.

**WHEN QUORUM NOT PRESENT**

33. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon such requisition as aforesaid, shall be dissolved, but in any other case it shall stand adjourned

to the same day in the next week at the same time and place or to such other day and such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present those members who are present shall be a quorum and may transact the business for which the meeting was called.

**RIGHT OF  
PRESIDENT TO  
APPOINT HIS  
REPRESENTATIVE**

- 34.
1. The President may, from time to time, appoint one or more persons (who need not be a member or members of the Company) to represent him at all or any meetings of the Company.
  2. Only one of the persons appointed under sub-clause (1) of this Article who is personally present at the meeting shall be deemed to be a member entitled to vote and be present in person and exercise the same rights and powers (including the right to vote by proxy) as he could exercise as a member of the Company.
  3. The President may, from time to time, cancel any appointment made under sub-clause (1) of the Article and make fresh appointments.
  4. The production at the meeting of an order of the President authenticated as provided in the Constitution of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation of aforesaid.

**CHAIRMAN OF  
GENERAL  
MEETINGS**

35. The Secretary to the Government of India (being a representative of the President of India) of the Administrative Ministry of this Company shall be the Chairman of General Meetings. In case he is not present within half an hour after the appointed time for such meetings then the Chairman-cum-Managing Director of the Company shall be the Chairman for the said meeting and in case he is also not present within half an hour after the appointed time or present but not willing to act as a Chairman for the said meeting then the member(s) and/or authorized representative /proxy(ies) personally present in the meeting shall choose one of them as Chairman for that meeting.

**POLL**

36. Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes the Chairman shall both on a show of hands and at a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a member
37. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorised representative, and unless a poll is so demanded a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority or lost an entry to that effect in the books of proceedings 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.
38. If a poll is duly demanded it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.
39. Any poll duly demanded on the election of a Chairman of the meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
40. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

**ADJOURNMENT OF  
GENERAL  
MEETINGS**

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

**CHAIRMAN'S  
DECISION TO BE  
CONCLUSIVE**

42. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

## **VII. VOTES OF MEMBERS**

43. Upon a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorised representative shall have one vote for every share held by him.
44. No member who is not personally present shall be entitled to vote on a show of hands.

### **PROXY**

45. On a poll, votes may be given either personally or by proxy or by duly authorised representative.
46. Member entitled to attend and vote at a meeting may appoint another person (whether a Member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorised in writing or if the appointer, a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
47. The instrument appointing a proxy and the power of attorney or other authority (if any) under it is signed, or a notarially certified copy of that power of authority, shall be deposited at the Registered office of the Company not less than 48 hours before the time for holding the meeting at which the person named in instrument proposed to vote and in default the instrument of proxy, shall not be treated as valid.
48. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the

proxy provided no intimation in writing of the death or revocation shall have been received at the office of the Company before the meeting.

**FORM FOR  
PROXY**

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

**NATIONAL SCHEDULED TRIBES FINANCE AND  
DEVELOPMENT CORPORATION**

I..... r/o .....  
at .....being a member of NATIONAL  
SCHEDULED TRIBES FINANCE AND  
DEVELOPMENT CORPORATION hereby appoint  
..... r/o..... as my proxy to vote for  
me and on my behalf at the (ordinary or extraordinary,  
as the case may be) general meeting of the Company to  
be held on the day of.....and at any  
adjournment thereof.....

Signed this..... day of.....

50. No objection shall be made to the validity of any vote except at the meeting or poll, at which such vote shall be tendered, and every vote whether given personally or by proxy not dis-allowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
51. Any resolution passed by the Board notice whereof shall be given to the members in the manner in which notices are hereinafter directed to be given and which shall within one month after it, shall have been so passed, be rectified and confirmed in writing by members entitled to a poll to three-fifths of the vote, shall be as valid, and effectual as a resolution of a general meeting but this clause shall not apply to a resolution for winding up the Company or to a resolution passed in respect of any matter which by the Statute or by these Articles ought to be dealt with by a special resolution.

**VIII. BOARD OF DIRECTORS**

**NUMBER OF  
DIRECTORS**

52. Subject to the provision of the Section 252 of the Companies Act, 1956 and until otherwise determined by the Company in a General Meeting, the number of Directors shall not be less than two and nor more than twenty. The Directors are not required to hold any

qualification shares.

a) The representative of the following institutions may be on the Board of the Company:

1. Officer on Special Duty/Chairman  
-cum-Managing Director designate. 1
2. Non Official members representing  
Scheduled Tribes. 3
3. Person representing State Scheduled Tribes  
Corporation (On rotational basis) 1
4. Representative from NABARD 1
5. Representative from IDBI. 1
6. Managing Director, TRIFED 1
7. Joint Secretary, Ministry of Tribal Affairs 1
8. Financial Adviser to Ministry of Tribal Affairs 1

b) First Directors of the Company shall be :

- i. Shri Shishir Kumar Naik (S.K.NAIK) Secretary to the Government of India, Ministry of Tribal Affairs.
  - ii. Shri Samirendra Chatterjee (S.CHATTERJEE) Joint Secretary to the Government of India, Ministry of Tribal Affairs.
53. 1. The Directors shall be appointed by the Central Government.
2. The Official and Non-Official Directors shall be appointed for a period of 3 years and only Official Directors will continue to hold the charge till the Board is reconstituted by the Central Government. Provided that an Official Director shall automatically retire on relieving from the government services or on attaining the age of superannuation, whichever is earlier. The retiring Directors including the Chairman shall be eligible for re-appointment.
  3. The Central Government shall have the power to remove a Director including the Chairman at any time in its absolute discretion.
  4. The Central Government shall have the right to fill any vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise.

**REMUNERATION  
OF DIRECTORS**

54. 1. The remuneration of each Director shall be such fees for each meeting of the Board or a Committee thereof attended by him as may be determined by the Central Government.
2. The Board may with the sanction of the Central Government allow and pay to the Director who has to travel on Company's business or for the purpose of attending a meeting such sums as the Board may consider fair for travelling, boarding, lodging and other expenses in addition to his fee for attending such meeting as may be specified, and if any Director be called upon to go and reside out of town in which he normally resides on the Company's business or for the purpose of attending the meeting, he shall be entitled to be paid or reimbursed any travelling or other expenses incurred in connection with the business of the Company.

**IX. POWERS OF BOARD OF DIRECTORS**

55. 1. Subject to the provisions of the Act the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required whereby the Act or by any other Act or by the Memorandum or Articles of Association of the Company or otherwise, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provision contained in that behalf in the Act or any other Act, or in the Memorandum or Articles of the Company or to regulations not inconsistent therewith and duly made thereunder including Regulations made by the Company in General Meeting.

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

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

**ACQUIRE/SELL  
PROPERTY**

1. To purchase, sell, transfer, take on lease, let on hire or otherwise acquire/dispose off, for the Company, property(ies), right(s) or privileges which the company is authorised, at such price, and generally on such terms and conditions as it thinks fit;

**WORK OF CAPITAL  
NATURE**

2. To authorise the undertaking of works of a capital nature, subject to the condition that a special budget involving expenditure on acquisition of fixed assets other than the replacement of existing assets and assets costing more than Rs. 10 lakhs(Rs. Ten lakhs) shall be submitted to Administrative Department for obtaining prior approval of Government.

**TO SECURE  
CONTRACT BY  
MORTGAGE**

3. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge or in such manner as they may think fit.

**TO  
APPOINT  
OFFICERS, ETC.**

4. (i). To create posts of officers and staff for the Company from time to time depending on the exigencies of work
- (ii) To appoint and, at their discretion, remove or suspend such officers and staff for permanent, temporary or special services as it may, from time to time, think fit and to determine its powers and duties subject to keeping in view the general guidelines issued by the Department of Public Enterprises on the subject and exigencies of work.

- (iii) To frame rules of the Company governing the conditions of services of the employees, Provident and other Funds and other rules, in conformity with the guidelines of the Department of Public Enterprises/Govt. of India.

**TO APPOINT  
TRUSTEES**

- 5. To appoint any person or persons (whether incorporate or not) to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and other things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees;

**TO BRING AND  
DEFEND ACTION,  
ETC.**

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

**TO REFER TO  
ARBITRATION**

- 7. To refer any claim or demand by or against the Company to arbitration and observe, perform and execute the awards.
- 8. To make and give receipts, release and other discharges for money payable to the Company and for the claims and demands of the Company.
- 9. To determine who shall be entitled to sign on the Company's behalf bills, receipts, acceptances, endorsements, cheques, releases, contracts and documents.

**TO APPOINT  
ATTORNEY'S**

- 10. To provide from time to time for the management of the affairs of the Company in such manner as it thinks fit, and in particular to appoint any person to be the attorney or agent of the Company (power to sub-delegate) and upon such terms as may be thought fit.

**TO INVEST FUNDS**

11. To invest, subject to such general or special directives, if any, given by the Government, in this behalf, in securities (except shares or other speculative investments), in Government Companies or in any other Scheduled Bank or Banks or Subsidiaries of banks to be specially decided by the Board for having call deposit and opening current/savings account and deal with any of the money of the Company upon such investment authorised by the Memorandum of Association of the Company and in such manner as it thinks fit and from time to time to vary or release such investment.

**TO  
SELL/TRANSFER  
BUSINESS**

12. Subject to the provisions regarding consent of the Central Government to sell or dispose of or transfer the business activity, if any, of the Company or any part thereof for such consideration as the Company may deem proper and in particular for shares, debentures or securities of any other Company having objects altogether or in part similar to those of the Company.

**TO EXECUTE  
MORTGAGES BY  
WAY OF  
INDEMNITY**

13. To execute after obtaining the previous approval of the Government in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any liability for the benefit of the Company such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
14. Subject to the approval of the Central Government to give any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company.

**TO MAKE BYE  
LAWS**

15. To make, vary and repeal from time to time bye laws for the regulation of the business of the Company, its officers and servants.

**TO DELEGATE  
POWERS**

16. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
17. To approve the Company's Annual Revenue and Capital expenditure budget, Annual Plans of development and Long Term Plans.
18. To delegate all or any of the powers, authorities and discretion for the time being invested in it, subject however, to the ultimate control and authority being retained by it.
19. The Board of Director may subject to the provisions of section 292 and 297 of the Act, delegate any of the powers to a committee consisting of such member or members of their body as they think fit; any committees so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. Proceedings of such committees shall be placed before the Board of Director at the next meeting.

**POWERS  
RESERVED FOR  
THE CENTRAL  
GOVERNMENT**

57. Without prejudice to the generality of the above provisions, the Board shall reserve for decision of the Central Government:
  1. Sale, lease or disposal otherwise of the whole or substantially the whole of the undertaking of the Company;
  2. Formation of a Subsidiary company.

**APPOINTMENT OF  
CHAIRMAN-CUM-  
MANAGING  
DIRECTOR**

58. 1. The Central Government shall appoint Chairman cum Managing Director (other than those who may be members of the State Legislature or Parliament) for such period and upon such terms as it may think fit, for the conduct of management of the business of the Company subject to the control of supervision of the Board of Directors.
2. The Chairman-cum-Managing Director so appointed may be authorised by the Board to exercise such of the powers and discretion in relation to the affairs of the Company as are specifically delegated to him/them by the Board and are not required to be done by the Board of Directors of the Company at the General Meeting under the Act.
3. The Chairman-cum-Managing Director shall be paid such salary and allowances as may be decided by the Central Government.
4. In the absence of Chairman-cum-Managing Director on leave or otherwise the Central Government may empower any other Director or principal officer of the Company to perform all his functions.

**X. FINANCIAL ADVISER AND CHIEF ACCOUNTS OFFICER**

59. The Central Government may appoint Financial Adviser and Chief Accounts Officer for such term and at such remuneration as it may think fit and may from time to time remove him from office and appoint another in his place.

**XI. COMPANY SECRETARY**

60. Subject to the applicable provisions of the Act, a

Company Secretary may be appointed by the Chairman-cum-Managing Director for such time and at such remuneration and upon such conditions as he may think fit and any secretary so appointed may be removed by the Chairman-cum-Managing Director.

## **XII. MINUTES**

61. The Board shall cause proper minutes to be made of all General Meetings of the Company and also of all appointments of officers and of the proceedings of all meetings of the Directors and Committees and of attendance there at and all business transacted at such meetings, in accordance with the provisions of section 193 of the Act and any such minutes of general meeting if purporting to be signed within 30 days from conclusion of such general meeting by the Chairman of such meeting or in accordance with the provisions of sub-section 1 A(b) of section 193 of the Act and in case of minutes of Board or Committee of Directors by the Chairman of the meeting or Chairman of the succeeding meetings, shall be conclusive evidence without any further proof of the facts therein stated.

## **XIII. SEAL**

62.
  1. The seal shall not be affixed to any instrument (other than a Share Certificate) except by the authority of a resolution of the Board of Directors and in the presence of one Director at the least, provided, however, the Chairman-cum-Managing Director or any Director to affix the seal on any instrument (other than a Share Certificate) wherever it is legally required. In the case of Share Certificate the seal shall be affixed in the presence of: (a) two Directors and b) the Secretary or some other person appointed by the Board for the purpose.
  2. The Board shall provide for safe custody of the seal.

## **XIV. DISQUALIFICATION OF DIRECTORS**

63. The office of a Director shall become vacant if:
  1. he is found to be of unsound mind by a court of

competent jurisdiction;

2. he applies to be adjudicated as an insolvent;
3. he is adjudged an insolvent;
4. he is convicted by a Court in India for any offence and is sentenced in respect thereof to imprisonment for not less than six months;
5. he absents himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of 3 months whichever is longer, without obtaining leave of absence from the Board;
6. he or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company;
7. he fails to disclose the nature of his concern or interest in any contract or agreement or proposal or contract or arrangement entered into by/or on behalf of the Company as required under section 299 of the Act;
8. he becomes disqualified by order of the Court under section 203 of the Act;
9. he is removed in pursuance of Section 284 of the Act;
10. he is concerned or participates in the profit of any contract with the Company provided, however;
11. he has retired, resigned or otherwise removed from the official position on account of which he was nominated to the Board.

No Director shall vacate his office by reason of his becoming a member of any Company which has entered into contract with or done any work for the Company of

which he is Director but a Director shall not vote in respect of any such contract or work and if he does so vote, his vote shall not be counted.

Disqualification referred to in sub-clauses 3, 4 and 8 above shall not take effect:

- a. For thirty days from the date of adjudication, sentence or order;
- b. Where any appeal or petition is preferred within 20 days aforesaid against the adjudication, or conviction resulting in the sentence or order; until the expiry of seven days from the date on which such appeal or petition is disposed of; or
- c. Where within the seven days of aforesaid, any further appeal or petition in respect of the adjudication, sentence, conviction, or order and the appeal or petition, if allowed, would result in the removal or the disqualification, until such further appeal or petition is disposed of.

## **XV. PROCEEDINGS OF BOARD OF DIRECTORS**

### **CHAIRMAN-CUM-MANAGING DIRECTOR TO SUMMON MEETINGS, ETC.**

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

### **MEETINGS OF THE BOARD AND THEIR NOTICE**

65. Need based meetings of the Board of Directors shall be held. However, at least one meeting shall be held within every six calendar months. Notice of every meeting of the Board of Directors for the time being in India at his usual address in India shall be sent.

### **QUORUM FOR MEETINGS**

66. The quorum for a meeting of the Board of the Company shall be one-third of its strength (total strength as determined by the Act and any fraction in that one third

being rounded off as one) or two Directors whichever is higher; provided that where at any time, the number of interested Directors exceeds or is equal to two third of the total strength the number of remaining that is to say the number of Directors who are not interested not being less than two shall be the quorum during such time.

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

**CHAIRMAN OF  
BOARD MEETINGS**

68. 1. The Chairman-cum-Managing Director of the Company shall be the Chairman of the board meetings. If he is present but not willing to act as Chairman, the members present shall choose a Director as Chairman.

2. In any meeting of the Board, if the Chairman is not present, within 30 minutes after the time of holding the same, the senior most Director shall preside over the meeting.

**CHAIRMAN OF  
MEETINGS OF  
COMMITTEES**

69. If no Chairman is nominated or if at any meeting such nominated Chairman is not present within 30 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairman of the Meeting.

70. All acts done by any meeting of the Board, or of a Committee of Directors, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be Director, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

**RESOLUTION BY  
CIRCULATION**

71. A resolution, in writing signed by all the Directors shall, subject to Section 289 of the Act, be as valid and effectual as if it has been passed at a meeting of the Board of Directors duly called and constituted.

**XVI. RESERVE AND OTHER FUNDS**

72. The Board may, set aside out of the excess of income over expenditure/profits of the Company or otherwise such sums as they may think proper as a reserve fund, to meet contingencies or for repairing, improving, and maintaining any of the property of the Company and for such other purposes as the Board shall in its absolute discretion think conducive to the interest of the Company and may invest the sums so set aside in such investments (other than shares of any Company or investments of speculative nature) as it thinks fit, from time to time, deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds as it thinks fit and employ the reserve funds or any part thereof in the business of the Company; and that without being bound to keep the same separate from the other assets.

**XVII. ACCOUNTS**

73. The Company shall cause to be kept proper books of accounts with respect to :
1. All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.
  2. Records of loans and advances
  3. All sales and purchases of goods by the Company.
  4. The assets and liabilities of the Company.

**INSPECTION OF  
BOOKS OF  
ACCOUNTS**

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

**INSPECTION BY  
MEMBERS**

75. The Board shall, from time to time, determine whether and to what extent and what time and places and under what conditions or regulations the accounts and books of

the Company or any of them shall be open to the inspection of members not being Directors.

**ANNUAL  
ACCOUNTS AND  
BALANCE SHEETS**

76. The Board shall at a date not later than 18 months after the incorporation of the Company and subsequently once at least in every financial year lay before the Company in Annual General Meeting a Balance Sheet and Income and Expenditure Account in case of the first account since the incorporation of the Company and in any other case since the preceding account made upto a date not earlier than the date of the meeting by more than 6 months in accordance with the provisions of Section 166 and 210 of the Act.

**ANNUAL REPORT  
OF THE BOARD**

77. The Board shall make out and attach to every Balance Sheet a report with respect to the State of the Company's affair and the amount if any, which it proposes to carry to the Reserve Fund, General Reserve or Reserve Account to be shown specifically in subsequent Balance Sheet. The report shall be signed by the Chairman of the Board of Directors on behalf of the Board if authorised in that behalf by the Board.

78. The Income and Expenditure Account subject to the provisions of Section 211 of the Act and the Schedule VI referred to therein show, arranged under the most convenient heads the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure distinguishing the expenses of the establishment, salaries and other like matters every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of income and expenditure may be laid before the meeting and in case where any item of expenditure which may in fairness be distributed over several years have been incurred in any one year, the whole amount of such item shall be stated with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

**BALANCE SHEET,  
INCOME AND  
EXPENDITURE  
ACCOUNT TO BE  
SENT TO**

79. The Company shall send a copy of such Balance Sheet and Income and Expenditure Account, annual report, together with a copy of the auditors report to the registered address of every member of the Company in the manner in which notices are to be given there under

**MEMBERS**

at least four days before the meeting at which it is to be laid before the members of the Company.

**XVIII. AUDIT**

80. Once at least in every financial year the accounts of the Company shall be examined and the correctness of the Income and Expenditure account and Balance Sheet ascertained by one or more auditors.

**APPOINTMENT OF AUDITORS**

81. The auditors of the Company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor General of India and his/their remuneration, rights and duties shall be regulated by section 224 to 233 of the Act.

82. The auditors of the Company shall be entitled to receive notice of and to attend any general meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the Company and may make any statement or explanation they desire with respect to the account.

**POWERS OF COMPTROLLER AND AUDITOR GENERAL**

83. The Comptroller and Auditor General of India shall have power:

1. To direct the manner in which the Company's account shall be audited by the auditor/auditors appointed in pursuance of Article 81 thereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such.
2. To conduct a supplementary or, test audit of the Company's Accounts by such person or persons as he may authorise in this behalf, and for the purpose of such audit to have access at all reasonable times to all accounts, Accounts Books, Vouchers, Documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised on such matters, by such person or persons and in such form as the Comptroller and Auditor-General may by general or special order, direct.

**COMMENTS  
UPON/OR  
SUPPLEMENT TO  
AUDIT REPORT BY  
THE  
COMPTROLLER  
AND AUDITOR  
GENERAL TO BE  
PLACED BEFORE  
GENERAL  
MEETINGS**

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

**ANNUAL REPORT  
TO BE LAID  
BEFORE  
PARLIAMENT**

85. The Central Government shall cause an annual report on the working and affairs of the Company to be:
1. prepared within the three months of its Annual General meeting before which the audit report is placed, and
  2. as soon may be after such preparation, laid before both the Houses of the Parliament with a copy of the audit report and comments or supplement referred to in Article 84.
86. Every account of the Company, when audited and approved by a general meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within the period, the account shall forthwith be corrected and thenceforth shall be conclusive.

**XIX. RIGHTS OF THE CENTRAL GOVERNMENT**

87. Notwithstanding any thing contained in any of these Articles, the Central Government may, from time to time, issue such directions as it may consider necessary in regard to the finance, conduct of the business and affairs of the Company and in like manner vary and annul such directives. The Company shall give immediate effect to the directives so issued. In particular the Central Government will have the power:

1. to give directions to the Company as to the exercise and performance of its functions in matter involving national security and substantial public interest.
2. to call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time.
3. to approve the Company's Revenue Budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government, and
4. to approve agreements involving foreign collaboration proposed to be entered into by the Company.

## **XX. NOTICES**

88. A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address), to the addresses, if any, supplied by him to the Company for the giving of notice to him.
89. A holder of registered share who has no registered place of address, may from time to time, notify in writing to be his registered place of address, within the meaning of the last preceding article.
90. Notice of every general meeting shall be given in the same manner herein before authorised to every member of the Company.
91. The signature to any notice to be given by the Company may be written or printed.
92. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such shares which previously to his name and address and title to the share being notified to the Company was duly given to the person from whom he derives his title to such share.

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

## ***XXI. WINDING UP***

94. The Central Government may wind up the Company, if it is satisfied that Company is no longer required to pursue the objectives for which it has been set -up or is convinced that it is unable to manage its affairs as per provisions made hereunder these Articles and in accordance with law. For winding up the Central Government shall issue a gazette notification which will also spell out the manner in which the assets and liabilities of the Company will be disposed of and/or handled.

## ***XXII. SECRECY CLAUSE***

95. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading of any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the members of the Company to communicate to the public.

## ***XXIII. INDEMNITY CLAUSE***

96. Subject to the provision of section 201 of the Act, every Director, Manager, Auditor, Secretary and other officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Board to pay, out of the funds of the Company, all costs, issues

and expenses which any such officer or servant may properly incur or become liable to by reasons of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately be attached as a lien on the property of the Company and have priority as between the members over all other claims.

97. No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other director or officer of the Company or for joining in any receipt or other act done in conformity of law or for any loss or expenses caused to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board for or on behalf of the Company for the insufficiency or deficiency of any security in or upon which any of the money, of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any money, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on this part, or for any other loss, damage or misfortune whatever, which shall be caused in the execution of the duties of his office or in relation thereto unless the same happens through his own gross negligence, wilful default, serious misfeasance, deliberate breach of duty or breach of trust.

Sl. No.	Name, address, description & occupation of subscriber	Signature of the subscriber	Name, address, description and occupation of the witness and his signatures
1.	<p>President of India Shri K.R. Narayanan Rashtrapati Bhawan, NEW DELHI – 01.</p> <p>Represented by : Shri S.K. Naik, S/o Shri R.D. Naik, Secretary to Govt. of India, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi – 01.</p>	Sd/-	<p>I witness that both the subscribers have signed in my presence at New Delhi on 23.03.2001.</p> <p>Sd/- B.L. KHATRI (ADVOCATE) S/o late Shri L.R. Khatri, R/o 67, Nehru Aptt.,Opp. Kalkaji, New Delhi – 110 019.</p>
2.	<p>Shri S. Chatterjee S/o Late Shri B.K. Chatterjee, Joint Secretary to Govt. of India, Ministry of Tribal Affairs, Shastri Bhawan, New Delhi-01</p>	Sd/-	

Place : New Delhi

Date : 23.03.2001

