

Gorkhapatra Corporation Rules, 2021 (1965)

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The Government of Nepal, having exercised the power conferred by the *Gorkhapatra Corporation Act, 2019 (1962)*, has framed these Rules:

Chapter-1

Preliminary

1. **Short Title and Commencement:** (1) These Rules may be called as "*Gorkhapatra Corporation Rules, 2021 (1965)*".

(2) These Rules shall come into force immediately.

2. **Definition:** Unless the subject or context means otherwise in these Rules.

- (a) 'Act' means the *Gorkhapatra Corporation Act, 2019 (1962)*.
- (b) 'Share' means the prescribed share of the corporation.
- (c) 'Dividend' means the amount to be distributed as the profit in share and this terms also includes the bonus.
- (d) 'Representative' means the representative having authority by due process of law.
- (e) 'Secretary' means the Managing Director working as the Secretary of the Board.

Chapter-2

Remuneration and Other Expenditures for the Director

3. Remuneration and Other Expenditures for the Director: (1)

Every director, for his/her service by participating in the Board Meeting, shall be paid Thirty Rupees as his/her remuneration from the fund of the Corporation.

(2) The Corporation may pay and get paid the daily allowance and travel allowance equal to the Gazetted First Class Officer of the Government of Nepal to a Director staying outside Kathmandu valley for the time being for his/her coming to the said area to attend the Board Meeting or in course of the function of the Corporation and the remuneration mentioned in the Sub-rule (1).

(3) The Directors, in a situation of being invited for other service of the Corporation, shall be paid additional amount other than the remuneration prescribed in the aforementioned Sub-rules as per the agreement concluded between the Corporation and them.

(4) In addition to the remuneration prescribed in the aforementioned Sub-rules, the Director, in the case of submission of statement by paying or expending for the business of Corporation or the arrangement thereof from time to time as per the received authority, shall be reimbursed to the extent of the figure which is found appropriate.

(5) Notwithstanding anything contained in these Rules the Board may provide or cause to provide the daily and travel allowance equal to Director to the Advisor in a situation of his/her traveling for the business of the Corporation.

4. **To be Maintained the Register:** The Board, for the purpose of summary statement and record of the function accomplished by the Director, shall maintain a register at the Head Office.

Chapter-3

Board Meeting and Procedure

5. **Board Meeting:** The Chairperson of Board may convene the Board Meeting in the time of his/her interest.

Provided that, such meeting shall be no less than Six times within a year. Information of Board Meeting by attached with the agenda, venue and time should be forwarded in written form to the immediate home address of each of the Directors prior to Forty Eight Hours of the Meeting in general.

6. **To Convene Another Meeting when there lacks Quorum:** If a Board Meeting could not be hold due to the lack of quorum, the next Board Meeting shall be held on the day, time and place prescribed by the Chairperson.

7. **Action of the Board:** (1) The Board shall make discussion on the issue included in its agenda at the Meeting.

(2) If a director desires to make discussion on an issue other than the agendum, it may be done by obtaining approval of the whole directors.

(3) Decision on each issue shall be made by a majority at the Meeting.

Provided that, in case of a tie, the Chairperson shall cast his/her casting vote.

8. **To be Maintained the Minute Books:** The Board shall safely keep separate minute-books to maintain its own and General Meeting decisions
9. **Inspection by the Shareholder:** The Board shall keep the minute book of the General Meeting open to be inspected by the shareholder in any time within the official hour.

Chapter-4

General Meeting, Extra Ordinary General Meeting and Procedure

10. **Time to Convene the General Meeting:** (1) While convening the General Meeting of the Corporation, a written information by mentioning the venue, day, time and agenda of the Meeting should be furnished to all of the shareholders prior to at least Ten days.

(2) Function done in any Meeting shall not be invalid on the ground of being missed the information of meeting to any shareholder by an emergency reason under Sub-rule (1) or not receiving the information of meeting by a shareholder.
11. **Functions of the General Meeting:** The Annual General Meeting shall have the function to receive the sum of profit and loss, balance sheet, report of the Corporation and auditors and to consider upon the same, to appoint another director in the vacant place of the directors who are retired turn by turn, to appoint the auditors and to prescribe their remuneration, to declare the bonus and to accomplish all the function mentioned as to be accomplished by the Annual General Meeting.
12. **Chairperson of the General Meeting:** The Chairperson of Board shall be eligible to chair the General Meeting. In the situation of not being such Chairperson or not being present even after Fifteen minutes

from the prescribed time of meeting or his/her reluctance to chair after his/her presence, the shareholders being present shall nominate another director as a chairperson of the Meeting. If all of the directors are absent or reluctant to chair the meeting, the shareholders being present at the meeting shall nominate one of them as the chairperson.

13. Adjournment of Meeting in the Time of Insufficiency of

Quorum: The Chairperson, in the situation of insufficiency of quorum even after half an hour from the time prescribed for the General Meeting, shall adjourn the Meeting on a condition to be held for the next time as per necessity.

14. Method of Presentation of Resolution and Decision: (1) In

general, the decision on a resolution at the General Meeting shall be made by raising hand. Provided that, in case the majority of members demand to vote by secret ballot prior to voting by raising hand, it should be carried out accordingly. When the chairperson declares an issue okayed or not okayed as a decision made unanimously or from majority by raising hand and the issue is mentioned in the minute book of the Meeting, it shall be the final evidence of that issue. For that purpose it is not necessary to maintain any record of number and ratio of the vote given in favour or against the resolution.

(2) If the secret voting is demanded as referred to in Sub-rule (1), such voting shall be made immediately or after some interval or after adjournment of the meeting up to Forty Eight hours in the maximum by adopting the method specified by the Chairperson, the venue and time specified accordingly, and the result of the said voting shall be deemed as the decision of Meeting.

15. Appointment of Persons for Counting the Vote: If the

shareholders demand for secret voting, Two persons for counting the vote should be appointed for the purpose of counting the votes and submission of the report thereof to the Chairperson. The Chairperson

shall be entitled to remove the person counting the vote from the said post at any time and to fulfill the vacancy prior to the release of the result of voting. Provided that, one person to count the vote shall be a shareholder (other than the Director) among the shareholders being present at the General Meeting.

16. **Power to Adjourn the General Meeting:** The Chairperson of the General Meeting, in a situation of justifiable reason, may adjourn the Meeting for the another time and venue.

Provided that, if the meeting is adjourned to be held for the next time without completion of the agenda of the meeting, not any function other than the pending agenda can be done.

17. **To Give a Secret Vote Without Adjourning the Meeting:** If the secret voting is demanded in due process in regard to the issue of electing the Chairperson of the Meeting or adjournment of the Meeting, the voting shall take place in the same meeting without adjourning the meeting.

18. **Functions not to be Obstructed by the Demand of Secret Voting:** Demand of secret voting shall not obstruct the Meeting to continue its functions so as to accomplish the affairs other than the aforementioned demand.

19. **Convening the Extra Ordinary General Meeting:** If the shareholders purchasing at least one tenth of the issued share capital of the Board or at least fifty shareholders request through written application signed by them or if the Board deems it necessary, the Extra Ordinary General Meeting may be convened any time. The following matters should be included while requesting for an Extra Ordinary General Meeting.

- (a) While requesting for an Extra Ordinary General Meeting, the objective to convene such Meeting should have been mentioned

with the signature of the applicants and such request should have been submitted to the Head Office of the Board. In the case of demand of one or more issues, the documents signed by one or more shareholders requesting the same may be submitted.

- (b) If the Board does not take action to convene an Extra Ordinary General Meeting upto Twenty One days from the date of submission of request letter to convene such Meeting under Clause (a), the concerned Department of the Government of Nepal may convene such Meeting.
- (c) The concerned Department of Government of Nepal, while convening such Extra Ordinary General Meeting under Clause (b), shall adopt the same procedure which is applied while convening the Meeting by the Board. Provided that such a meeting should be held at the very Head Office of the Corporation and not any Meeting shall be held on the public holiday.

20. Termination of Extra Ordinary General Meeting for Lacking

Quorum: (1) While convening an Extra Ordinary General Meeting under Rule 19, the Meeting, on the ground of insufficiency of quorum until Fifteen minutes later of the time of meeting, may be adjourned for the next chance only.

(2) The Meeting shall be deemed of being terminated in a situation of insufficiency of quorum even by convening for the next time under Sub-rule (1).

Chapter- 5

Procedure of Voting of the Shareholders and Responsibility

- 21. Procedure if a Corporate Body is a Shareholder:** If a corporate body is a shareholder of the Board, the Board of Directors of such

Corporate body, by passing a resolution, may delegate authority to a person deemed appropriate to act as its representative in the General Meeting or Extra Ordinary General Meeting of the Corporation. The person given such authority shall be entitled to enjoy all the rights and privileges to be obtained as the shareholder or creditor on behalf of such corporate body. If a director of such corporate body, having duly signed by attesting the duplicate copy of the resolution as per the original one, submits the duplicate copy of such letter of authority to the Meeting of the Corporation, it shall be deemed the evidence of his/her appointment.

22. **Vote of a Deceased or Insane or Bankrupt Shareholder:** A person or owner of right entitled to transfer the ownership of share under Rule 49 shall be entitled to cast vote for the share in any General Meeting in the capacity of registered shareholder. Provided that, one shall have to convince the Board that his/her share was transferred prior to at least Forty Eight hours ago from the time of the General Meeting being tabled the resolution by him/her or the General Meeting convened for the next time at the same venue or the Board should have approved his/her such right earlier.
23. **Joint Shareholders:** In a situation of being the joint shareholders of a share, one of them shall be eligible to cast vote for that share in the capacity of his/her sole right in such share at the General Meeting. In a situation of presence of the joint shareholders more than one in the Meeting, only the name written first among them in the register of share shall be deemed of being recorded as the shareholder of corporation and only he/she shall be entitled to cast vote for that share.
24. **While Selling the Share:** The Board, while issuing its share for public sale, shall issue a letter of intent by mentioning the whole details regarding the business of the Board, occupation, investment and economic situation so as to thoroughly inform the situation of the Board.

Such letter of intent shall be issued by obtaining approval of the General Meeting.

25. Amount to be Refunded in a Situation of Not Being Distributed the Share: The Corporation shall do as follows:

- (a) The Board shall not take action to divide the shares unless the 50 percent of issued capital is deposited.
- (b) The Corporation shall either sell the share to the applicant or refuse to sell the same within Three months of submission of application for share.
- (c) The Corporation, after distribution of share to the applicant, shall issue a certificate of distribution of the share in his/her name within Three months of such distribution.
- (d) The Corporation, in a situation of its denial to distribute the share under Clause (b), shall refund the amount obtained from the applicant to him/her without interest.

26. Restriction to Distribute the Share: While issuing the share for public sale, the amount to be deposited with each application submitted for share shall not be more than Five percent of the nominal amount of the share.

27. Commission or Broker Charge: The Corporation may pay the commission or broker charge at the rate as decided by the Board not exceeding Five percent of the nominal amount of the share to the persons purchasing the share of the Corporation or bringing the clients of share.

28. Liability of the Joint Shareholders: In regard to a joint share, all the shareholders of such share shall be individually and also jointly liable to all the amounts supposed to be paid to be Corporation for such share.

29. **Not to be Recognized the Claim:** If any share is registered in the name of anyone except otherwise provided in these Rules, the Corporation shall be entitled to deem the same person as the only one owner of that share and to entertain accordingly. The Corporation, except otherwise ordered by a competent court or recognised by any other law, shall not have compulsion to recognise the claim of any other person in such share.

30. **May be Registered in the Name of Shareholders:** The shares may be registered in the name of one or more persons or any limited company or other corporate body.

Provided that, a share shall not be jointly registered in the name of more than Four persons. Such joint share shall be deemed as one share.

Chapter-6

Certificates

31. **Certificates:** The format of share certificate shall be as referred to in the Schedule. While issuing a shareholder's certificate and a duplicate copy thereof, it should be issued by getting signed by Two Directors and Secretary and by affixing the seal of Corporation.

32. **Shareholders' Right to Obtain Certificate:** Each shareholder shall be issued a certificate for each share registered in his/her name. Provided that, he/she shall be issued separate certificate for more than one share in the case of such approval to that effect. Provided that, the Board shall be entitled to levy One Rupee for each certificate issued in the number of more than one. Each share certificate shall definitely depict the number or special numbers of share for which the certificate is issued and the amount paid up for that purpose.

33. New Certificate and Levying the Charge: (1) The Board, in the case of submission of a certificate because of being old or tampered with or not remaining any space is the back side by being filled up, may cancel the certificate and issue another new certificate in lieu of the same. The Board, in a situation of submission of convincing evidence of occurrence of loss or damage of a certificate, may issue another new certificate in lieu of the same to the person in whose name the share relating to the lost or damaged certificate is registered by ordering him/her to publish an advertisement at least once in a newspaper of Nepal and taking guarantee in the quantity as deemed right.

(2) Charge One Rupee should be paid to the Corporation for each new certificate issued under Sub-rule (1).

34. Issue of Certificate Having Joint Shareholders: While issuing the certificate of the shares registered in the name of two or more persons it shall be issued to the person whose name is written first in the register.

35. Evidence in the Action Taken by the Corporation Against the Shareholders: In regard to the pleading and hearing of a case filed by the Corporation against a shareholder or his/her representative to recover the amount of any credit claimed to be collected from him/her regarding the share or claimed as arrears, it shall be sufficient to prove that the name of the opponent as a shareholder of the claimed share or the name of any one person among the joint shareholders is registered in the register of the Corporation or it was registered in the said register at the time of claiming the same and that the claimed amount is not mentioned as cleared up amount in the register.

Chapter -7

Time Limit of Payment and Deduction

36. **To Give the Time Limit for Payment:** (1) The Board, from time to time, may give time limit of payment as deemed right to the persons purchasing the share for the due amount of share which is to be paid up in a fixed time for the share.

Provided that, notice of time limit of payment shall not be published by fixing the term to pay another amount within one month from the date on which the amount of the latest time limit of payment is to be paid.

(2) Each shareholder or creditor upon obtaining the notice under Sub-rule (1), shall make payment to the prescribed person in the time and place as prescribed by the Board.

37. **Situation in Which it is Deemed that the Time Limit of Payment is Given:** (1) The period of time given as per the decision passed by the Board to be given the notice of time limit of payment shall be deemed as the time limit of payment.

(2) While giving the time limit of payment, a notice, prior to at least Fourteen days, shall be forwarded by mentioning all the matters including the amount to be paid, time, place and person to pay.

38. **Interest to be Levied in the Amount of Time Limit of Payment and to be Forwarded the Notice:** (1) In the situation of failure of a shareholder or creditor to pay the promised amount even within the specified time limit of payment, he, subject to the Act, shall pay the interest at the rate of annual 5 percent from the prescribed date to the actual date of payment.

(2) The Corporation, in the situation of failure of the shareholder or creditor to pay the amount supposed to be paid by him/her, may

forward a notice to such shareholder or creditor any time to pay the amount in lump sum including the interest at the rate under Sub-rule (1) and all the expenditures incurred for such failure of payment to the present.

(3) While forwarding a notice under Sub-rule (2), the date at least Fourteen days latter from the date of forwarding the time limit of payment, place and person to pay shall be mentioned. The matter also shall be mentioned in the same notice that failure of payment accordingly shall result not giving interest in the related debenture and deduction of amount as decided by the Board.

(4) The Board may decide by exempting some figure as deemed right in regard to the interest levied under Sub-rule (1).

- 39. Amount to be Paid up in a Fixed Time Should be Paid up Like the Amount of Time Limit of Payment:** In the situation of being given the time limit to pay in a fixed time in installment of the amount other than the amount to be paid relating to share under these Rules, such amount should be paid by deeming of being given notice of time limit of payment by the Board. All the matters referred to in this Chapter shall be applicable in regard to the amount about the same.
- 40. Amount of Time Limit of Payment May be Paid up in Advance:** In case a creditor desires to pay the amount to be paid to the Board by him/her in full or partial prior to the prescribed time limit in advance by increasing the amount specified for time limit and if the Board thinks it fit, he/she may pay to that effect. The Corporation may give interest at the rate of not more than Five percent per year as mutually agreed by such creditor and Board for the amount paid immediately in advance by increasing the amount of time limit of payment from time to time.

41. **Amount may be Deducted from the Debenture:** If the installment to be paid for debenture is due, the amount may be deducted from the concerned debenture at any time as decided by the Board.

Provided that, the amount to be deducted shall be not more than Five percent of the paid up amount of the concerned debenture.

42. **To be Given Information After Deduction of Amount:** After deduction of amount in a debenture, the person who was the debenture holder prior to the said event shall be forwarded a notice of decision of such deduction. The matter of such deduction and date also shall be mentioned in the minute book.

Provided that, the decision of deduction shall not be invalid on the ground of missing to forward such notice or missing to mention in the minute book or negligence.

43. **Deducted Amount to be the Asset of the Corporation:** The amount so deducted shall be the asset of the Corporation and the Board may use such amount to the function as it finds appropriate.

44. **Decision to Deduct may be Cancelled:** If the deducted amount is not used to a function, the Board may cancel such decision at any time.

45. **The Board May Issue New Certificates:** If the Board, having exercised the power conferred by the Act and these Rules, has sold any share and the share certificate has not been produced to the Corporation by the former shareholder or creditor, the Board may cancel the said certificate and issue new certificate in lieu of the previous one to the exiting shareholder or creditor.

46. **Deed of Transfer to be Prepared:** The Board, except in the case of decision made otherwise, shall not register the content of transfer of any share until preparation of a deed of transfer of ownership in due process signed by the both parties of transferor and recipient by expressing their consent and submission of the same deed along with share certificate to

the Office of the Corporation. Such deed of transfer of ownership should depict the signature, address and occupation of the transferor and recipient of transfer of ownership. The transferor shall be deemed as the owner of such share until the share is not registered in the name of receiver. Such person also shall have to write his signature, address and occupation.

Chapter-8

Transfer of Ownership

47. **To Submit Application for Registration of Transfer of Ownership:** While getting transferred the ownership of share, any one between the transferor and recipient of transfer of ownership may submit application.

Provided that, if such application is made by the transferor of ownership, the transfer shall not be registered until the Board forwards the information of application to the recipient in regard to the partially paid up share; and the Board, after forwarding such information, except in the case of any obstruction and objection by the recipient of such transfer until Two weeks of his/her acknowledgement, shall register in his name subject to the Act or these Rules.

48. **Power of the Board to Register the Transfer of Ownership:** (1) The Board, if submits an application for transfer of ownership of share, may deny such transfer with or without reason.

(2) The Board, if denies to register the transfer of ownership of any share under Sub-rule (1), shall forward the information to the transferor and recipient of transfer within Two months of submission of deed of such transfer to the Office of the Corporation.

49. **Transfer in the Name of Minor, Insane etc. Not to be Registered:** Share shall not be transferred in the name of minor or insane person.

Provided that, if a shareholder or a guardian of the minor or insane person dies or falls in bankruptcy or falls under proportionate recovery (insolvent) of creditor because of his/her failure to pay debt, and a person entitled in the share registered in his/her name submits the certificate of such share and a certificate of proving his/her right to the Board by convincing to that effect, such share, as per necessity, may be registered in the name of such person.

50. **Deed of Transfer and Certificate to be Submitted:** While applying for registration of transfer, the deed of transfer, certificate of share to be transferred and the certificate of ownership of the person transferring the share and his/her right to transfer the same should have been submitted to the office of the Corporation. The said share shall be registered in the name of recipient of transfer after payment of the charge in accordance with the Rules.

Provided that, the aforementioned matters shall not obstruct the right of the Board to reject to register the transfer under Rule 48.

51. **Deed of Transfer to be Kept by the Board:** All the deeds of transfer that are registered shall be possessed at the Office of the Corporation.

Provided that, if the Board rejects to transfer, it shall be returned to the person who has submitted the deed of transfer.

52. **Charge of Transfer to be Levied:** A Charge of One Rupee shall be levied for registration of each transfer.

53. **Record Book of Transfer and Register may be Closed up:** The Board, if deems fit, may close up the record book of transfer and register

for up to Forty Five days in the maximum within a year and not exceeding Thirty days continuously for a time.

Provided that, a Seven days prior notice shall be published in *Gorkhapatra* and other main daily papers while closing up in this way.

- 54. Person having Right in the Share:** The Corporation shall recognize only the attorney of a deceased shareholder as the successor of the share registered in the name of the deceased person. In the situation of death of any one of the shareholders among the joint shareholders of a share, the Corporation shall deem the remaining joint shareholders as the successor of the share. Provided that, the matter shall not cause to deem the said deceased person to be deprived of the liability to be remained in his/her fixed and movable and immovable property for the share which he/she has taken from the other persons.

Chapter-9

Power to Increase and Reduce the Capital

- 55. Power to Increase the Capital:** The Board, subject to the Act, may increase the issued working capital of the Corporation to the extent of the authorized capital by issuing new shares as deemed necessary from time to time.
- 56. Issue and Sale of New Shares:** (1) The new issued shares, except otherwise provided by the General Meeting of the Corporation by passing a resolution, shall be sold first to the already registered shareholders as per the situation. While issuing for sale in this manner, a notice shall be issued to the old shareholders by prescribing a time limit at least Twenty Four days and by mentioning the matter to that effect.

(2) In regard to the shares not purchased under Sub-rule (1), the Board, giving due consideration to the best welfare of the Corporation, may sell to the public.

57. **Capital Collected from the New Share to be the Part of the Primary Capital:** Capital collected from the creation of new shares shall be deemed the part of the primary capital and the provision of the Act and these Rules shall be applicable in regard to the said share.
58. **Reduction or Dismissal of the Capital:** The Corporation, having passed a special resolution from time to time, may dismiss the shares remained pending up to the date of pass of the said resolution or the shares remained pending as a result of not purchasing or not accepting to purchase by a person or dismiss the capital lost or not having the basis of the available assets or reduce own capital while reducing the liability to the shares.
59. **Right and Liability of the Joint Shareholders:** It shall be deemed that the joint shareholders jointly take advantage of and that in the situation of not remaining any shareholder among them, the remaining persons shall jointly take advantage of the same. They shall have the joint liability for the amount to be paid in regard to the said share and other amounts. Any one may issue the receipt of receiving the dividend to be obtained by them for that share and other amount.
60. **Shares to be returned to the Corporation:** A shareholder while returning all or some of his/her shares to the Corporation may do as per the terms and conditions mutually agreed by the Board and him/herself.

Chapter-10

Power to Take Credit

61. **Power to Take Credit:** The Board, as it deems appropriate from time to time, may take credit and get paid any amount from the same for the purpose of the Corporation. The shareholders also may give credit to the Corporation with or without pledge.

Provided that, the Board, in a situation of being the total of the credit collected and the credit to be collected more than the whole amount of paid up capital of the Corporation and the amount of reserve remained separate of the Corporation, shall not take credit without obtaining permission of the General Meeting.

- 62. Terms and Conditions for Taking the Credit:** The Board, in the case of obtaining authority from the General Meeting, may, as per the situation, take credit by pledging some or all of the fixed assets of the Corporation or on condition to be borne the expenditure from the same, collect the credit by issuing debentures to be borne the expenditure from the whole and some of the immediate fixed assets of the Corporation and get paid some of the amount in the said debenture for the purpose of the Corporation or get refunded. The decision passed in this way should be got registered at the concerned Department of the Government of Nepal within Thirty Five days from the date of such decision.
- 63. Interest of the Credit Given by the Shareholders is to be Obtained:** In regard to the debentures given to the Corporation by the shareholders, interest shall be obtained as per the mutual agreement subject to this Act.
- 64. The Secretary is Authorized to Give Guarantee and to Make Contract on Behalf of the Corporation:** The Secretary, if the Board desires, may give guarantee of each credit given to the Board and conclude contract for the welfare of the Corporation, and he/she, for such guarantee, shall be paid the amount as specified by the Board and agreed by the Secretary. The amount obtained in this way by the Secretary shall not be deemed as the remuneration of service.
- 65. To be Registered the Pledges:** The Board shall get maintained in due process the documents of all the pledges particularly affecting the assets of the Corporation and the whole amounts to be borne as the expenditure

in the prescribed format and such pledges and other amounts should be duly got registered at the concerned Department of the Government of Nepal. In the case of any change in such pledge and other amount and payment of any such amount, the Corporation shall furnish the information thereof to the concerned Department of the Government of Nepal.

66. **Creditor and Shareholder may Observe the Deed**: The duplicate copy and documents of the registration of pledge and other documents to be borne the expenditure from the property of the Corporation under Rule 65 should be kept open so that it may be observed by the registered creditor and shareholder upon payment of the charge prescribed by the Board and by complying with the justifiable restriction imposed by the Corporation in this regard.

Provided that, the time to be allowed for such observation shall be no less than Two hours within the official hour.

67. **Deed of Transfer of Debenture**: On part of transfer of ownership of any registered debenture, it shall not be registered unless it is duly prepared in due process with the seal of both parties of the transferor and recipient and submission of the debenture with certificate to the Office of the Corporation.
68. **Information of Rejection to Register the Transfer of Ownership of Debenture**: In case the Board rejects to register a debenture, the information thereof shall be furnished to the both parties of transferor and recipient of such transfer of ownership.
69. **Right of the Creditors to Inspect the Ledger of Profit and Loss etc.**: The creditors and their attorneys shall be entitled to obtain and observe the balance sheet and ledger of profit and loss of the Corporation, report of the auditors and other reports relating to the same as good as shareholders.

Chapter-11

Reserve and Depreciation Fund

70. **Reserve Fund**: The Board, from time to time, prior to the recommendation of distribution of dividend, may separate the portion of profit of the Corporation for the purpose of regularly and skillfully running the transaction of the Corporation, running the emergency expenditure, checking the sum of credit and other liabilities of the Board and other purpose as realized necessary for the welfare of the Corporation for the Reserve Fund. The Board may invest such separated amount for the purpose it deems appropriate other than share, to change such investment from time to time, to use and to separate the whole or some of the figure for other function that is in the welfare of the Corporation.
71. **Depreciation Fund**: The Board, from time to time prior to the recommendation of distribution of dividend, may separate the amount to the extent as deemed appropriate from the profit of the Corporation for the depreciation fund for the purpose of covering the devaluation of the investment of the Corporation, construction of any building, work plant, machinery or other property in lieu of the one which may be damaged or lost due to arson, flood, storm, earthquake, accident and riot and using, repairing or changing or supplying any part of the same, keeping in sound condition or investing to generate such fixed assets. In the situation of such separation, the Board shall have exclusive power to invest the property of the Fund in the transaction of the Corporation and the Board shall not have compulsion to separate the said property from the other property of the Corporation.
72. **Investment of Money**: All amount separated for the Reserve Fund and Depreciation Fund shall be kept as the profit of the Corporation and

it may also be applied to make payment of dividend after making necessary arrangement for the actual loss or depreciation respectively from the said Funds. Such amount and all other amount which may be necessary immediately for the purpose of the Corporation may be invested or applied for pledging or used like the working capital or pledged in a bank by the Board.

Chapter-12

Dividend

- 73. To Declare the Dividend:** The Corporation shall declare the dividend by passing a resolution from the General Meeting.
- 74. Amount of Credit may be Deducted:** The Board, while distributing the dividend to a shareholder, may deduct the due amount of time limit of payment or the amount of any other debenture if any from the dividend irrespective of sending or not sending a formal time limit for payment to him/her by the Corporation.
- 75. Assets May be Given for the Dividend:** (1) The General Meeting, while declaring the dividend, may give direction to distribute particular assets for all or some portion of such dividend. The Secretary shall implement such decision.
- (2) The Board, in a situation of occurrence of any difficulty in regard to such distribution, may solve by adopting the method deemed appropriate. Particularly, the Board, in such a situation, may make decision to issue the separate certificates, specify the valuation for the distribution of such particular assets or any of its portions arranged by maintaining uniformity of the right of all the parties and make payment in cash to any shareholder on the basis of such specified valuation.
- 76. Payment by Post:** The Dividend of share to be paid in cash, interest or other amount may be forwarded directly by post to the registered

address of the shareholder, to the address of the person whose name is written first in the register book in the case of joint shareholders or to the address given in written form by such shareholder or joint shareholders.

77. **Receipt of Dividend or Other Amount of the Joint Shareholders:** One of the joint shareholders of a share may issue a receipt of obtaining the dividend of that share or other amount.
78. **No Interest for Dividend:** No one shall be paid interest for dividend from the Corporation.
79. **Right to Dividend not Affected by the Transfer of Ownership:** A Right to dividend shall not be deemed of being transferred from the transferor to the recipient merely on the ground of transfer of share until the transfer is not registered.
80. **Dividend in a Situation of Not Being Claimed:** In a situation of not being cleared the dividend until One year of declaration, the Board may apply the dividend to the function for the welfare of the Corporation until the dividend is claimed by anyone. In a situation of not being claimed the dividend until Six years from the date of declaration, the Board may confiscate the dividend for the purpose of welfare of Corporation.

Chapter-13

Converting the Profit into Capital

81. **Converting the Profit into Capital:** (1) The General Meeting of the Corporation, as per the recommendation of the Board, may decide as follows:
- (a) To say that any portion of the amount recorded in the reserve account or the account of profit and loss of the Corporation or the amount made available

for distribution immediately is expedient to convert into capital immediately, and

- (b) To order to make open for distribution of the amount mentioned in Clause (a) in a situation of distribution of dividend of equal ratio by adopting the method of Sub-rule (2) among the shareholders who are entitled to obtain the same.

(2) The amount referred to in Clause (b) of Sub-rule (1) shall not be paid in cash.

Provided that, the amount of the debenture being taken by the concerned shareholder which is remaining due, may be applied for clearance of the same.

(3) The Board shall implement the resolution passed by the Corporation.

82. The Board May Accomplish the Function of Appropriating etc.: The Board shall do as follows in regard to the resolution passed as referred to in Rule 81:-

- (a) To appropriate and to use to the functions the amount of profit that is not distributed as dividend and decided to convert into capital.
- (b) To accomplish all the functions that are necessary to implement the same in general.

Chapter-14

Financial Arrangement

83. Budget: The Secretary shall present the estimate of income and expenditure to the Board in the first week of *Baisakh* (about Third week of April) every year.

84. **Sanctioning**: The Secretary may sanction the amount of Ten Thousand Rupees in the maximum in one column for the purpose of expenditure from each heading of the approved budget under the Rules. The Board shall sanction the amount more than the said limit.
85. **Regarding the Contract and Lease or Approval of Planning**: In regard to making a contract and lease or approving a plan for the purpose of a function necessary for the Corporation, the Secretary may approve the contract or plan up to Two Thousand Rupees in the maximum. The Board shall approve more than said limit.
86. **Procurement and Sale of Goods**: The Corporation, while procuring or selling the goods, shall do by adopting the prevailing Rules of auctioning.
87. **Use of Vehicle**: The motor vehicles or such other vehicles of the Corporation shall be used only for the function of the Corporation and the logbook thereof shall be maintained as prescribed.
88. **Exchange of Newspapers**: (1) Only the Corporation shall have authority to exchange *Gorkhapatra* with the domestic or foreign newspapers.
- (2) The Secretary, if thinks fit, may exercise the power shall have right to provide the newspaper of the Corporation free of charge or rebate up to 10 percent of the charge to any foreign or domestic library or school or public.

Chapter-15

Accounts and Book Keeping

89. **Maintenance of Book Keeping and Account**: (1) The Board or Secretary shall maintain and cause to maintain the accounts and book

keeping of the Corporation in Nepali language by reflecting the actual and up-to-date sum of business.

(2) The book keeping and accounts of the Corporation shall be kept and cause to kept at the Head Office so as to be observed by the Board or shareholders.

Provided that, the said book keeping and accounts may be observed only by obtaining permission of the General Meeting of the Corporation.

(3) Such book keeping and accounts may be kept in another safe place by removing from the Head Office. Provided that, while removing in this way, the information with reason should be forwarded to the concerned Department of the Government of Nepal.

90. Account of Profit and Loss and Balance Sheet: (1) The Board shall prepare the balance sheet and account of profit and loss up to the date of Nine months or previous date from the date of holding the former General Meeting and up to Twelve months on part of the own business or concerned matter of the Corporation and submit to the Annual General Meeting every year.

(2) The fiscal year of the Corporation shall be as prescribed by the Board on the suggestion of the Secretary.

(3) The audit report also shall be attached with the balance sheet and account of profit and loss. In case it is not so attached, such report shall be mentioned in the last and the report shall be read out at the General Meeting of the Corporation. If a shareholder wants to observe it he/she shall be allowed to observe.

91. Report of the Board: The Board shall have to show the actual and up to date situation of the authorized capital and assets of the Corporation, the method of actual valuation of the assets as far as possible and the full details of the creditor and debtors in the balance sheet and account of

profit and loss; and the report should be submitted by mentioning the situation and condition of business of Corporation, matter of recommendation to be kept any amount for reserve in such balance sheet or subsequent balance sheet if any and the matter of recommendation to be distributed any amount as dividend from the profit to the shareholders. The matters for appreciation of the situation of business of the Corporation by the shareholders, the important matters to benefit the business and interest in such business in the fiscal year of the Corporation and the matters to be changed also should be mentioned in the said report. The aforementioned ledger, balance sheet and report should have been signed by at least Two Directors and Managing Director.

92. Other Matters to be Remained in the Ledger of Profit and

Loss: In addition to the aforementioned statement, the account of profit and loss shall depict the remuneration of the director, salary of the managing director, details of commission etc. if any, fee paid to the director, salary and wages paid to the staff of the Corporation and the arrangement made for the depreciation.

93. To Be Forwarded a Duplicate Copy to the Shareholders: The Secretary shall forward a notice having enclosed the printed copy of audited balance sheet and ledger of profit and loss along with the audit report and report of the Board to each of the shareholders of the Corporation prior to at least Seven days of holding a General Meeting.

94. Submission of Duplicate Copy of Balance Sheet: After submission of the balance sheet and account of profit and loss to the General Meeting of the Corporation, one copy of the same, duly signed by the Managing Director or Directors along with a copy of a list of the shareholders should be submitted to the concerned Department of the Government of Nepal.

Chapter-16

Functions and Duties of the Auditors

95. Duty and Rights of the Auditors: (1) Each auditor, subject to the Act, may ask for the information and explanation necessary for accomplishment of his/her duty from the director, managing director and other staff of the Corporation.

(2) The auditor, while submitting the report under sub-section (4) of Section 27 of the Act, shall mention the following matters also:

(a) Whether such balance sheet and the account of profit and loss tally with the accounts of Corporation and whether they are prepared by reflecting the actual and up to date situation of the Corporation.

(b) Whether the director, managing director or any other staff of the Corporation has committed improper conduct.

(3) The auditor, after submission of his audit report, shall be furnished with the information of General Meeting and he/she shall be entitled to be present at the Meeting. He/she shall have to provide all the information in regard to the accounts audited by him/her as required at the Meeting.

96. Condition for Correction of Accounts: Accounts of the Corporation being audited and approved by the General Meeting shall be final except in the case of being found any error in the accounts within Three months of such approval. The accounts, in case of being found any error within the said period of Three months, shall be final after correction of the error.

Chapter 17

Dispatch of the Documents and Information

97. Method of Dispatch of Information and Document to the

Shareholders: (1) The Corporation, while delivering any document to a shareholder, may deliver directly to him/herself or dispatch by post to his/her registered address or to the address given to the Corporation by him/her.

(2) While dispatching any document by post e under Sub-rule (1), it shall be deemed as being dispatched when it is posted at the post office by duly writing the name and address and affixing the postage stamp to be incurred. If the shareholder had already deposited the sufficient amount at the Office of the Corporation for the purpose of postal charge with his/her interest to be dispatched his/her letter by registered post, the document shall not be deemed as being delivered to him/her unless it is dispatched accordingly. Provided that, such document, in the case of being the information of meeting, shall be deemed of being delivered to him/her after Ten days of posting of the letter to the post office by the Board.

98. Information to the Joint Shareholders: While delivering a document to the joint shareholders of a share of Corporation, it shall be sufficient to dispatch the information to the person whose name is written first in the register of the Corporation among the joint shareholders.

99. To Give Information to the Successor or Attorney: While delivering a document to the successor of share due to death or bankruptcy of a shareholder, the Corporation shall forward by post Office by writing his/her name, post and name and post of successor or

attorney or to the address given by the successor or attorney if any. Otherwise, such document shall be published in the main daily paper.

100. Persons Receiving by Transferring the Ownership: Person, who has obtained the right of a share by transfer of ownership or under the law, shall be responsible for each information to be given in regard to the share. If his/her name and address is not mentioned in the register, such information shall be duly given to the person who has given up the right of the share.

101. Validity of Information Dispatched in the Name of Shareholder in spite of his/her Death: (1) In regard to a share registered in the name of a shareholder or registered jointly with other persons, the information delivered to the registered address of the shareholder or dispatched by post shall be deemed of being duly dispatched in due process in spite of death of the shareholder and obtained or not obtained the information thereof by the Corporation except in the situation of being registered the name of another person as a shareholder or joint shareholder in lieu of him/her. The information or document dispatched in this way, for the purpose of this Act, shall be deemed of being forwarded to the whole persons including his/her successor, his/her attorney and the persons jointly concerned with such share.

(2) Information to be provided by the Corporation under Sub-rule (1) shall be also signed.

102. Shareholders not allowed to enter into the Building Area of the Corporation without Permission of the Managing Director: Any shareholder or staff other than director, except in the case of immediately obtaining the permission of the Managing Director of the Corporation, shall not be allowed to enter into the building area of Corporation or observe such building, land or property or publicly express the business, business secrecy, any other secret matter of the

Corporation or any other matter relating to the director of business of the Corporation, take or seek the information of any statement about other matter regarded as desirable for the welfare of the Corporation.

103. Statement of the Assets: In the case of insufficiency of the assets to refund the whole capital to the shareholders in a situation of dissolution of the Corporation, such assets shall be distributed to be borne the loss in equal measure in proportion to the amount to be paid for the share registered in their name existing on the date of the dissolution.

104. Payment of Liabilities from the Fund of the Corporation: Liabilities to be borne by a person assigned to the function of the Director, Managing Director, staff or auditor of the Corporation created in the situation of defending a civil or criminal case on behalf of the Corporation as a Director, Managing Director, staff or auditor or judgment made in his/her favour or his/her release from the case by the Court in regard to the petition filed under this Act shall be borne from the fund of the Corporation.

Chapter-18

Miscellaneous

105. Terms and Conditions of the Staff of the Corporation: The Corporation may framed the By-rules in regard to the appointment, promotion, terms and conditions of service, remuneration/salary and allowance and other facilities of the staff of the Corporation.

106. Arrangement of the Corporation: (1) The responsibility of the whole function regarding the daily administration and arrangement of the Corporation shall be remained in the Managing Director as the Secretary of the Board subject to the order and direction of the Board.

(2) The terms and conditions of service, remuneration and other facilities of the Managing Director shall be as prescribed in the By-rules.

Schedule

(Relating to Rules 31)

Certificate No.

Number of share....

From share No.....

Gorkhapatra Corporation

Share Certificate

(Established under the *Gorkhapatra* Corporation Act, 2019 (1962))

Authorized capital Rs. 1,000,000.00

Issued capital at present 300,000.00

Divided into 30000 shares at the rate of Rs. 10.00

As shares of the *Gorkhapatra* Corporation from No. to at the rate of Rs. 10.00 is registered in the name of Mr./Mrs./Ms.; now, therefore this certificate having affixed the seal of the *Gorkhapatra* Corporation is issued.

Kathmandu

Date:

Directors

Secretary