

**COMPANY LIMITED BY SHARES  
(Under the Companies Act, 2013)**

**ARTICLES OF ASSOCIATION  
OF  
THIRUVANANTHAPURAM COCONUT PRODUCER COMPANY LIMITED**

**INTERPRETATION**

In these regulations :-

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| a) | THE COMPANY  | Means <b>THIRUVANANTHAPURAM COCONUT PRODUCER COMPANY LIMITED</b>   |
| b) | THE ACT  | Means The Companies Act, 2013 unless specifically otherwise mentioned.   |
| c) | MEMBER/ SHAREHOLDER                                | Means producer institution (whether incorporated or not) admitted as a member of the company and whose name is entered in the Register of Members of the Company who retains the qualifications necessary for continuance as such. |
| d) | THE OFFICE   | Means the Registered Office of the Company.  |
| e) | THE REGISTER                                       | Means the Register of Members to be kept pursuant to section 88 of the Act   |
| f) | CAPITAL  | Means the capital for the time being raised or authorized to be raised for the purposes of the Company.  |
| f) | SHARES   | Means the shares or stock into which the capital is divided and the Interest corresponding with such shares or stock.  |
| g) | BOARD  | Means the Board of Directors of the Company  |
| h) | THE DIRECTORS                                      | Means the Directors of the Company for the time being.   |
| i) | PERSON   | Includes any company or association or body of individuals whether incorporated or not.  |
| k) | MASCULINE GENDER                                   | Masculine gender wherever applies in this articles includes Feminine gender also   |
| l) | PRIMARY PRODUCE,<br>PATRONAGE, PATRONAGE<br>BONUS' | Same meaning as given in section 581A of part IXA of the Companies Act, 1956 and as amended from time to time.   |
| m) | PRODUCE  | Means coconut or coconut based products all other agricultural produce from Intercrops or agricultural products  |

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| n) | PRODUCER<br>INSTITUTION | <p>Means</p> <p>(1) Coconut Producer Federation (CPF) Registered under Travancore-Cochin Literary, Scientific &amp; Charitable Societies Registration Act 1955 which is affiliated to Coconut Development Board</p> <p>(2) Coconut Producer Society (CPS) Registered under Travancore-Cochin Literary, Scientific &amp; Charitable Societies Registration Act 1955 which is affiliated to Coconut Development Board and registered as a member of a Coconut Producer Federation (CPF) mentioned in Article no. (1) above.</p> |
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2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

**TABLE F**

3. The Regulations contained in Table F in the first schedule to the Companies Act, 2013 so far as they are not altered, added or deleted by the provisions herein after contained shall apply to this Company.

- I) The Company shall be governed by the mutual assistance principles laid down in section 581G in part IXA of the Companies Act, 1956.
- a) The membership shall be restricted only to Producer Institutions and available, to all eligible Producer Institutions who can participate or avail of the facilities or services of the producer company and are willing to accept the duties of the membership:
  - b) The Membership consists of Producer institutions only, the voting rights of such Producer institutions shall be determined on the basis of their participation in the business of the Producer Company in the previous year, as may be specified by articles. Provided that during the first year of registration of a Producer Company, the voting rights shall be determined on the basis of the shareholding by such Producer institutions.
  - c) The company shall be administered by a Board consisting of persons elected to appoint as directors in the manner consistent with the provisions of this part and the Board shall be accountable to the members.
  - d) Save as provided in this part, there shall be limited return on share capital;
  - e) The surplus arising out of the operations of the producer company shall be distributed in an equitable manner by-
    - i) Providing for the development of business of the company:
    - ii) Providing for common facilities: and
    - iii) Distributing amongst the members as may be admissible in proportion to their respective participation in business:
  - f) Provisions shall be made for the education of members, employees and others on the principles mutuality and techniques of mutual assistance:
  - g) The company shall actively cooperate with other producer companies (and other organizations following similar principles) at local national or international level so as to best serve the interests of its members and the communities it purport to serve.

#### **PRODUCER COMPANY**

4. a) The Company is a Producer Company
- b) All the limitations, restrictions and provisions of this Act other than those specified in this Part, applicable to a private company, shall, as far as may be, apply to a Producer Company, as if it is a private limited company under this Act in so far as they are not in conflict with the provisions of Part IX A of the Companies Act, 1956.
- c) The company is deemed to be a "Private Company" within the meaning of Section 2 (68) of the Companies Act, 2013 with a minimum paid-up share capital as may be prescribed, and which by its articles,-
  - (i) restricts the right to transfer its shares;
  - (ii) no limits in the number of membership.

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

Provided further that-

- (A) Persons who are in the employment of the company; and
- (B) Persons who, having been formerly in the employment of the company were members of the company while in that employment and have continued to be members after the employment ceased, shall not be included in the number of members; and
- (iii) Prohibits any invitation to the public to subscribe for any securities of the company.

#### **SHARE CAPITAL**

##### **AUTHORIZED CAPITAL**

5. The authorized share capital of the Company is as per **Clause VI** of the Memorandum of association of the Company, as amended from time to time, with the power to increase, reduce, alter or reorganize the capital (original, increased or reduced) with rights, privileges and conditions as prescribed by the relevant clauses of the Articles of association of the Company and subject to the provisions of the Companies Act, 2013.
6. The shares of the company shall be issued only to producer institutions.

#### **MEMBERS AND THEIR QUALIFICATIONS, DUTIES AND RIGHTS**

The membership shall be available to Producer Institutions, as defined in preamble of this Articles, , who shall be producer of primary produce of any kind and who can participate or avail of the facilities or services of the producer company and are willing to accept the following duties of the membership. However, subject to the provisions of Section 581 G (3) (a) of the Companies Act, 1956, the Board may put qualifications for membership, as it deems fit, from time to time.

- a. The member shall deal in their entire primary produce through the company.
- b. It shall not have any business interest which is in conflict with the business of the company.
- c. Producer Institutions who are becoming member of the Company shall have only primary Producers as its members
- d. The Member Producer Institutions shall pass on the patronage bonus received from the Company to the Primary Producers who are members of the said Producer Institutions based on their performance

### **MEMBERSHIP RIGHTS**

7. Subject to the provisions of Section 581D (3) of the Companies Act, 1956,
  - a) the voting rights are restricted to members only.
  - b) Members are eligible for limited return on Share Capital in the nature of dividend.
  - c) Apart from the dividend as mentioned in clause (b) above the members are eligible for a patronage bonus based on the total primary produce he/she/it supplied to the Company.

### **CONTROL OF DIRECTORS**

8. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose-off the same, subject to the provisions of Articles thereof to such terms and conditions, whether at a premium, or at par or subject to the provisions of the Companies Act, 2013 at a discount and such terms as the Directors deem fit.

### **ALLOTMENT OF SHARES**

11. Every producer institutions desirous of acquiring shares in the Company shall apply to the Board, quoting the number of shares required along with application money or full value of the share applied for.
12. The Board may issue and allot shares in the capital of the Company on payment or part payment for any produce sold or goods supplied or for services rendered to the company.
13. The Board has got absolute discretion to reject any application without assigning any reason whatsoever, in case of rejection application money or full value of the shares applied for received along with the application shall be returned immediately to the applicant concerned.
14. Shares may be allotted in the name of two or more persons jointly but the persons whose name stands first in the Register of Members shall only be entitled to attend and vote in the General Meeting.

### **LIEN ON SHARES**

15. The company shall have a first and paramount lien on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

16. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

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

17. To give effect to any sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
18. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **PATRONAGE BONUS**

19. Patronage Bonus shall not exceed the limits specified by the Board for the year for which patronage bonus is declared. Every member shall be eligible for the patronage bonus based on the total primary produce it supplied to the company and participation in the business activities of the Company. Whether to declare a patronage bonus in a particular year shall be absolute discretion of the Board.

#### **FORFEITURE OF SHARES**

20. If any member fails to pay any call or installment or amount of a call or share/s on or before the day appointed thereof, the board may at any time forfeit the following the procedures as specified in TABLE F of the Schedule I of the Companies Act 2013 for the Share forfeiture.

#### **SHARE CERTIFICATE**

21. (I) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
    - (a) one certificate for all his shares without payment of any charges; or
    - (b) Several certificates, each for one or more of his shares, upon payment of hundred rupees for each certificate after the first.
  - (II) Every certificate shall specify the shares to which it relates and the amount paid-up thereon.
  - (III) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
22. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (21) and (22) shall mutatis mutandis apply to debentures of the company.

#### **TRANSFER OF SHARES**

23. No member shall be entitled to transfer his shares in the Company except with the previous sanction of the Board.

24. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

25. The Board may decline to recognize any instrument of transfer unless-

(a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) The instrument of transfer is in respect of only one class of shares.

26. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

27. Where the Board of the Company receives any information that—

- a. Any member has ceased to be a primary producer, or
- b. Any member has failed to retain his qualification to be a member.

The Board shall direct the surrender of shares together with special rights, if any, of the Company at par value or such value as may be determined by the Board subject to a written is served on the member and given an opportunity of being heard.

#### **BORROWING POWERS**

28. The board may subject to the relevant provisions of the Act borrow money from banks, financial institutions, autonomous corporation, firms or other companies on the security of the assets of the Company including immovable properties. The company may accept loans, advances or deposits of money on such terms and conditions as the Board may deem fit subject to the provisions of the Act, and guidelines issued by the Reserve Bank of India from time to time.

#### **ALTERATIONS OF CAPITAL**

29. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

30. Subject to the provisions of section 61, the company may, by ordinary resolution,—

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

31. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

#### **BUY-BACK OF SHARES**

32. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **BOARD OF DIRECTORS**

33. The number of Directors of the Company shall not be less than 5 (Five) and not more than 15 (Fifteen).

34. Coconut Producer Federation(s) (CPF) who are the members of the Company shall nominate their President(s) to the Board of the Company. Coconut Producer Society(ies) (CPS) cannot nominate any of their members to the Board of the Company.

#### **FIRST DIRECTORS**

35. The First Directors Of The Company Are:

- 1. MR. Sasikumar**
- 2. MR. Madhavan Manoharan**
- 3. MR. Vijayan Chellamma Kesavan Nadar**
- 4. MR. Binod Kumar Thankamma Sukumaran**
- 5. MR ABHILASH Thulasidharannair Indira**

The first directors shall govern the affairs of the Company for a period not exceeding ninety days within which directors shall be elected in accordance with the provisions of Section 581P(2) of the Act. The election of first directors shall be conducted within 90 days of the registration of the producer Company. All the first directors shall retire at the first annual general meeting. The election of the First Directors shall be made in the Annual General Meeting of the Company.

#### **EXPERT DIRECTORS/ADDITIONAL DIRECTORS**

36. The Board may co-opt one or more expert directors or an additional director not exceeding one fifth of the total number of directors for such period as the Board may deem fit but not exceeding five years. The expert director shall have neither the right to vote nor shall be eligible to be elected as the Chairperson.
37. Subject to the provisions of the Companies Act 1956, the quorum necessary for a meeting of the Board of Directors shall be one third of the total strength (any fraction contained in the one third being rounded off as one) or three Directors whichever is higher.
38. Every Director attending Board Meeting shall be paid out of the funds of the company such amount that may be fixed up by the Board from time to time as sitting fees as may be determined by the Board for each meeting of the Board of Directors attended to by him. Every Director shall also be paid travelling expenses and other incidental expenses lawfully incurred by him in attending the meetings of the Board of Directors or other services of the company, as may be fixed by the Board from time to time.
39. Every Director shall for attendance at the Board meeting be paid such fee as determine by the Board subject to the provisions of the Act.
40. Whenever a Director is called upon to render extra service in connection with the business of the Company, he shall be paid such expenses as may be fixed by the Board.

#### **RETIREMENT OF DIRECTORS**

41. The First Directors appointed by the Articles shall continue in office till the conclusion of the First Annual General Meeting and are eligible for re-election. Subject to the provision of section 581P (3) of the act the Directors appointed there after shall hold the office for a period of one year. The retiring Directors are eligible for re-election.
42. All the directors except CEO (chief executive officer) shall subject to retirement by rotation.
43. Subject to the provisions of section 169 of the Act, the Company in General Meeting may be a special resolution remove a Director before the expiry of his period of office.

#### **VACATION OF OFFICE BY DIRECTORS**

44. Vacation office by directors shall be governed by the provisions of Section 581Q of the Act. And also the office of the director shall become vacant if:
  - i. He/she is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months.
  - ii. the company has made a default in repayment of any advance or loan taken from any company thereof to imprisonment for not less than six months;
  - iii. He/she has made a default in repayment of any advances or loans taken from the producer company in which he is a director,
  - iv. the company has not filed annual return for any continuous three financial years or has failed to repay its deposit or ;interest thereon, with held price or patronage bonus or dividend approved by General Meeting on due date or and such failure continues for one year.
  - v. Default is made in holding electio0n for the office of Board of Directors.
  - vi. The Annual General Meeting is not called in accordance with the provisions of this Act.

#### **CHAIRPERSON OF THE BOARD MEETING**

45. The First Chairman of the Board shall be elected by the Board of Directors from among them and be shall hold the office till the conclusion of the First Annual General Meeting. The



subsequent Chairperson of the meeting shall be elected by the Board of Directors from among them, based on the performance of the Coconut Producer Federation(s) (CPF) and the President of the most active Coconut Producer Federation(s) (CPF) shall be elected as Chairperson. While calculating the performance/activeness of the Coconut Producer Federation for the purpose of electing the Chairman, the collective performance of the Coconut Producer Societies registered as member of the said Coconut Producer Federation shall be considered. The Board shall recommend the election/ re-election the Chairperson every year in the Board meeting which is being held for approval of Annual Account based on the criteria mentioned above. It shall be the duty of the Chairperson appointed to preside at the Board Meetings. If the Chairperson is absent at the time of holding the meeting, the Directors present at the meeting shall elect one among them as Chairperson to preside over the day's meeting.

#### **CHIEF EXECUTIVE**

46. The Company shall appoint a full time Chief Executive, by whatever name called from amongst the persons other than the Members for such period and such terms and conditions as they think fit but his term shall not be more than a period of 5 consecutive years and he/she shall be ex officio director of the Board and not required to retire by rotation and shall be entrusted with substantial powers of management as the Board may determine.
47. The Chief Executive shall be ex officio director of the Board. He/she shall manage the affairs of the Company under the general superintendence, direction and control of the Board. He shall exercise such powers as are delegated to him by the Board from time to time.
48. The quorum of the Board meeting shall be one third of its total strength or three Directors whichever is higher. If no such quorum is present the meeting shall be dissolved and fresh notice shall be issued convening the meeting on another day.

#### **POWERS AND FUNCTIONS OF BOARD**

49. Subject to the provisions of this Act and articles, the Board of directors of the Company shall exercise all such powers and to do all such acts and things, as that company is authorized so to do.
50. In accordance with the provisions of the Act, the Directors shall meet once in every three months and as often as they deem necessary for transacting the business of the Company. Notice convening the meeting of the Board of Directors shall be signed by the Chairperson and served individually on every Director. The Chairperson shall preside at the Board meeting and if the Chairperson is absent the Directors present at the meeting shall elect one among them as the Chairperson to preside over the day's meeting.
51. All questions arising at the Board meeting shall be decided by a majority of votes and every Director present shall have only one vote. In the event of equality of votes the Chairperson of the day's meeting shall have a casting vote.
52. Every Director present at the Board meeting shall write his name and sign in a book specially kept for the purpose.
53. Without prejudice to the general powers conferred by the articles, it is hereby expressly declared that the Board of Directors shall also have following powers namely:
  - a. to pursue and formulate the organizational policy, objectives, establish specific long term and annual objectives, and approve corporate strategies and financial plans;

- b. to determine the amount/percentage of dividend payable;
- c. to determine the quantum of withheld price and recommend patronage to be approved at general meeting;
- d. to admit new Members;
- e. to appoint and on its discretion to remove or suspend such Chief Executive, managers, secretaries, officers, clerks, agents and servants as permanent, temporary or special services as it may from time to time think fit and determine their powers and duties, and fix their salaries or emoluments and to require security in such instances and for such amount as it thinks fit and exercise superintendence, direction and control over them.
- f. to institute, conduct, defend or abandon any legal proceedings by or the Company, against the Company, or its officers or otherwise concerning the affairs of the company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against.
- g. to refer any claims or demands by or against the Company to arbitration and to observe and perform its awards.
- h. to make and give receipts, releases and other discharges for money payable to the Company and for the claim and demands of the company.
- i. to determine who shall be entitled to sign on the Company' s behalf bills, notes receipts, acceptances, endorsements, cheques, releases, contracts and other documents.
- j. to make, vary and repeal from time to time bye-laws for the regulation of the business of the Company, its officers and servants.
- k. to enter into all such negotiations and contracts and rescind and vary such contracts and execute all such acts, deeds and things in the name and on behalf of the Company, as it may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- l. to borrow money for the purpose of the business of the company without any security or on the security of the assets of the Company and to authorize Chairperson, Managing Director, or any other Director whether solely or jointly to execute necessary documents connected therewith.
- m. to open current and time-deposit accounts with bank or banks of its choice and to operate such accounts and also when necessary to overdraw or take loan on such accounts on the security of the company or of any of its assets.
- n. to draw, accept, endorse, discount, negotiate and discharge on behalf of the company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants and delivery orders, government promissory notes other government instruments, bonds, debentures or debenture stocks of corporations, local bodies port trusts, improvement trust or other corporate bodies and to execute transfer deeds for transferring stock shares or stock certificates of the Government and/or other local or corporate bodies in connection with any object of the Company.

- o. to acquire or dispose of property of the Company in its ordinary course of business;
- p. to invest the funds of the Company in the ordinary course of its business;
- q. to sanction any loan or advance, in connection with the business activities of the Company to any Member, not being a director or his relative;
- r. to take such other measures or do such other acts as may be required in the discharge of its functions or exercise of its powers.
- s. cause proper books of accounts to be maintained; prepare annual accounts to be placed before the Annual General Meeting ;with Auditors Report and replies on qualifications if any made by the Auditors
- t. all the powers specified herein above shall be exercised by the Board, by means of resolution passed a its meeting on behalf of the company;

#### **PROCEEDINGS OF BOARD**

A meeting of the Board shall be called by Chief Executive by giving not less than 7 days notice signed by Chairperson in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or post or by electronic means. Provided that a meeting of the Board may be called at a shorter notice and the reasons there of shall be recorded in writing by the Board. The quorum for a meeting of the Board shall be one-third of the total strength of directors or three whichever is maximum.

- 54. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. Chief Executive may on the requisition of a director shall, any time, summon a meeting of the Board. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 55. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

#### **LOANS TO MEMBERS**

- 56. The Board may, subject to the provisions made in articles, provide financial assistance to Active Members of the Company by way of:
  - a. Credit facility, in connection with the business of the Producer Company, for a period not exceeding six months;
  - b. loans and advances, against security as decided by the Board from time to time repayable within a period exceeding three months but not exceeding three years from the date of disbursement of such loan or advances:

### **DISTRIBUTION OF SURPLUS**

57. The surplus arising out of the operations of the Company shall be distributed in an equitable manner by:
- i. providing for the development of the Company;
  - ii. providing for common facilities; and
  - iii. distributing among Members, as may be admissible in proportion to their respective participation in the business.

### **WITHHELD PRICE**

58. The company may withhold a portion not exceeding 10% of the value of the produce or products pooled or collected from Members. Such withheld price may be determined by the Board from time to time and distributed to the Members at such intervals as may be decided by the Board.

### **PATRONAGE BONUS**

59. Patronage Bonus shall not exceed the limits specified by the Board for the year for which patronage bonus is declared. Every member shall be eligible for the patronage bonus based on the total primary produce they supplied to the company. Whether to declare a patronage bonus in a particular year shall be absolute discretion of the Board. The patronage bonus shall be divided or apportioned among member, it calculated as the fraction of value of total primary produce that he/she supplied to the company to the values of total primary produce purchased by the company from its members.

### **ACTIVE MEMBER**

60. A Member who transacts with the Company for a value not less than Rs.300,000.00 (Rupees Three Lakhs Only) in a year shall be considered as an Active Member.

### **SPECIAL USER RIGHTS**

61. The producers who are Active Members shall have special rights which may be conferred by the Board and the Company may issue appropriate instrument to them in respect of such special rights.
62. The issued instruments shall be transferable to any other Active Member of the Company after obtaining approval of the Board.

### **BONUS SHARES**

63. The Company may, upon recommendation of the Board, and passing of resolution in the general meeting, issue bonus shares in accordance with the section 581ZJ of Companies Act, 1956 by capitalization of amounts from general reserves in proportion to the shares held by the Members on the date of issue of such shares.

### **GENERAL MEETINGS**

#### **ANNUAL GENERAL MEETING**

64. In order to transact the usual business referred to in section 581S of the Act, the Company shall every year hold a General Meeting, which shall be called as the Annual General Meeting of the Company and shall specify the 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.

65. Member Producer Institutions may nominate their Secretary to represent them in the General Meetings of the Company and the said representative shall vote on behalf of respective Producer Institution.

66. The Company shall hold its first annual general meeting within a period of ninety days from the date of its incorporation. The memorandum and articles of association of the Company shall be laid before the meeting. The Members shall adopt the memorandum and articles of the Company and appoint directors of its Board in the annual general meeting.

67. The notice calling the annual general meeting shall be accompanied by the following documents, namely:—

- a. the agenda of the annual general meeting;
- b. the minutes of the previous annual general meeting or the extraordinary general meeting;
- c. the names of candidates for election, if any, to the office of director including a statement of qualifications in respect of each candidate;
- d. the audited balance-sheet and profit and loss accounts of the Company and its subsidiary, if any, together with a report of the Board of Directors of such Company with respect to:
  - i. the state of affairs of the Company;
  - ii. the amount proposed to be carried to reserve;
  - iii. the amount to be paid as limited return on share capital;
  - iv. the amount proposed to be disbursed as patronage bonus;
  - v. the material changes and commitments, if any affecting the financial position of the Company and its subsidiary, which have occurred in between the date of the annual accounts of the Company to which the balance-sheet relates and the date of the report of the Board;
  - vi. any other matter of importance relating to energy conservation, environmental protection, expenditure or earnings in foreign exchanges;
  - vii. any other matter which is required to be, or may be, specified by the Board;
- e. the text of the draft resolution for appointment of auditors;
- f. the text of any draft resolution proposing amendment to the memorandum or articles to be considered at the general meeting, along with the recommendations of the Board.

68. Every annual general meeting shall be called, for a time during business hours, on a day that is not a public holiday and shall be held at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate.

69. Unless the consent, required by sub-section of section 581 ZA of the Act, is accorded, not less than Fourteen days' notice in writing shall be served on every member for conduction the General Meeting.

70. The notice of the general meeting indicating the date, time and place of the meeting shall be sent to every Member and auditor of the Company.

71. One-fourth of the total number of Members of the Company or 3 whichever is higher shall be the quorum for its annual general meeting. No business shall be transacted at any General

Meeting unless a quorum of Members is present at the time the meeting proceeds to business. If within half an hour from the time appointed for holding a meeting of the company, a quorum is not present, the meeting shall stand adjourned to such other day and at such other time and place as the Board may determine, and if at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.

72. The proceedings of every annual general meeting along with the Directors' Report, the audited balance-sheet and the profit and loss account shall be filed with the Registrar within sixty days of the date on which the annual general meeting is held, with an annual return along with the filing fees as applicable under the Act.
73. The Chairperson of the Board of Directors shall preside over every general meeting, but if he is not present within 15 minutes of the time appointed for holding the meeting or is unwilling to act as the Chairperson, the Members present at the meeting shall choose one of the Directors who is present and if the Director also declines to take the chair one among the Members present be voted to be the Chairperson of the meeting.
74. All resolutions other than the special resolutions put to the meetings shall in the first instance be decided by show of hands. A poll shall be taken only if ordered by the Chairperson of the day's meeting of his own motion or only if demanded in the manner laid down in section 179 of the Act.
75. The Chairperson of the day's meeting shall have a second or casting vote in the event of equality of votes.
76. On show of hands every member present in person shall have one vote irrespective of the number of shares held by him and on a poll every member present in person or by proxy shall have one vote irrespective of the number of shares held by him.

#### **EXTRA-ORDINARY GENERAL MEETING**

77. All General Meetings other than annual general meeting shall be Extra-ordinary general meeting. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting.
78. The Board shall also call an extraordinary general meeting if a requisition is received in writing by any member or members holding in the aggregate not less than one tenth of the Paid-up Capital upon which all calls or other sums then due have been paid. If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.

If at any time, directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **QUORUM**

79. One-fourth of the total number of Members or 3 members, whichever is higher of the Company shall be the quorum for its annual general meeting.

### **PROCEEDINGS AT GENERAL MEETINGS**

80. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
81. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
82. The business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of directors in place of those retiring; the appointment of, and of fixing of the remuneration of, the auditors; All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

### **83. BUSINESS TO BE TRANSACTED AT GENERAL MEETING**

The Board of Directors of the Company may exercise the following business subject to the approval of the members at annual general meeting of the Company, namely;

- (a) approval of budget and adoption of annual accounts of the Producer Company ;
- (b) the appointment of, and of fixing of the remuneration of, the auditors;
- (c) approval of patronage bonus, if any;
- (d) issue of bonus shares, if any;
- (e) Declaration of limited return and decision on the distribution of patronage, if any; and approval of any transaction of the nature as is to be reserved in the articles for approval by the Members.

### **DISSOLUTION AND ADJOURNMENT OF GENERAL MEETING**

84. If within half an hour after the time appointed for the holding of a general meeting, a quorum is not present the meeting if convened on the requisition of members shall be dissolved and in every other case, the meeting shall stand adjourned to the same day in the next week at the same time and place and that in case of an adjourned meeting or of a change of day, time or place of the adjourned meeting, the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated. If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.
85. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, and as provided in section 103 of the Act, it

shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **CHAIRPERSON OF THE GENERAL MEETING**

86. The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **VOTING RIGHTS**

87. (1) During the first Annual General Meeting of the Company or the General Meetings held on the first year of registration of the Company, voting rights of the members shall be determined on the basis of the shareholding held by Producer institutions and in the subsequent Annual or Special General Meetings the voting rights of the Producer institutions shall be determined on the basis of their participation in the business of the Producer Company in the immediately preceding previous year.

(2) In the case of equality of votes, the Chairperson or person presiding shall have a casting vote except in the case of election of Chairperson. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

88. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
89. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **ACCOUNTS**

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

#### **RESERVES**

91. Subject to the provisions of Section 581ZI of the Companies Act, 1956, the Company shall maintain a General Reserve.

#### **AMALGAMATION OR MERGER OR DIVISION**



92. Subject to the provisions of Section 581ZN of the Companies Act, 1956, the company may amalgamate and from another producer company or merge with another producer company or divide itself into two or more producer companies.

#### **WINDING UP**

93. Subject to the provisions of Chapter XX of the Companies Act, 2013 and rules made thereunder - If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

94. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **SECURITY CLAUSE**

95. Every Director, Manager, Trustee, members of Committee, Officer, Servant, Agent, Accountant, or other person employed in the business of the Company shall if so required by the Board, before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with customers and others and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of the duties except when required to do so by the Board or by a Court of Law or by person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

#### **INDEMNITY**

96. Every officer of the company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.