

ARTICLES OF ASSOCIATION
OF
YUVAJAGRITI MILK AND AGRO PRODUCER COMPANY LIMITED
(INCORPORATED UNDER PART IX A, THE COMPANIES ACT,
1956)

AS PER SECTION 581 OF COMPANIES ACT, 1956

(TO THE EXTENT PROVISIONS APPLICABLE OF THE COMPANIES ACT, 2013 FOR A COMPANY
LIMITED BY SHARES)

1. PRELIMINARY

The regulations, contained in Table "F" in the schedule I to the Act shall not apply to the company except so far as expressly incorporated herein below or made applicable by the said act.

2. DEFINITIONS

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

- I. **The Act:** means the Companies Act, 2013 and the Companies Act, 1956 as per the applicability and any statutory modification thereof.
- II. **Active Member:** means a person who fulfils the quantum and period of patronage of the company as defined elsewhere in the articles.
- III. **“Articles”** means the Articles of association of company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this act and as defined in section 2(5) of the Companies Act.
- IV. **“Seal”** shall mean the Common Seal of the company approved by the Board of Directors from time to time.
- V. **“Member”** means a person or Producer Institution (whether incorporated or not) admitted as a member of the Company and who retains the qualification necessary for continuance as such.
- VI. **“Person”** shall include any Association, Corporation, Company as well as individual.
- VII. **“Chairperson”** means a member of the Board who has been elected as Chairperson by the Board of directors under the provisions of these Articles.
- VIII. **“Company or Producer Company”** means **YUVAJAGRITI MILK AND AGRO PRODUCER COMPANY LIMITED** incorporated and registered under this act as Producer Company.
- IX. **“Board of Directors” or ‘Board’**, in relation to company, means the collective Body of the directors of the company as defined in section 2(10) of the Companies Act,

- X. **“Commodity”** includes Cereal, Pulses, Oilseeds, Fruits, Vegetables, Seed, grains, milk, handicrafts, Milk Products and other allied products - raw or processed, other inputs, packaging material, equipment and machinery.
- XI. **“General Meeting”** includes annual and extraordinary general meeting.
- XII. **“Chief Executive Officer”** means an individual, who has been appointed by the Board as chief executive for the management of the affairs of the Company as defined under section 581A(b) of the Companies Act 1956.
- XIII. **FIG/CIG/SHG/PG** means, common interest, self-help and producer groups.
- XIV. **“Withheld price”** means part of the price due and payable for various goods and commodities, produces and inputs supplied by any Member to the Producer Company; and as withheld by the Producer Company for payment on a subsequent date as defined under section 581A(n) of the Companies Act, 1956.
- XV. **“Auditors”** shall mean and includes those persons appointed as such for the time being by the company.
- XVI. **“Ordinary Resolution”** or **“Special Resolution”** means an Ordinary Resolution, or as the case may be, Special Resolution as defined in section 2(63) read with section 114 of the Companies Act, and ‘Resolution requiring Special Notice’ shall mean such resolutions for which special notice is required as defined under section 115 of the Companies Act,
- XVII. **“Office”** means the Registered Office for time being of the company.
- XVIII. **“Registrar”** means a Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar or an Assistant Registrar, having the duty of registering companies and discharging various functions under this Act and as defined under section 2(75) of the Companies Act,
- XIX. **“Proxy”** means and includes proxy as definition given in section 105 of the Companies Act,
- XX. **“Patronage”** means the use of services offered by the Company to its members by participation in its business activities\by supply of primary produce and other products to the Company.
- XXI. **Period of Patronage:** for the purpose of provisions of these articles, the period of Patronage shall be one year
- XXII. **Patronage Bonus:** Patronage Bonus means payment made by the Company of its surplus income to the member in proportion to their respective patronage.
- XXIII. **‘Month’** means a calendar month.
- XXIV. **‘Mutual Assistance Principles’** means the principles set out in sub section (2) of section 581G of the act.
- XXV. **“Previous year”** means financial year immediately preceding the Current Year.
- XXVI. **“Officer”**{ includes any Director or Chief Executive or Secretary or any person in accordance with whose directions or instructions part or whole of the business

of the Producer Company is carried on as defined under section 581A(g) of the companies Act, 1956.

XXVII. **“Primary produce”** means

- I. Produce of farmers, arising from agriculture (including animal husbandry, horticulture, floriculture, pisciculture, viticulture, forestry, forest products, re-vegetation, bee raising, and farming plantation products) or from any other primary activity or services which promotes the interest of the farmers or consumers or Produce of persons engaged in handicrafts, handlooms and other cottage industries.
- II. Any product resulting from any of the above activities, including by products of such products.
- III. Any product resulting from an ancillary activity that would assist or promote any of the aforesaid activities or anything ancillary thereto.
- IV. Any activity which is intended to increase the production of anything referred to in sub clauses (i) to (iv) or improve the quality thereof.

XXVIII. **“Producer institution”** means a Producer Company or any other Institution having only producer or producers or Producer Companies as its members whether incorporated or not having any of objects referred to in section 581B and which agrees to make use of the services of the producer Companies as provided in its articles.

XXIX. **“Register”** means Register of Members of company pursuant to the provisions of the Act.

XXX. **“Special right”** means any right relating to supply of additional produce by the active members or any other right relating to his produce which may be conferred upon him by the Board.

XXXI. Words importing the singular shall include the plural and the words importing the plural shall include the singular.

XXXII. Words importing the masculine gender include the feminine gender and vice versa.

XXXIII. 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

3. MUTUAL ASSISTANCE PRINCIPLES

Save as otherwise provided in the act and/or articles, the company shall pursue the following mutual assistance principles: -

- a. The membership shall be voluntary and available to all eligible members who can participate or avail of the facilities or services of the Company and are willing to accept the duties of membership;
- b. Each member shall, save as otherwise provided in the Part IX A of the Act, have only a single vote irrespective of the shareholding;
- c. The Producers Company shall be administered by a Board consisting of persons elected or appointed as directors in the manner consistent with the provisions of the Part IX A of the Companies Act and the Board shall be accountable to the Members;

- d. Save as provided in the Part IX A of the Companies Act, there shall be limited return on share capital;
- e. The surplus arising out of the operations of the Producers Company shall be distributed in an equitable manner by-
 - (i) Providing for the development of the business of the Producers Company;
 - (ii) Providing for common facilities; and
 - (iii) Distributing amongst the Members, as may be admissible in proportion to their respective participation in the business;
- f. Provision shall be made for the education of Members, employees and others, on the principles of mutuality and techniques of mutual assistance;
- g. The Producers Company shall actively co-operate with other Producers Companies (and other organizations following similar principles) at local, national or international level so as to best serve the interest of their Members and the communities it purports to serve.

4. THE COMPANY TO BE A PRIVATE LIMITED COMPANY:

The Company shall become a body corporate as if it is a Private Limited Company to which the provisions contained in part IX A of the Act will apply, without, however, any limit to the number of members thereof and the producer company shall not, under any circumstances, whatsoever, become or to be deemed to become a Public Limited Company under this Act.

- (i) The Company is a Private Company by virtue of provisions of section 581C(5) of the Part IX-A of the Companies Act 1956 and according to which there shall not be any limit to the number of members.
- (ii) The right to transfer shares of the company is restricted in the manner and to the extent hereinafter provided.
- (iii) No deposits shall be accepted from the public by the Company except from the members, directors or their relatives

5. MEMBERSHIPS AND VOTING RIGHTS OF MEMBERS FPRODUCER COMPANY

Voting Rights of Members:

1. Every member shall have a minimum of one vote.

6. MEMBERSHIP

1. The Producer Company shall consist of individual producer and/or Primary Producer Institutions such as FIGs/CIGs/SHGs/PGs (Farmers Interest Group or common interest group or self help group).
2. Qualifications for obtaining membership: a primary producer institution desirous of becoming a member shall subscribe or acquire at least one hundred shares to the Producer Company and an individual producer desirous to become a member shall subscribe or acquire at least 1 (one) share to the Producer Company

7. CAPITAL

- a. The Authorised Share Capital of the Company is such that stated in clause V of the Memorandum of Association of the company or altered thereat, from time to time. The Company has the power from time to time to increase or reduce its capital. Any of the said shares and new shares hereafter to be created may, from time to time, be divided. The shares may have or confer such preferential or other special rights and privileges may be issued under such restrictions and conditions whether in regard to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under provisions of the Articles of Association but so that the special rights or privileges belonging to holders of any share issued with preferred or other rights shall not be varied or abrogated or effected except with such sanction as is provided for hereinafter.
- b. The shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such institutions on such terms as the Board of Directors think fit and to give any persons any shares whether at par or at premium and for such consideration as the Board of Directors think fit.
- c. Subject to these presents and the provisions of the Act, the shares of the Company whenever issued shall be under the control and the disposal of Board of Directors who may allot, issue or otherwise dispose of the same or any of them to such institutions or on such terms and conditions and at such times and at par or premium or discount as they may, from time to time, think fit and proper, may also allot and issue shares in capital of the Company in payment or part payment for any property sold or transferred to or for service rendered to the Company in or about the conduct of its business and the shares which may be so allotted may be issued as fully paid up shares and if so issued deemed to be fully paid upshares.

8. BENEFITS TO MEMBERS

- a. Every Member shall initially receive only such value for the produce or products pooled and supplied as the Board of Producer Company may determine and the withheld price may be disbursed later in cash or in kind or by allotment of equity shares, in proportion to the produce supplied to the producer Company during the financial year to such extent and in such manner and subject to such conditions as may be decided by the Board.
- b. Every Member shall on the share capital contributed, receive only a limited return, which shall be the maximum of 100% on the capital contributed by the member, provided that every such Member may be allotted bonus shares in accordance with the provision contained in section 581ZJ of the Act.
- c. The surplus, if any, remaining after making provision for payment of limited return and reserves referred to in section 581ZJ, may be disbursed as patronage bonus, amongst the Members, in proportion to their participation in the business of the producers company, either in cash or by way of allotment of equity shares or both, as may be decided by the Members at the general meeting.

9. PROVISIONS FOR SPECIAL USER RIGHTS:

- a. The Board of the Producer Company may from time to time, based on measurable criteria, issue special user rights valid for a specific duration to the active members, to promote the business interests of the Producer Company. Such user rights shall be issued in the form of appropriate instruments
- b. The instruments so issued shall, subject to the approval of the Board in that behalf, be transferable to any other active member of the Producer Company.

10. TRANSFER OF SHARES

- a. Subject to the provisions of Section 56 of the Companies Act, , A member of the Producer Company may, after holding the shares for a period of at least one year, may transfer the whole or part of his shares along with any special rights, must notify to the Board of Directors of the number of shares and the value the Board of Directors must offer to the other active members, the shares offered at the fair value and if the offer is accepted, the shares shall be transferred to the acceptors. In case of any dispute, regarding the fair value of the share it shall be decided and fixed by the experts appointed by the board for this purpose, whose decision shall be final.
- b. The Board of Directors may refuse to register any transfer of shares (1) where the Company has a lien on the share, or (2) where the share is not a fully paid up share, subject to Section 58 of the Companies Act .

11. SURRENDER OF SHARES

- a. If any member has ceased to be a member of a producer institution, or has failed to retain qualifications to continue as a member as specified, the Board shall serve with a written notice to the concerned member/s and provide an opportunity of being heard in the next Board meeting.
- b. If the Board is satisfied it may direct the member for surrender of shares together with special rights, if any to the Producer Company, at par value or such other value that the Board may determine.

12. BOARD OF DIRECTORS

1. Board of Directors of the Producer Company shall consist of not more than 15 members as follows:
 - a. Chief Executive Officer shall be the ex-officio director of the board;
 - b. The Minimum and the Maximum number of Directors of the Company shall be 5 (Five) and 15 (Fifteen) respectively.

The First Directors of the Company shall be:

1. BEENA DEVI
2. SUNITA
3. MANISHA DEVI
4. SUNITA DEVI
5. SHEELA DEVI

2. The conduct of elections of directors to the board of the Producer Company shall be the responsibility of the incumbent board of the Producer Company, in the manner

specified in these articles of association and election rules at least 10 days before the term of office of the outgoing directors comes to an end. The outgoing directors shall

cease just after the expiry of the term and new directors shall takeover from the very next day.

3. Election of directors shall normally take place at the annual general meeting. The election rules shall be formulated by the Board and approved by the general meeting.
4. Only an individual can be appointed as a director of the company.
5. The first election of the Board after its incorporation shall take place within the period of 90 days of the registration of the company. The candidates for contesting the election shall have to fulfill all the qualifications required for obtaining the membership except in case of the first election of the Board after its incorporation.
6. Where a board fails to conduct elections before the expiry of the term of the directors or where there are no directors remaining on the board, the chief executive of the Company shall call an extra ordinary general meeting, within twenty days after the expiry of the term of the directors for the purpose. If the Board is not constituted in the meeting, a three-member ad-hoc board shall be appointed from among members for the specific purpose of conducting elections and to perform all functions of the articles of association.
7. The term of the ad-hoc board so appointed shall not exceed three months and the ad-hoc board shall cease to function as soon as a regular board is elected in accordance with the articles of association.
8. The term of the elected board shall be 3 years from the date of assumption of office, except for the first Board. After the third year of incorporation, at the end of every two-year after the constitution of the Board, one third of the elected board members shall retire and be eligible for reappointment. For the first such retirement, the directors who shall retire shall be determined by draw of lots. Provided, however, that no member can be a member of the Board for a consecutive period of more than nine years.
9. The Chairperson of the board shall be appointed by the board of directors.
10. The Chairman shall preside over the meeting of the board. In case of his absence, the directors present shall elect one of the elected directors as the Chairman of the meeting.
11. The Board may meet as often as it may consider necessary for transaction of the business. However, it shall meet at least once in every three months.
12. The Board meeting shall be called generally with seven days' notice, but in case of exigencies it can be called at a shorter notice
13. The presence of at least three Directors or one third of its total strength, whichever is higher, shall form the quorum for the Board's meeting.
14. Each member of the Board shall have one vote.
15. Decisions at the meeting of Board shall be arrived at by majority votes of the directors present. In case of a tie the Chairman of the meeting shall have a casting vote in addition to his usual vote except in case of election of the Chairman. Tie in case of election of chairman, the matter shall be decided by draw of lots.

16. Director sitting fee may be paid to directors of the board as may be decided by the board.
17. An elected member of the Board who absents himself from all the meetings of Board of Directors held during a period of twelve without obtaining the leave of absence shall cease to be a member of the Board.
18. No member shall be present at discussion or vote on any matter in which he has personal interest.
19. A person competent to represent FIGs/CIGs/SHGs/PG, shall not be eligible for election/continuance as a director of the Board unless the FIGs/CIGs/SHGs/PGs, which he is representing
- a. has fulfilled all the obligations as mentioned in the articles of association as on 31st March of the preceding year;
 - b. is an active member of the Producer Company as on the day of election.
 - c. has not withdrawn/cancelled the authority in writing given to him to represent in the general meeting.
20. The person representing the FIG/SHG/PGs shall also not be eligible for election and continue as such, if -
- he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months.
 - the Producer Company, in which he is a director, has made a default in repayment of any advances or loans taken from any company or institutions or any other person and such default continues for ninety days.
 - he has made a default in repayment of any advances or loans taken from the Producer Company in which he is a director;
 - he has direct or indirect interest in any contract made with the Producer Company or any property sold or purchased by the Producer Company or any other transaction of the Producer Company except in any investment made in or in any loan taken from the Producer Company.
 - he is engaged directly or indirectly indulging in running the same type of business as that of the Producer Company, or is having direct or indirect interest in such activities.
21. Vacation of office by the directors:

The office of the director of a Producer Company shall become vacant if, the Producer Company, in which he is a director-

- a) He is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months:
 - The producer company, in which he is a director, has made a default in repayment of any advances or loans taken from any company or institution or any other person and such default continues for ninety days;
 - He has made a default in repayment of any advances or loans taken from the producer company in which he is a director
 - The producer company, in which he is a director-
 - a. has not filed the annual accounts and annual returns for any continuous three financial years commencing on or after the 1st day of April, 2002; or.

- b. has failed to, repay its deposit or withheld price or patronage bonus or interest thereon on due date, or pay dividend and such failure continues for one year or more.
- has defaulted in holding elections for the office of directors, in the Producer Company in which he is a director, in accordance with the provisions of this Act and articles.
- has failed to convene the annual general meeting or extraordinary general meeting of the Producer Company in which he is a director, in accordance with the provisions of this Act except due to natural calamities or such other reason.

13. POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS

Without prejudice to the generality of the foregoing, such power and functions of the Board of Directors shall include:

- i. To admit members;
- ii. To formulate a corporate mission; to establish specific long-term annual objectives to be achieved, consistent with the mission and the goals; to formulate and approve corporate strategies;
- iii. To approve corporate strategies and financial plans ;
- iv. To make periodic appraisal of operations of the Producer Company in relation to its mission and objectives;
- v. To formulate, approve and periodically review corporate policies related to major functional activities of the Producer Company.
- vi. To appoint Chief Executive Officer as per the provisions of Articles.
- vii. To finalise the proposed annual budget, and supplementary budget, if any, for approval at the General Meeting;
- viii. To cause –
 - a. Proper books of accounts to be maintained by the Producer Company, including in computerised form as permitted by the Companies' Act
 - b. The annual accounts to be prepared for the financial year,
 - c. The annual accounts to be duly audited by a qualified chartered accountant appointed for that purpose by the General Meeting, and the duly audited accounts to be placed before the general Meeting at the annual general meeting.
- ix. To ensure the calling of annual and other meetings of the general Meeting including the delivery of formal notice; the agenda of the meeting; the names of candidates for election to the Board and a statement of their qualifications; the text of any amendment proposed to the Memorandum of Association and/or articles of association and the rationale for such amendment; and the audited statement of accounts with comments on the auditor's qualification or adverse remarks; and the proposed annual or supplementary budget to be considered by the General Meeting;
- x. To ensure that elections are conducted as provided in the articles of association;
- xi. To determine the quantum of withheld price to be disbursed at the end of any year;
- xii. To acquire or dispose property in the ordinary course of business.
- xiii. To raise funds as provided in these articles.
- xiv. To cause adequate security, insurance of the assets of the producer Company.
- xv. If required, the Board may constitute Committee/s each for specific duration in framing policies or seeking suggestions in any matter that Board may deem fit under section 581U of the Act. The advisory committee shall cease to exist after finalising its suggestions and recommendations in the matter for the Board.
The committee/s may be formed of the following members;

- i. Up to two members of the board.
 - ii. experts in concerned field from outside as decided by the Board,
 - iii. the Chief Executive Officer of the Producer Company as member secretary,
 - iv. Institute conduct, defend, compound or abandon any legal proceedings by or against the Producer Company or its officer or otherwise concerning the affairs of the Producer Company and also allow time for payment or settlement of any debt due and settle any claims and/or demands by or against the Producer Company any arbitration or otherwise.
- xvi. Delegate to the Chief Executive Officer any of its powers under these articles of association of the Producer Company.
- xvii. To ensure compliances, terms and conditions of agreement with the financing institution for loan and grant as mutually agreed upon.
- xviii. The Directors shall exercise their powers regarding the affairs of the producer Company only at meetings of the Board.

14. **BORROWING POWERS.**

Subject to Section 73 and 179 of the Companies Act, , and Regulations made there under and directions issued by the RBI, if applicable, the Board of Directors shall have the power, from time to time and at their discretion to borrow, raise or to secure the payment of any sum of money for the purpose of the Company in such manner and upon terms and conditions in all respects as they think fit and in particular by the bonds of the Company or by mortgage charged upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

15. **CHIEF EXECUTIVE OFFICER**

1. The Producer Company shall have a full time Chief Executive Officer who shall function as chief executive and shall be appointed by the Board from amongst persons other than Members.
2. The Chief Executive Officer shall be ex officio director of the Board having voting rights equal to any other Director, but he shall not vote in the election of the Directors or Chairman or on any matter in which he is an interested party. He shall not retire by rotation.
3. Save as otherwise provided in these articles, the qualifications, experience and the terms and conditions of service of the Chief Executive Officer shall be such as may be determined by the Board.
4. The Chief Executive Officer shall be entrusted with substantial powers of management as the Board may determine.
5. Without prejudice to the generality of sub-section (4) the Chief Executive Officer may exercise the powers and discharge the functions namely: -
 - i) Do administrative acts of a routine nature including managing the day-to-day affairs of the Producer Company.
 - ii) Operate bank accounts or authorize any person, subject to the general or special approval of the Board in this behalf, to operate the bank account;
 - iii) Make arrangements for safe custody of cash and other assets of the Producer Company;
 - iv) Sign such documents as may be authorized by the Board, for and on behalf of the company;

- v) Maintain proper books of account, prepare annual accounts and audit thereof; place the audited accounts before the Board and in the annual general meeting of the Members;
- vi) Furnish Members with periodic information to appraise them of the operation and functions to the Producer Company;
- vii) make appointments to posts in accordance with the powers delegated to him by the Board;
- viii) assist the Board in the formulation of goals, objectives, strategies, plans and policies;
- ix) advise the Board with respect to legal and regulatory matters concerning the proposed and on going activities and take necessary action in respect thereof;
- x) exercise the powers as may be necessary in the ordinary course of business;
- xi) discharge such other functions, and exercise such other powers, as may be delegated by the Board;
- xii) decide as per approved Board's policies, procedures and limits, purchase price and sale price of various products, purchase of materials, sale price of processed items, purchase of packaging materials, and all other items pertaining to the business and activities of the Union subject to budgetary provisions.
- xiii) Arrange to purchase machinery; equipment, and such capital items as are required for the Business of the Producer Company as per policies and procedures set for the purpose and subject to approved budgetary provisions.
- xiv) decide the charges on services rendered by the Producer Company.
- xv) arrange for adequate security against embezzlement, stealing, and misappropriation and for damage by employees handling cash, goods and securities.
- xvi) arrange for insurance against loss of property and take up agency for insurance work.
- xvii) shall make all the necessary arrangement for conduct of the business of the Producer Company.
- xviii) shall carry out negotiations with the Government and other organisations.
- xix) shall arrange to keep in custody all documents, promissory notes, bonds, etc.
- xx) subject to the provisions of the articles of association, the Chief Executive Officer shall have full authority to carry out the business of the Producer Company.
- xxi) In absence of the Chief Executive Officer, a senior officer authorised by him shall discharge the work of the Chief Executive Officer.

6. The Chief Executive Officer shall manage the affairs of the Producer Company under the general superintendence, direction and control of the Board and be accountable for the performance of the Producer Company.

16. APPOINTMENT OF THE COMPANY SECRETARY

1. If the average annual turnover exceeds five crore rupees in each of three consecutive financial years, the Producer Company shall have a whole-time secretary.
2. No individual shall be appointed as whole-time secretary unless he possesses membership of the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

17. APPROPRIATION OF NET PROFIT

The Producer Company shall maintain a general reserve fund in which 10% of the Net profit shall be transferred to the general reserves.

- i) There shall be a limited return per annum up to 10% of Net profit, or as may be specified by the Board and approved by the General Body from time to time, on fully paid share capital;
- ii) Patronage bonus may be disbursed as, amongst the Members, in proportion to their participation in the business of the producers company, either in cash or by way of allotment of equity shares or both, as may be decided by the Members at the general meeting from the maximum of 20% of the surplus, if any, remaining after making provision for payment of limited return and reserves referred to in section 581ZJ.
- iii) After making appropriation for bonus to members The balance surplus arising out of the operations of the Producer Company shall be use by the company as decided by the board of directors in manner by-
 - for development of the business of the Producer Company on year to yearbasis;
 - for common services;
 - for the education and welfare of Members, employees and others, on the principles of mutuality and techniques of mutual assistance;

18. MATTERS TO BE TRANSACTED AT THE GENERAL MEETING

1. The Board of directors of The Company shall exercise the following powers on behalf of the Producer Company and it shall do so only by means of resolution passed at the annual general meeting of its Members, namely.

- a. Approval of budget and adoption of annual accounts of the Producer Company.
- b. Approval of patronage bonus.
- c. Issue of bonus shares
- d. Declaration of limited return and decision on the distribution of patronage.
- e. Specify the conditions and limits of loans that may be given by the Board to any director and
- f. Approval of any transaction of the nature as is to be reserved in the articles for approval by the Members.

19. LIABILITY OF DIRECTORS

1. When the directors vote for a resolution, or approve by any other means, anything done in contravention of the provision of this Act or any other law for the time being in the force or articles, they shall be jointly and severally liable to make good any loss or damage suffered by the company.

2. Without prejudice to the provision contained in above article, the company shall have the rights to recover from its directors.

- i. Where such director has made any profit as a result of the contravention specified in above article, an amount equal to the profit so made:
- ii. Where the Producer Company incurred a loss or damage as a result of the contravention specified in above Article, an amount equal to that loss or damage.

20. DIRECTORS AND OTHERS' RIGHT TO INDEMNITY

1. Every director and officer of the company shall be indemnified by the company and it shall be the duty of the Directors to pay out of funds of the Company all costs, losses and expenses (including travelling expenses) which any such director, officer or employee may incur or become liable to by any reason of any contract, or deed entered into by him as such Director, Officer or servant or in any way in the discharge of his duties.
2. Subject to aforesaid every Director, Chief Executive Officer, Manager, Secretary, or other officers or employees of the company shall be indemnified against any liability incurred by him/them in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 613 of the Act in which relief is given to him by the Court.

21. GENERAL MEETING

1. The general meeting shall consist of the following:
 - A. Any person competent/authorized to represent and act on behalf of the producer institution
 - B. All members of the Board of the producer Company.
 - C. The Chairman of the Producer Company shall preside over the general meeting. In case of his absence, the members present and entitled to vote shall elect one of them as Chairman for the meeting.
2. The first general meeting shall be held within 90 days from the date of its incorporation and have the same powers as are given to the annual general meeting.

22. ANNUAL GENERAL MEETING

1. The Annual General meeting shall be called once in every year. However, not more than 15 months shall elapse between the date of one general meeting and that of the next.
2. The Annual General Meeting of the Producer Company shall be called by the Board with not less than fourteen days' notice, which shall specify the date, time, venue and the agenda. The notice of the annual general meeting shall be sent to each member along with the following documents.
 - a. The agenda of the meeting;
 - b. Minutes of the previous annual general meeting or extra ordinary general meeting, whichever occurred later;
 - c. Names of candidates for election, if any, to the Board of Directors including a copy of a statement of qualifications in respect of each candidate;
 - d. Audited balance sheet and profit and loss accounts of the Producer Company and its subsidiary if any, together with a report of the Board of Directors with respect to:
 - the state of the Producer Company's affair,
 - the amounts proposed to be carried to reserves,
 - the amount to be paid as return on share capital,
 - material changes and commitments, if any, affecting the financial position of the Producer Company and its subsidiary, if any, which have occurred in

- between the date of the annual accounts of the Producer Company to which the balance sheet relates and the date of the report of the Board and
 - the text of the draft resolution for appointment of the auditors,
 - any other matter of importance relating to energy conservation and environmental protection, foreign exchange earnings or outgo, etc.
 - The text of any resolution or proposed amendment to the Memorandum of Association or articles of association to be considered at the annual general meeting along with the recommendations of the Board with respect to each;
 - Any other matter that is required to be, or may be, specified by the board.
3. The proceedings of every Annual General Meeting along with Directors Report, the audited balance sheet and the profit and loss account of the Producer Company and its subsidiary, if any shall be filed with the Registrar within Sixty days from the date on which the annual general meeting is held, with an annual return along with the filing fees as applicable to a private limited Producer Company.
 4. The notice of Annual General Meeting and extra-ordinary general meeting shall be placed on the notice board of the Producer Company and will also be given to the members of the Board and all the members and other entitled persons.
 5. Attendance of one third of the total number of active members shall form aquorum for the general meeting.

If there is no quorum within half an hour from the time of meeting, the meeting shall stand dissolved if it was called upon requisition. But in other cases the meeting is automatically adjourned to reassemble on the same day in next week. And if at the reassembled meeting also quorum is not present within half an hour, as many members as are actually present shall constitute the quorum.

6. Functions of the General Meeting:

The Annual General Meeting shall, among other things, deal with the following:

- i. Confirm the proceedings of the previous General Meeting.
- ii. Declare the names of Board of Directors elected as per the election rules.
- iii. Approve the excess expenditure over the sanctioned budget.
- iv. Receive from the Board the Annual report together with profit and loss
 - account and balance sheet as on 31st March of preceding financial year of
 - the Producer Company and sanction the appropriation of profits.
- v. Approve the budget and program of activities of the Producer Company for the next year as recommended by the Board.
- vi. Consider and adopt the audit memorandum and audit rectification report.
- vii. The limit of the outside borrowings subject to the conditions specified in the Articles.
- viii. Fix the allowances to be paid to the members of the Board and the members attending the Board meeting and other meetings.
- ix. Appoint auditors and fix their remunerations.
- x. Amendment of the Articles as and when necessary.
- xi. To take note of admission of new member during the year.
- xii. Approve the expenditure incurred on any of the elected members of the Board.
- xiii. Remove member(s) of the Board by simple majority of the active members present and voting at the General Meeting in accordance with provisions of section 284 of the ACT.
- xiv. Consider any other business brought forward by or with the consent of the Chairman.

With the permission of 2/3rd of the members present at the General Meeting any member may bring forward any matter not specified in the notice of the meeting provided that he may not propose an amendment in the Articles and removal of a director of the Board of the Producer Company.

23. EXTRA ORDINARY GENERAL MEETING

1. An Extra Ordinary general meeting may be called at any time:
 - i. by a majority of the Board or
 - ii. by the Chairman/Chief Executive Officer within one month of requisition in writing from not less than 1/3rd of the active members of the Producer Company;

An extra ordinary meeting of the Producer Company shall be called by the Board with not less than fourteen days' notice, which shall specify the date, time, venue and the agenda.

24. FUNDS

1. Funds may be raised by:
 - a) Shares from new members;
 - b) Additional shares in proportion to the business transacted with the Producers Company from time to time on the terms and conditions as decided by the Board of the Producers Company and communicated to the members
 - c) Deposits from members;
 - d) Loans from any financial institution;
 - e) Grants, aids and subsidies;
 - f) Donations
2. The Producers Company may accept funds from any development agency or any other financing institution in the form of loans or grants or in any other forms except equity capital, as per the terms and conditions prescribed by such institutions as may be mutually agreed upon.

25. FINANCE, ACCOUNT AND AUDIT

1. The Company shall keep at its registered office proper books of accounts with respect to
 - i. All sums of money received and expend by the Company and the matters in respect of which the receipts and expenditure take place:
 - ii. All sales and purchase of goods by the Company:
 - iii. The instruments of liability executed by or on behalf of the Company:
 - iv. The assets and liabilities of the Company:
 - v. In case of the Company engaged in production, processing and manufacturing the particulars relating to utilization of materials or labour or other items or costs.
2. The balance sheet and profit and loss account of the Company shall be prepared as far as may be in accordance with the provision contained in section 129 of the Companies Act.

3. The Company shall have internal audit of its accounts carried out, on half yearly intervals, by a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the institute of Chartered Accountants Act, 1949.
4. Without prejudice to the provision contained in section 143 of Companies Act, the auditor shall report on the following additional matters relating to the Company namely:
 - i. The amount of debts due along with particulars of bad debts if any;
 - ii. The verification of cash balance and securities;
 - iii. The details of assets and liabilities;
 - iv. All transaction which appear to be contrary to the provision of this part;
 - v. The loan given by the Producer Company to the directors;
 - vi. The donations or subscriptions given by the Producer Company;
 - vii. Any other matters as may be considered necessary by the auditor.

26. DONATIONS, GENERAL AND OTHER RESERVES

1. The company may, by special resolution, make donation or subscription to any institution or individual for the purposes of-

- ii. Promoting the social and economic welfare of producer Members or producers general public : or
- iii. Promoting the mutual assistance principles:

2. The aggregate amount of all such donation and subscriptions in any financial year shall not exceed three percent of the net profit of the Producer Company in the financial year immediately preceding the financial year in which donation or subscription was made.

- a. The company shall not make directly or indirectly to any political party or for any political purpose to any person any contribution or subscription or make available any facilities including personal or material.
- b. The Company may, upon recommendation of the Board and passing of resolution in the general meeting, issue bonus shares by capitalization of amount from general reserves referred to in article 69 in proportion to the shares held by the members on the date of the issue of such shares.

27. LOANS TO MEMBERS AND INVESTMENTS

1. The Board may provide financial assistance to the Members of the Producer Company by way of –

- a) Credit facility, to any Member, in connection with the business of the Producer Company, for a period not exceeding six months;
- b) Loans and advances, against security specified in articles to any Member, repayable within a period exceeding six months but not exceeding seven years from the date of disbursement of such loan or advances;

Provided that such financial assistance shall be limited to the maximum of 10% of the undistributed surplus of the Company at the end of the previous financial year.

2. Any loan or advance to any director or his relative shall be granted only after the approval by the Members in a general meeting.
3. The general reserves to the Company shall be invested to secure the highest return available from approved securities, fixed deposits, units, bonds issued by the government or co-operative or scheduled bank or in such other mode as may be prescribed.
4. The Company may, for promotion of its objective acquire the shares of another Producer Company.
5. The Company may subscribe to the shares capital or, enter into any agreement or other arrangement, whether by way of formation of its subsidiary company, joint venture or in any other manner with anybody corporate, for the purpose of promoting the objects of the Producer Company by special resolution in this behalf.
6. The Company, either by itself or together with its subsidiaries, may invest, by way of subscription, purchase or otherwise, shares in any other company, other than the producer Company specified under articles 75, or subscription of capital under article 76, for an amount not exceeding thirty percent of the aggregate of its paid up capital and free reserves:
7. The Company may, by special resolution passed in its general meeting and with prior approval of the Central Government, invest in excess of the limits specified in Article 77.
8. All investment by the Producer Company may be made if such investments are consistent with the objects of the Company.
9. The Board of the Company may, with the previous approval of Members by a special resolution, dispose of any of its investments referred to in articles.

28. RIGHTS OF MEMBERS TO OBTAIN INFORMATION

1. At every annual general meeting the Board shall lay before the Producer Company a Balance Sheets and Profit and loss account made up in accordance with the provision of section 129 of the Companies Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of section 129, 133 and 134 and or Schedule VI of the act so far as they are applicable to the Company.
2. There shall be attached to every balance sheet laid before the Producer Company a report by the Board complying with section 134 of the Companies Act.

29. AMALGAMATION, MERGER OR DIVISION

1. The Producer Company may, by a resolution passed at its general meeting-
 - I. Decide to transfer its assets and liabilities, in whole or in part, to any other Producer Company, which agrees to such transfer by a resolution passed at its general meeting, for any of the object specified in section 581B of the Act.
 - II. Divide itself into two or more new Producer Companies:

3. Every resolution of the Producer Company under this article shall be passed at its general meeting by a majority of total Members, with right of vote not less than two-thirds of its members present and voting and such resolution shall contain all particulars of the transfer of assets and liabilities, or division, amalgamation or merger as the case may be.
4. Before passing a resolution under this section, the Producer Company shall give notice thereof in writing together with a copy of the proposed resolution to the Members and creditors who may give their consent.
5. Notwithstanding anything contained in articles or in any contract to the contrary, any Member or any creditor not consenting to the resolution shall, during the period of one month of the date of service of the notice on him, have the option-
 - (I) To transfer his shares with the approval of the Board to any active Member hereby ceasing to continue as a Member of the company or
 - (II) In the case of a creditor, to withdraw his deposit or loan or advance, as the case may be.
6. Any Member or creditor, who does not exercise his option within the period specified in article 84, shall be deemed to have assented to the resolution.
7. A resolution passed by the Company under Article 81 shall not take effect until the expiry of one month or until the assent there to of all the Members and creditors has been obtained, whichever is earlier.

30. RESOLUTION OF DISPUTES

1. Where any disputes relating to the formation, management or business of the company arises-
 - I. Amongst Members, former Members or persons claiming to be members or nominees of deceased members: or
 - II. Between a Member, former Member or a person claiming to be a Member or nominee of deceased Member and the Company, its board or
 - III. Between the Company or its Board, and any director, office-bearer or any former director, or the nominee heir or legal representative or any deceased director of the Company.

Such disputes shall be settled by conciliation or by arbitration as provided under the Arbitration and Conciliation Act 1996 (26 of 1996) as if the parties to the dispute have consented in writing for determination of such disputes by conciliation or by arbitration and the provisions of the said act shall apply accordingly.

Explanation: For the purpose of this section, a dispute shall include:-

- (a) A claim for any debt or other amount due :
- (b) A claim by surety against the principal debtors where the Company has recovered from the surety amount in respect of any debtor or other amount due to it from the principal debtor whether such debt or amount due be admitted or not:

- (c) A claim by Company Against a Member for failure to supply produce as required of him:
- (d) A claim by a Member against the Company for not taing goods supplied by him.

2. If any question arises whether the dispute relates to formation, management or business of the company the question shall be referred to the arbitrator, whose decision there on shall be final.

31. WINDING UP

1. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole or the paid up Capital, such assets shall be distributed so that, as nearly as may be the losses shall be borne by the member in proportion to the capital paid up at the Commencement of the winding up, on the Shares held by them respectively at that time.
2. If in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the paid up capital such assets shall be distributed amongst the Members in proportion to the Capital paid up at the commencement of the winding up on the shares held by them respectively, but the provision of this Article are to be without prejudice to the right of the holders of Shares issued upon special terms and conditions.

32. MISCELLANEOUS

- i) In addition to the sum as provided in the provision of these articles of association all subsidies, entrance fees, receipts on account of forfeited shares and fines other than those collected from the employees shall be carried to the Reserve Fund.
- ii) Any other income other than normal trading income, excess provisions and reserves, donations other than those for specific purposes etc. can be carried to a General Reserve Fund and shall be utilized with the permission of the Board from time to time.
- iii) The accounting year of the Producer Company shall be from 1st April to 31st March. The books of accounts and other records shall be maintained as prescribed.
- iv) The Producer Company shall not alter the conditions contained in its memorandum except in the cases, by the mode and to the extent for which express provision is made in the Act.
- v) The Producer Company may, by special resolution, not inconsistent with section 581B, alter its objects specified in its memorandum.
- vi) A copy of the amended memorandum, together with a copy of the special resolution duly certified by two directors, shall be filed with the Registrar within thirty days from the date of adoption of any resolution.
- vii) Any amendment of the articles shall be proposed by not less than two-thirds of the elected directors or by not less than one-third of the Members of the Producer Company, and adopted by the Members by a special resolution. A copy of the amended articles together with the copy of the special resolution, both duly certified by two directors, shall be filed with the Registrar within thirty days from the date of its adoption.

33. THE SEAL

The Board of Directors shall select a common seal for the Company and provide by resolution for the safe custody and affixing thereof. Unless otherwise determined, the

Director may use and affix the seal of the company to any document and the Director in accordance with these articles sign every document to which the seal is so affixed.






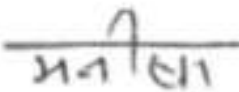

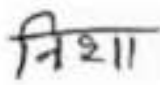
34. SECRECY CLAUSE







Subject to the provisions of the Act, no member shall be entitled to visit or inspect works of the Company without the permission of the Director or Chief Executive Officer or of the officer authorised by the Director to grant such permission or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or trading or any other matter which is or may be in the nature of a trade secret, mystery of trade or secrete processor which may relate to the conduct of business of the Company and which in the opinion of the Chief Executive Officer or the Directors will not be expedient in the collective interest of the members of the Company to communicate to the public or any member.

35. AMENDMENT

Any of these articles may be amended as per the provision of Section 581-I of the Companies Act 1956.

We, the several persons whose names, address and description are subscribed hereunder, are desirous being formed into Company, in pursuance of the Article of Association:

	S. No.	Name, description, occupation and address of the subscriber	Signature of each subscribers	Name, address, description, occupation and signature of witness
	1	SHEELA DEVI D/o BANWARI LAL Address: SORIHAWAL, BANSUR TAHSIL, Alwar 301402 Occupation : Business		<p>I witness to subscribers, who have subscribed & signed in my presence on 22/03/2020 at Alwar, further I have verified their identity details for their identification and satisfied myself of their identification particulars as filled in</p> <p> TAPASWARI & CO PTN M. NO. 242266 COP No. 15116</p>
	2	SUNITA DEVI D/o GIRDHARI LAL Address: WARD NO.- 8 ALWAR ROAD, KANHAIYA NAGAR BANSUR Alwar 301402 Occupation : Business		
	3	BEENA DEVI D/o SURJAN RAM SAINI Address: KANHAIYA NAGAR ALWAR ROAD BANSUR, Alwar 301402		
	4	MANISHA DEVI D/o KUDAN LAL SAINI Address: DHANI NONDAWALI, TEHSIL BANSUR, Alwar 301402		
	5	NISHA SAINI D/o Address: MAKAN NO 107 ROAD KANHAIYA NAGAR, TAHSIL BANSUR Alwar, 301402		

	6	<p>RADHA DEVI D/o JAIVIR SINGH Address: ALAMPUR, GANV-ALAMPUR TEHSIL-BANSUR ALAMPUR, KHERA, Alwar 301402</p>	Radha.	<p>I witness to subscribers, who have subscribed & signed in my presence on 02/09/2020 at Alwar, further I have verified their identity details from their identification and satisfied myself of their identification particulars as filled in</p> <p>TAPASRA GUPTA M.No. 29266 COP No. 15116</p> 
	7	<p>SUNITA D/O MALRAM Address: DOLAT SINGH KI DHANI, TEHSIL BANASUR, KHERA, Alwar 301402</p>	सुनीता	
	8	<p>SUDHA D/o GOVIND SHARMA Address: HOUSE NO.-44/1, WARD NO., UNCHHPUR GUNTA, BANSUR Alwar 301402</p>	Sudha	
	9	<p>SUSHAMA DEVI D/o BHAKTI RAM Address: MOONDLI, HAZIPUR BANSUR Alwar 301402</p>	सुशमा	
	10	<p>PINKI D/o MAHAVEER PRASAD Address: GAV KOTHAL SANTHLPUR Alwar 301402</p>	पिंकी	

Place ALWAR
Date- 2/09/2020