

THE COMPANIES ACT 2013
A COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL
(INCORPORATED UNDER THE COMPANIES ACT VII OF 1913)

ARTICLES OF ASSOCIATION

OF

COTTON ASSOCIATION OF INDIA

Approved and adopted as per Special Resolution passed at the Extraordinary General Meeting of the Company held on 3rd August 2018, reproduced below :-

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 as amended from time to time and in force, the new set of Articles of Association submitted in this meeting be and is hereby approved and adopted in substitution and to the entire exclusion of the existing Articles of Association of the Company.”

ATUL S. GANATRA,
Chairman.

1. For the purpose of registration the Company was declared to consist of four hundred and fifty members.
2. The Company may from time to time, in General Meeting by ordinary resolution register an increase of its members.

Note : By a resolution passed at a General Meeting of the Company held on the 31st October 1947, the number of members was last increased to two thousand.

3. In the interpretation of these Articles, unless there be something in the subject or context inconsistent therewith,

"The Company" or "This Company" means Cotton Association of India.

"Associate Directors" means Associate Directors for the time being of the Company, or as the case may be, the Associate Directors assembled at the Board, elected in accordance with the Articles of Association for the purposes set out therein.

"The Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

"Auditors" means and includes those persons appointed as such for the time being by the Company.

"Authorised representative" or "authorised representative of a member" means person registered as such under Article 18.

"Board" or "Board of Directors" means a meeting of the Directors of the Company duly called and constituted, or, as the case may be, the Directors assembled at a Board, or, the Directors of the Company collectively.

"By-laws" means the By-laws of the Company for the time being in force made under or in pursuance of the Articles of Association for the time being or under or by virtue of any enactment.

"Co-operative Cotton Marketing Society" means a Co-operative Society or a Union or Federation of such Co-operative Societies established for the purpose of marketing of Cotton or having the marketing of Cotton as one of its principal objectives and registered with the appropriate authorities and registered as such by the Company in accordance with the rules framed for the purpose by the Board.

"Directors" means the Directors for the time being of the Company, or, as the case may be, the Directors assembled at a Board.

"Member" means a person, firm or company duly elected or admitted to membership of the Company, and whose name is entered in the Register of Members of the Company.

Meetings:-

"General Meeting" means a meeting of the members.

"Annual General Meeting" means a General Meeting of the members held in accordance with the provisions of Section 96 of the Act.

"Extraordinary General Meeting" means all general meetings other than Annual General Meeting and any adjournment thereof.

"Month" means a calendar month.

"Office" means the Registered Office for the time being of the Company.

"Person" shall include a firm and a company.

"Place of business" means an office where a member or a person eligible for membership of the Company is conducting *bonafide* cotton business.

"India" means the territory of India as defined from time to time in the Constitution of India.

"President" and "Vice-President" mean the Director duly elected as such under Article 51 and shall include the Chairman and Vice-Chairman respectively of the Board.

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"The Registrar" means the Registrar of Companies.

"Seal" means the common seal for the time being of the Company.

"Secretary" means the Secretary appointed as such by the Board, and shall include a Deputy Secretary and an Assistant Secretary appointed as such and an Officiating Deputy or Assistant Secretary.

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

Words importing the singular only include the plural number and *vice versa*.

Words importing the masculine gender also include the feminine gender.

Words importing persons include firms, *pedhies*, Hindu joint families, companies, corporations, associations, institutions and Government and any department thereof.

"Special Resolution" shall have the meaning assigned thereto by Section 114 of the Act.

"Upcountry Cotton Trade Association" means a Cotton Trade Association established at upcountry cotton centres and registered as such by the Company in accordance with the rules framed for the purpose by the Board.

"Year" means the calendar year; and

"Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Act.

4. The regulations contained in Table H in the First Schedule to the Act shall apply to this Company; but the regulations for the management of the Company and for the observance by the members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of, or addition to these Articles by special resolution, as prescribed by the Act, be such as are contained in these Articles.

MEMBERSHIP

5. There shall be four classes of Members, namely-
 - (i) Full Members - divided into (a) Original Members, (b) New Members, and (c) Foreign Members;
 - (ii) Special Associate Members - divided into (a) Special Associate Members Class A and (b) Special Associate Members Class B;
 - (iii) Associate Members - divided into (a) Original Associate Members, (b) New Associate Members, (c) New Associate Members Class B, and (d) Foreign Associate Members; and
 - (iv) Honorary Members.

:: 5 ::

6. On or after 1st September 1974 there shall be only one class of Members viz. Full Members divided into (a) Original Members, and (b) New Members.

[Note :- Members admitted previously into different classes as per provision of clause 5 above will be merged into one class only viz. Full Members.]

FULL MEMBERS

7. (a) *Original Members* - Every person, who having a place of business in Mumbai applied for membership of the Company on or before the 15th day of July 1922 in the form prescribed by the Company, agreeing to be bound by the Articles and the By-laws, Rules and Regulations of the Company from time to time in force, and paid Rs.5,000/- and whose application was accepted by the Board as a member and who has paid his annual subscription regularly since then, shall be an Original Member of the Company.
- (b) *New Members* - (i) Any person, having traded in cotton in Mumbai for a period of not less than three years and having a place of business in Mumbai and was eligible for membership of the Company, in that, in the case of a firm and company respectively, a majority of the partners and a majority of the directors or managers were British subjects and at least 75 per cent of the capital of the firm or company was beneficially owned by British subjects, and in the case of a private company with a limited liability, its paid-up capital was at least Rs.10,00,000/- and in the case of an individual, he was a British subject and applied for membership of the Company in the form prescribed by the Company agreeing to be bound by the Articles and the By-laws, Rules and Regulations of the Company from time to time in force and paid Rs.20,000/- by way of deposit as also the entrance fee, if any, and whose application was accepted by the Board before the 29th day of December 1951 as that of a member and who has paid his annual subscriptions regularly since then, shall be a New Member.
- (ii) On or after the 29th day of December 1951 no person shall be admitted to membership as a New Member unless:-
- (1) he or it has a place of business in Mumbai and has traded in cotton in Mumbai for a period of not less than one year,
 - (2) being a person, he is a Citizen of India,
 - (3) being a firm, a majority of its partners is, and at least 75 per cent of its capital is owned by Citizens of India,

- (4) being a company, a majority of its directors or managers is, and at least 75 percent of its capital is beneficially owned by Citizens of India and, if it is a private company with limited liability, its paid-up capital is at least Rs.10,00,000/-, and

he or it pays a deposit of Rs.20,000/- and an entrance fee of Rs.2,500/- which latter shall belong to the Company absolutely.

- (iii) On and after 1st September 1974 no person shall be admitted as a Member unless -

- (1) he or it has been trading in cotton;
- (2) being a person, he is a Citizen of India;
- (3) being a firm, a majority of its partners is, and at least 75 percent of its capital is owned by the Citizens of India;
- (4) being a Company or a Society, majority of its Directors or Managers is, and at least 75 percent of its capital is beneficially owned by Citizens of India, and if it is a limited Company, its paid-up capital is at least Rs.2,50,000/- which requirement may be relaxed by the Board in their absolute discretion on personal guarantee given by any Director of the Company/Society in the form that may be prescribed by the Board, and

he or it pays a deposit of Rs.5,000/- and an entrance fee of Rs.10,000/- or such other amounts as deposit and entrance fee as the Board may decide from time to time but not exceeding deposit of Rs.25,000/- and an entrance fee of Rs.10,000/- of which the latter shall belong to the Company absolutely.

The Full Members of the Company on the Register of the Company as on 30th April 1974 who have paid the deposit of Rs.20,000/- to the Company pursuant to the provisions in (b) (i) and (ii) above, shall be entitled to a refund of Rs.15,000/- in such instalments as the Board may decide from time to time. The excess deposit or the balance thereof thus refundable shall carry interest at the same rate at which interest is payable at present on the deposit.

Every person applying for Full Membership on or after the date on which this Article comes into force or whose application for membership shall not have been disposed of before that date, shall make an application for membership in writing in such form as may from time to time be prescribed by the Board or the Company and the same shall be signed by him and his proposer and seconder (who shall be Full Members) and addressed to the Company. The application with details given therein shall be notified on the notice board of the Company inviting within a week objections, if any, from members to the same being entertained and decided upon by the Board. After the expiry of the week, the Board shall consider the application and the objections, if any, received and decide whether or not it should be put for ballot. If they decide to put the application for ballot, the name of the applicant shall be circulated to the Directors who shall within 14 days from the date of the circular or within such extended period as the Board may fix, dispose of the application by secret vote or ballot.

During the said period of 14 days or the extended period as aforesaid, the candidate's election by the Directors shall be by secret vote or ballot. The voting or ballot box shall be open for 14 days or such greater period as the Board may prescribe. The candidate shall not be elected unless at least 14 Directors vote or ballot. Nor shall he be elected if the number of votes cast against him exceeds four. A rejected candidate shall not again be proposed for election till the expiry of twelve months from his rejection. The voting or ballot shall be held at such place and within such hours and in such manner as shall from time to time be prescribed by rules, if any, made in that behalf by the Board and if there shall be no such rules, as the Board may direct from time to time.

SPECIAL ASSOCIATE MEMBERS

8. (i) *Special Associate Members Class A* - Any person who, on the 31st day of March 1922 was a member of the Clearing House established by the Cotton Contracts Board or a Broker licensed by the said Board, and who had applied for Special Associate Membership on or before the 31st day of March 1922 in the form prescribed by the Company, agreeing to be bound by the Articles and the By-laws, Rules and Regulations of the Company from time to time in force, and paid a deposit of Rs.5,000/- and whose application was accepted by the Board as that of a Special Associate Member and who has paid his annual subscriptions regularly since then, shall be a Special Associate Member Class A of the Company. Such member shall have no vested interest in the assets of the Company. Save as expressly provided by these Articles, a Special Associate Member Class A or his authorised representative shall not be entitled to receive notice of or to be present or to vote at any meeting of the Company or at any General Meeting of authorised representatives, nor be entitled to be appointed or elected a Director of the Company.

- (ii) *Special Associate Members Class B* - Any person who, on the 1st day of May 1947, was a member of the Shri Mahajan Association Limited, and who applied for membership of the Company on or before the 31st day of January 1948 in the form prescribed by the Company, agreeing to be bound by the Articles and the By-laws, Rules and Regulations of the Company from time to time in force, and paid Rs.5,000/- by way of deposit and whose application was accepted by the Board as a member and who has paid his annual subscriptions regularly since then, shall be a Special Associate Member Class B of the Company. Such member shall have no vested interest in the assets of the Company. Save as expressly provided by these Articles, a Special Associate Member Class B or his authorised representative, shall not be entitled to receive notice of or to be present or to vote at any meeting of the Company or at any General Meeting of authorised representatives, nor be entitled to be appointed or elected a Director of the Company.
- (iii) Notwithstanding the provisions in clauses (i) and (ii) above, on and after 1st September 1974 Special Associate Members Class A and Special Associate Members Class B continuing as such on the Register of the Company till 31st August 1974 shall become Full Members on their submitting fresh application for Full Membership prior to 30th September 1974 in the form that may be prescribed by the Board for that purpose.

ASSOCIATE MEMBERS

9. (a) *New Associate Members* - (i) Any person, who was a British subject and actually engaged in the Cotton Trade and having a place of business in British India applied for Associate Membership after the 10th day of May 1922 but before the 29th day of December 1951 agreeing to be bound by the Articles and the By-laws, Rules and Regulations of the Company from time to time in force and paid Rs.1,000/- as deposit and whose application was accepted by the Board as an Associate Member and who has paid his annual subscription regularly since then, shall be a New Associate Member.
- (ii) On or after the 29th day of December 1951 no person shall be admitted as a New Associate Member unless -
- (1) he or it has a place of business in Mumbai and is actually engaged in the cotton trade in Mumbai,
 - (2) being an individual, he is a Citizen of India,
 - (3) being a firm, a majority of its partners, is and at least 75 percent of its capital is owned by Citizens of India,

- (4) being a company, a majority of its directors or managers is, and at least 75 per cent of its capital is beneficially owned by Citizens of India and, if it is a private company with limited liability, its paid-up capital is at least 10 lakhs of rupees and -

he or it pays a deposit of Rs.1,000/-

- (iii) Every person, applying for New Associate Membership on or after the 29th day of December 1951 shall make an application for membership in writing in such form as may from time to time be prescribed by the Board or the Company and the same shall be signed by him and his proposer and seconder (who shall be Full Members) and addressed to the Company. The admission of Associate Members shall be by a resolution of the Board approving the application by a majority vote of 75 percent of the Directors present and voting.
- (b) Associate Members other than New Associate Members Class B shall have all the privileges and rights of membership except as hereinbelow provided,
- (i) An Associate Member shall have no vested interest in the assets of the Company and subject to the provisions of Articles 14 to 16 may be removed by the Board without any reason being assigned.
- (ii) Save as expressly provided by these Articles, an Associate Member and an authorised representative of an Associate Member shall not be entitled to receive notice of or be present or vote at any meeting of the Company or at any General Meeting of authorised representatives; nor be entitled to be appointed or elected a Director of the Company.
- (c) On or after 1st September 1974 New Associate Members continuing as such on the Register of the Company till 31st August 1974 shall be entitled to be Full Members subject to their submitting a fresh application for membership on or before 30th September 1974 in the form prescribed by the Board for that purpose and paying an additional deposit of Rs.4,000/- (so as to make the deposit of Rs.5,000/-) before 31st December 1974 or such extended date as may be fixed by the Board from time to time but in any case not beyond 31st December 1975. These Members will be entitled to have and exercise all the rights of membership only after payment of the additional deposit (i.e. Rs.4,000/-). In the event of failure to apply as stated above or failure to pay the

additional deposit within the time allowed, the members concerned will be deemed to have ceased to be the members of the Company and thereafter the member's deposit with interest till 31st August 1974 if any shall be refunded to the member concerned, subject to provisions in Article 11 (d) and (f).

10. The Board may enroll foreign Cotton Associations/Exchanges as Honorary Members of the Company and they may be represented by their officials viz. President or his nominee from the Board of its Directors or from its Committee of management. Such representatives will be entitled to attend Annual or any other General Meeting of the Company, but shall have no voting rights and shall be exempt from payment of entrance fee, deposit and subscription. However, such membership shall stand terminated when the foreign Association ceases to exist or becomes inoperative.

INCIDENTS OF MEMBERSHIP

11. (a) Every member of the Company shall pay an annual subscription. Until and unless the Board shall, with the sanction of a General Meeting, determine otherwise, the annual subscription payable by every Member shall be such amount as may be determined by the Board from time to time but not exceeding Rs.3,000/-.
- (b) Every member of the Company who has registered an outside Mumbai address with the Company shall pay, in addition to subscription, an annual charge of Rs.200/- or such other charge as may be decided by the Board from time to time to cover the cost of postal and other incidental charges.
- (c) Save as otherwise expressly provided in these Articles no interest shall be payable from the financial year 1974-75 on the deposit paid by a member.
- (d) The deposit including the additional deposit paid by any member of the Company under the Provisions of Article 6(c) together with interest unpaid thereon, if any, shall be liable to forfeiture by a resolution of the Board for any default made by the member in the payment of any money payable by him to the Company or to any other member of the Company under or by virtue of the Articles and the By-laws, Rules and Regulations of the Company from time to time in force. The deposit, together with interest unpaid thereon, if any, shall also be subject to a first lien or charge in favour of the Company for all sums due to the Company by the member, in whose name the deposit shall, from time to time, stand or to whom it shall otherwise be repayable. Postponed to and coming immediately after the said first lien or charge, the deposit, together with unpaid interest thereon, if any, shall in every case be subject to a second

lien or charge in favour of such of the other members (of any and every class) as the member in whose name the deposit shall stand from time to time or to whom it shall otherwise be repayable, shall be indebted in respect of cotton transactions, for the total amount of such indebtedness. Postponed to and coming immediately after the said second lien or charge, the deposit together with unpaid interest thereon, if any, shall in every case be subject to a third lien or charge in favour of such of the other members (of any and every class) as the member in whose name the deposit shall stand from time to time or to whom it shall otherwise be repayable, shall be indebted in respect of brokerage or mukadami charges due on cotton transactions entered into on behalf of that member, for the total amount of such indebtedness.

- (e) All moneys received by the Company as deposit from any member, shall be deemed to be under the absolute control of the Company, and the Board shall be entitled, subject to the provisions of the Articles for the time being in force, to use them for any of the objects of the Company in the same manner as if such moneys belonged to the Company absolutely.
 - (f) Subject as aforesaid, and subject also to the provisions of these Articles, the deposit paid by any member shall be refunded to the person in whose name the same shall for the time being be standing, within twelve months from the date of his ceasing to be a member.
12. All moneys received by the Company, in respect of entrance fees, annual subscriptions, fines, penalties or otherwise howsoever whether under the Articles or under the By-laws or otherwise, shall belong to the Company absolutely and may be dealt with in such manner as the Board may, from time to time, think fit for any of the objects of the Company.
 13. Every Member shall conform to and be bound by the Articles and the By-laws, and the Rules and Regulations of the Company from time to time in force.
 14. A member shall, (subject to the provisions of these Articles), be liable to be removed from the Company, or to be suspended from exercising all or any rights of membership, or to be otherwise dealt with, as the Board may by resolution determine if he fails or neglects to pay, as and when due, any sum due by him to the Company or remains in breach of the provisions of the Articles or By-laws, or Rules and Regulations of the Company from time to time in force, or of any award made thereunder or of any order of the Board.
 15. The powers of removal and suspension contained in these Articles are in addition to and not in derogation of the powers of expulsion, suspension and fine that may be contained in the By-laws, Rules and Regulations of the Company from time to time in force, and the said last mentioned powers shall be deemed to have been incorporated in, and to form part of these Articles.

16. If a member ceases to be a Citizen of India or a British subject (where that is a necessary qualification) or is declared insolvent by a Court of competent jurisdiction, or, being a company, goes into liquidation (other than for the purpose of reconstruction or amalgamation when the provisions of Article 17 shall apply), or is removed from the Company or resigns, he shall, on posting to that effect, *ipso facto* cease to be a member and his name shall be taken off the Register of Members, but he shall remain liable for the fulfilment of all his obligations, whether to the Company or to any member of the Company.

17.
 - (i) In the event of a member being an individual, dying leaving a widow and/or any son or any daughter or son's son, then on the application to the Board and upon such terms and conditions as the Board may deem fit to impose in their absolute and uncontrolled discretion, the membership of the deceased member may be transmitted to such of them as the Board may decide, provided they shall not be otherwise disqualified for membership.

 - (ii) In the event of a member being an individual, taking into partnership with him another person or persons, or, being a firm, altering its style or constitution, or converting its business in cotton into a limited company, or, being a company, going into voluntary liquidation for the purpose of reconstruction or amalgamation or transferring its business to another company except on a sale for cash, then on the application to the Board and upon such terms and conditions as the Board may deem fit to impose in their absolute and uncontrolled discretion, such member may transfer his or its membership to such firm so styled or constituted or to such company, as the case may be, provided such transferee shall not be otherwise disqualified for membership.

18.
 - (i) Every member being an individual whether or not trading in his own name, and not ordinarily resident in Mumbai, shall, from time to time by nomination in writing signed by him, nominate as his authorised representative a person who has full authority to conduct and manage such member's cotton business in Mumbai. Every such member, who is ordinarily resident in Mumbai, may, in like manner, nominate any such person as aforesaid as his authorised representative and, failing any valid nomination, he shall be deemed to have nominated himself.

 - (ii) Every member being a firm, shall from time to time by a nomination in writing signed by one of its partners or a person holding its general Power of Attorney, or in the case of a joint Hindu family firm, by its manager nominate one of its major coparceners, or a person duly authorised, to be its authorised representative.

 - (iii) Every member not being an individual or firm, shall from time to time by a nomination in writing signed by some person or persons having authority in this behalf, nominate a person, to be its authorised representative.

- (iv) A person shall not be nominated as an authorised representative, unless he is ordinarily resident in Mumbai and unless he shall, in the sole opinion of the Board, whose opinion shall be final and binding, have full authority to conduct or manage in Mumbai the cotton business of his principal engaged in the cotton trade.
- (v) The Company shall include in the Register of Members maintained under Article 19, the names of the persons from time to time nominated or deemed to be nominated in accordance with the provisions of this Article.
- (vi) If any member, who has or is deemed to have nominated an authorised representative shall cease to be a member, the name of such authorised representative shall be struck off the Register maintained under Article 19.
- (vii) The entry of a nomination in the Register maintained under Article 19, shall be conclusive that the person so nominated is the authorised representative of the member nominating him.

REGISTER OF MEMBERS

- 19. (1) The Directors shall cause to be kept a Register and Index of Members, which shall comply with the provisions of Section 88 of the Act and Rules made thereunder. The Register shall also contain particulars of the style, constitution and address of the persons, firms, companies and societies who are members, including, in the case of a partnership, the full names of all the partners, and in the case of a Hindu Joint Family, the name and address of its Karta. The Register shall also contain particulars of their respective addresses in Mumbai.
- (2) Every member shall promptly notify the Company in writing of any change affecting any of the entries in the Register. If a member shall fail to notify any such change within a period of three months of the same occurring, the Board may in its absolute and uncontrolled discretion impose a penalty not exceeding Rs.500/- as a condition for recording the change.

CERTIFICATES

- 20. Certificates of Membership of the Company shall be issued under the Seal of the Company and signed in such manner as the Board shall, from time to time, prescribe and the same shall be produced to the Board or any official of the Company deputed for the purpose, as and when the Board may require.

21. If any certificate be worn out or defaced, then, upon production thereof to the Board, the Board may order the same to be cancelled and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, or in default of proof, on such indemnity or otherwise, as the Board may deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.
22. For every certificate issued, such sums not exceeding rupees twenty as the Board may, from time to time determine, shall be paid to the Company.

BORROWING POWERS

23. Subject to the provisions of Section 179 and 180 of the Act, the Board may from time to time at their discretion raise or borrow from the Directors, members or other persons any sum or sums of moneys for the purposes of the Company, but so that the total amount at any one time owing by the Company in respect of moneys so raised or borrowed shall not without the sanction of a General Meeting, exceed the sum of Rs.10,00,000/-.
24. Subject as aforesaid, the Board may raise or secure the payment or repayment of such sum or sums of money in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of Debentures or Debenture-stock of the Company charged upon all or any part of the property and rights of the Company (both present and future) in accordance with the provisions under the Act and Rules made thereunder.
25. Every debenture or other instrument for securing the payment or repayment of the moneys borrowed by the Company may be so framed that the moneys thereby secured shall be assignable free from any equities between the Company and the person to whom the same may be issued. Any Debentures, Debenture-stock, Bonds, Mortgages or other instruments or securities issued by the Company may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings and otherwise as the Board may think fit.
26. The Directors shall cause a proper Register of Mortgages to be kept in accordance with Section 85 of the Act and shall duly comply with the requirements of relevant provisions of the Act regarding mortgages and charges. The Register of Mortgages shall be open to the inspection of a creditor or member of the Company without any payment and of any other person on a fee of Fifty Rupees for each inspection.

PANELS OF MEMBERS

27. (1) All Full Members of the Company shall be classified into three Panels as follows:

(1) Buyers

a) Mill Buyers (who shall include Textile Mills, Small Spinning (SS) Units, Surgical Units and such other consumers of cotton).

b) Buyers other than Mill Buyers (who generally buy cotton such as merchants purchasing cotton from the market for selling the same to the mills or buyers who purchase cotton as agents or representatives of any mills or buyers of cotton for export).

(2) Sellers (who shall include the categories of

(a) growers and growers co-operatives

(b) ginnerers

(c) all other sellers who generally sell cotton in the market or deal as muddams or commission agents acting for upcountry or local clients and also importers of cotton who sell to mills).

(3) Brokers (who shall include other service providers such as banks, controllers, etc.).

(2) All Full Members who, on the day preceding the date upon which this Article shall come into force, were classified into the aforesaid three Panels in terms of the then existing Article 27, shall be re-classified by the Board in their absolute and uncontrolled discretion, in the respective Panels according to their predominant business interest. In doing so, the Board shall separate the members included in the Buyers' Panel into two divisions, one consisting of mill members and the other of the remaining members. Notwithstanding that any member shall be included as aforesaid in any of the said three Panels, or any division thereof, it shall nevertheless be competent to the Board, in their absolute and uncontrolled discretion, at any time and from time to time, to alter the Panel or any division thereof in which any such member shall be included or transferred to, if they consider that the member's predominant business interest has changed in the meantime. Provided, however, that no such alteration shall ordinarily be made during a period of three months immediately preceding an Annual General Meeting.

Provided further that after the date upon which this proviso comes into force, there shall continue to be three Panels of Full Members but with divisions thereof as included in Article 27(1) herein above. However, each Full Member, already included in the Sellers' Panel shall be allowed to opt the division thereof, and each Full Member, already included in the Brokers' Panel, shall be allowed to opt any other Panel, in which they desire to be included, but the particular division thereof and the Panel, as the case may be, in which they shall be included shall be in the absolute and uncontrolled discretion of the Board. However, if the Full Member already included in the Sellers' Panel fails to opt the division thereof, he shall be included in the division on the basis of the nature of his business already disclosed to the Company and all such changes will come into effect for the purpose of the Annual General Meeting for the financial year 1999-2000 and thereafter. After finalisation of such changes no member shall be permitted to change his Panel unless he applies in writing with valid reasons within 6 months following an Annual General Meeting and unless the same is duly approved by the Board and notified 3 months prior to the succeeding Annual General Meeting.

- (3) Any person, who after the date upon which this Article comes into force, shall become a Full Member of the Company shall be included in one or other of the said Panels and the division thereof, if any, according to his predominant business interest. Each such person shall in the first instance declare the Panel and the division thereof, if any, in which he desires to be included, but the particular Panel and the division thereof, if any, in which he shall be included shall be in the absolute and uncontrolled discretion of the Board. The Board shall also have the power at any time and from time to time in their absolute and uncontrolled discretion to alter the Panel or any division thereof in which the member shall be included or transferred to, if they consider that the member's predominant business interest has changed in the meantime. Provided, however, that no such alteration shall ordinarily be made during a period of three months immediately preceding an Annual General Meeting.
- (4) No Full Member shall be included in more than one Panel. The number of members in any Panel is not restricted and the different Panels may vary in the total number of their members.
- (5) The Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B, shall form a separate Panel. Their authorised representatives, shall out of their number, elect annually from amongst themselves their representatives, who shall be entitled to receive notices of and to attend and vote at all meetings of the Company and at all general meetings of authorised representatives. The number of persons so to be elected shall be the number nearest to but not exceeding nine percentum of the total number of Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate

Members Class B registered as such on the fifteenth day preceding the day fixed for election. The persons so elected or deemed to be elected shall represent Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B and have the rights aforesaid, from the date of the election until the next succeeding election. The Board may from time to time make rules for the conduct of such elections. Any casual vacancy occurring amongst such elected representatives may be filled at a meeting of the elected representatives by co-opting an authorised representative of a Special Associate Member Class A, Special Associate Member Class B or Associate Member other than New Associate Members Class B.

GENERAL MEETINGS

28. An Annual General Meeting shall be held within nine months after the expiry of each financial year, provided that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which an Annual General Meeting may be held. 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 of Mumbai as the Board of Directors may determine and the notice calling the meeting shall specify it as the Annual General Meeting. All members of the Company entitled under Article 27 to attend the meeting shall be entitled to attend in person or through their authorised representatives and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' Report and Audited Statement of Accounts and the Auditors' Report (if not already incorporated in the Audited Statement of Accounts). The Company shall comply with the requirements of Sections 92 and 137 of the Act.
29. (i) The Board of Directors may, whenever they think fit, call an Extra Ordinary General Meeting.
- (ii) The Board shall, at the requisitions made by such number of members who have, on the date of receipt of the requisitions, not less than one-tenth of total voting power of all the members having on the said date a right to vote.
30. Any requisition so made must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the Registered Office of the Company, provided that such requisition may consist of several documents in like form, each signed by one or more requisitionists.

31. Upon the receipt of any such requisition, the Directors shall forthwith call an Extraordinary General Meeting, and if they do not proceed within forty-five days from the date of the requisition being deposited at the Office of the Company, to cause a meeting to be so called, the requisitionists, or a majority of them in number, may themselves call the meeting; but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
32. Any requisitioned meeting convened under the foregoing clauses shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board.
33. Twenty-one days' notice at the least of every General Meeting, Ordinary or Extraordinary and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat shall be given in the manner, hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that if all the persons entitled to attend and vote at such meeting so agree, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors (ii) the announcement of the result of election of the Directors and their appointment and (iii) the appointment of, and fixing the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business, including in particular the nature and extent of the interest, if any therein of every Director (if any). Where any item of business consists of according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
34. The accidental omission to give notice to, or the non-receipt of notice by any member (or by any authorised representative where the posting up of the notice is not sufficient), shall not invalidate the proceedings of the General Meeting of the Company or the meeting of authorised representatives, as the case may be.
35. No General Meeting, Ordinary or Extraordinary, or a meeting of authorised representatives shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
36. Twenty-one authorised representatives of members entitled to be present and vote shall be a quorum for a General Meeting of the Company. No business shall be transacted at any General Meeting of the Company, unless the requisite quorum be present at the commencement of the business.

37. If, at the expiration of half an hour from the time appointed for any General Meeting a quorum as aforesaid shall not be present, the meeting, if convened by or upon requisition of members, shall be dissolved, but in any other case it shall be adjourned to such time on the following day or on such other day, and to such place in Mumbai, as the Board may determine, and if no such time and place be determined, to the same day in the next week (provided that that day is not a Public Holiday and if it is, on the succeeding working day) at the same time and place; and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for the meeting, those present shall be a quorum, and may transact the business for which the meeting was called.
38. The President of the Company, i.e., the Chairman of the Board of Directors and in his absence the Vice-President of the Company, i.e., Vice-Chairman of the Board of Directors, shall be entitled to take the chair at every General Meeting, whether Ordinary or Extraordinary and at any Meeting of Authorised Representatives of Members. In the absence of both the President and the Vice-President or if at any meeting they shall not be present within fifteen minutes of the time appointed for holding such meeting, then, the members or the authorised representatives, as the case may be, present shall elect one of their number to be Chairman. No business shall be discussed at any such meeting, except the election of the Chairman whilst the chair is vacant.
39. The Chairman, with the consent of the meeting, may adjourn any meeting from time to time and from place to place in Mumbai but no business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting for which the adjournment took place.
40. At any General meeting of the Company and at every Meeting of Authorised Representatives, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded by the members present in person or authorised representative present and having not less than one-tenth of the total voting power. A declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
41. In the case of an equality of votes both on a show of hands and at a poll, the Chairman of the meeting shall have a casting vote, in addition to the vote to which he is entitled, as an authorised representative.
42. If a poll is demanded on the election of the Chairman of the meeting or on a question of adjournment, it shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not later than forty-eight hours from the time, when the demand was made, as the Chairman may direct. The result of the poll shall be deemed to be decision of the meeting on the resolution on which poll was taken. The demand for a poll may be withdrawn.

43. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member or an authorised representative of a member (not being an officer or employee of the company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or for any other cause.
44. Every poll shall be taken by ballot. Every ballot shall be taken in such manner as the Board may prescribe, and in default thereof, in such manner as the Chairman of the meeting directs.
45. The demand of a poll except on question relating to the election of the Chairman of the meeting and adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
46. The Company shall cause to be kept minutes of all proceedings of General Meetings and of Meetings of Authorised Representatives, which shall contain a fair and correct summary of the proceedings there at and a book containing such minutes shall be kept at the Registered Office of the Company and shall be open, during business hours, to the inspection of any member without charge. Nothing herein contained shall require or deem to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting, (a) is, or could reasonably be regarded as, defamatory of any person, (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds. Any such minutes purporting to be signed by the Chairman of the meeting at which the proceedings took place, or the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings. The minutes of the meetings shall be written in English and the accounts of the Company shall be kept in English. Member shall not be allowed to address any meeting except in English, Gujarati, Hindi, Hindustani or Marathi.

VOTE OF MEMBERS

47. The following shall be entitled to attend and vote at General Meetings of the Company or at Meetings of Authorised Representatives :-
 - (i) an Authorised Representative registered or deemed to be registered as such under Article 18 provided the member has paid all dues of the Company including subscription till end of preceding accounting year;
 - (ii) a Director nominated by the Indian Cotton Development Council;

Save as aforesaid and save as expressly otherwise provided in these Articles, or in the Act or any other enactment, no person shall be entitled to attend or vote. Every person qualified to attend and vote as aforesaid shall have one vote except the Chairman who shall have in addition a casting vote.

48. No objection shall be taken to the validity of any vote, except at the meeting or poll at which such vote shall be tendered, and every vote, not disallowed at such meeting or poll, shall be deemed to be valid for all the purposes of such meeting or poll whatsoever. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

BOARD OF DIRECTORS

49. A. (1) The Board or the Board of Directors shall consist of:-
- (i) Elected Directors,
 - (ii) Nominated Directors, and
 - (iii) Associate Directors that is to say Directors elected by Upcountry Cotton Trade Associations or Societies in accordance with the provisions of Article 50.
- (2) The Associate Directors shall be entitled to vote only in such matters and shall exercise only such powers as are provided in these Articles.
50. Save and except by reason of a casual vacancy, there shall be not less than 15 and not more than 34 Directors inclusive of the President and Vice-President, constituted, as follows :-
- (a) For the financial year 2000-2001 and thereafter there shall be twenty Directors, who shall be elected by the authorised representatives of members, specified in sub-clause (i) of Article 47 as under:

Panels and Number of Directors

- 1) Buyers Panel
 - a) Two Directors shall be the authorised representatives from the Mills Buyers Division

- b) Four Directors shall be the authorised representatives from the division of the Buyers other than Mills
- 2) Sellers Panel
- a) One Director shall be the authorised representative from the division of the growers and growers' co-operatives
 - b) One Director shall be authorised representative from the ginnerers
 - c) Six Directors shall be the authorised representatives from all other sellers
- 3) Six Directors shall be the authorised representatives from the Brokers Panel.
- (b) Two Directors nominated by the Indian Cotton Development Council constituted by the Government of India, Ministry of Food, Agriculture, Community Development and Co-operation (Department of Agriculture) by their Resolution dated 19th May 1966. Each such Director need not be a Member of the Company but shall be a Growers' Representative on the Indian Cotton Development Council, not having dealings in cotton contracts. Each such Director shall be entitled to attend and vote at all Directors' Meetings, at all General Meetings of the Company and at all meetings of authorised representatives, save and except that he shall not be entitled to vote in respect of the appointment or election of a Director.
- Explanation:-* For the purpose of this clause, a person shall not be considered ineligible for nomination merely on the ground of his being an office-bearer of a Co-operative Society which deals in cotton contracts.
- (c) One Director, if any, (hereinafter called "the Co-opted Director") co-opted from the authorised representatives of Full Members by the President with the approval of the Board after the Annual General Meeting or at any time thereafter, who shall hold office until the conclusion of the next Annual General Meeting.
- (d) Nine Associate Directors who shall be elected from the Upcountry Cotton Producing Regions grouped as under :-
- (i) One from the region consisting of the States of Punjab, Haryana and Rajasthan

- (ii) One from the region comprising the State of Madhya Pradesh
- (iii) Two from the region comprising the State of Gujarat
- (iv) Two from the region comprising the State of Maharashtra
- (v) One from the region comprising the State of Andhra Pradesh
- (vi) One from the region consisting of the States of Karnataka, Tamil Nadu and Kerala
- (vii) One from the region consisting of the States of Uttar Pradesh, Calcutta, Orissa, Bihar and other States not specifically included in other regions.

They shall be annually elected by the Upcountry Cotton Trade Associations in the respective regions in according with the provisions hereinafter contained or such procedure as may be laid down by the Board in that behalf from time to time.

No Upcountry Cotton Trade Association shall be eligible to vote at the elections of the Associate Director/s from its region unless - (a) it is registered as a body Corporate under the Companies Act or any other appropriate State or Central Act (other than a Co-operative Cotton Marketing Society) with promotion of cotton trade, marketing of cotton etc. as its principal object; (b) it has a minimum membership of not less than 30 in the three preceding years; (c) it is registered with the Company and holds a Registration certificate from the Company; and has paid an annual registration fee of Rs.500/- before 20th March each year, the Board having power to revise these registration fees from time to time, but not beyond Rs.3,000/-. Provided however that in the case of first election of Associate Directors after this Article comes into force it shall be eligible to vote at the elections of Associate Directors if it has paid an annual registration fee of Rs.100/- on or before 30th November, 1965. The elections of Associate Directors on the Board from the respective regions shall be held by the Company by a postal ballot in accordance with the rules framed by the Board from time to time.

No person shall be eligible to be elected as an Associate Director under this provision unless he is a member of the Upcountry Cotton Trade Association registered with the Company and eligible as a voter in elections to Directors on the Board of the Company, besides being a member of its Governing Body and is duly nominated by it.

Each such Associate Director shall be entitled to attend at all the Directors' meetings. He shall, however, be entitled to vote only on questions specifically relating to (a) All India Cotton Price Policy, (b) Cotton Production and (c) Taxation.

In the event of any difference of opinion as to whether the question relates specifically to any of the above matters, the decision of the President or, in his absence, that of the Vice-President in respect thereof shall be final.

- (e) Two Associate Directors annually elected by the Co-operative Cotton Marketing Societies, in accordance with the procedure that may be laid down by the Board in that behalf from time to time. No Co-operative Cotton Marketing Society shall be eligible for participating in election unless-
- (i) it is a Society registered in the State concerned under the appropriate Act of the State Legislature and having a subscribed capital of not less than Rs.25,000/- and minimum annual business in cotton of 2,500 bales and a membership not less than 100 in the three preceding years;
 - (ii) it is registered with the Company and holds registration certificate from the Company; and
 - (iii) it has paid an annual registration fee of Rs.500/- before 20th March each year, the Board having power to revise these registration fees from time to time but not beyond Rs.3,000/-. Provided however that in the case of first election of Associate Directors after this Article comes into force it shall be eligible to vote at the elections of Associate Directors if it has paid an annual registration fee of Rs.100/- on or before 30th November 1965.

The elections of Associate Directors on the Board shall be held by postal ballot in accordance with the rules that shall be framed by the Board from time to time.

No person shall be eligible to be elected as an Associate Director under this provision unless he is a member of a recognised Co-operative Cotton Marketing Society and its Governing Body and is duly nominated by it.

Each such Associate Director shall be entitled to attend at all the Directors' meetings. He shall, however, be entitled to vote only on questions, specifically relating to (a) All India Cotton Price Policy, (b) Cotton Production and (c) Taxation.

In the event of any difference of opinion as to whether the question relates specifically to any of the above matters, the decision of the President or, in his absence, that of the Vice-President in respect thereof shall be final.

51. The Board shall, from time to time, elect one of its numbers to be President who shall be ex-officio Chairman of the Board. The Board may also from time to time elect one of its number to be Vice-President who shall be Vice-Chairman of the Board. The President and Vice-President if any, shall retire at every Annual General Meeting of the Company or vacate their respective offices as such upon ceasing to be Directors. A retiring President or Vice-President shall be eligible for re-election, but he shall not be entitled to hold the office of President or Vice-President continuously for a period in excess of five years, unless at the end of each five years' period of office by him, he shall have been elected to such office by a majority of 75 per cent of the Directors present and voting at the election. If at any time there be no President or Vice-President or if he be through absence or other cause, be unavailable, the Board may appoint one of their number as the Chairman of the Board.
52. No Director shall be entitled to receive from the funds of the Company any remuneration, save such remuneration or compensation, if any, as the members may vote in General Meeting, except that the Nominated Directors, if any on the Board of Directors of the Company, may be paid travelling allowance, daily allowance and/or conveyance allowance for attending each meeting of the Board or any Committee of the Board or of the Company, as may be decided by the Board from time to time.
53. The Directors who are in office immediately before articles 27(1), 27(2) and 50 shall come into force, shall continue to hold office in their respective existing Panels until the conclusion of the Annual General Meeting of the Company after these Articles have come into force, i.e. for the financial year 1999-2000 when nine Directors out of the 18 Directors who are in office shall retire as provided in article 58(1) and the Board shall be constituted with the continuing nine Directors and 11 more Directors who shall be elected in accordance with the amended provisions of article 50 which shall come into force for the financial year 2000-2001 and thereafter for every succeeding year.

Provided further that in the case of the Sellers' Panel, the two continuing Directors shall be allowed to opt the division in the Sellers' Panel in which they would like to be included at the conclusion of the Annual General Meeting for the year 1999-2000. If they however fail to exercise the said option, the Board shall include them in the division on the basis of their declared or known business interest to the Company.

In any event out of 2 continuing and 6 to be elected Directors, one Director each shall be from the divisions of growers & growers co-operatives and ginnerers of the Sellers' Panel.

54. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

55. Subject to provisions of Section 164 and 167 of the Act, the Office of a Director shall *ipso facto* be vacated if :-
- (a) he or the firm of which he is the authorised representative is adjudicated insolvent or if the company of which he is the authorised representative is wound up or if he or the firm or company of which he is the authorised representative compounds with his or its creditors; or
 - (b) he be found to be a lunatic or of unsound mind or incapable of efficient attention to business; or
 - (c) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board; or
 - (d) not being a Director nominated by the Indian Cotton Development Council, he ceases to be a member, or is removed from the Company, or if, being the authorised representative of a member, he ceases to be such authorised representative, or the member, whose authorised representative he is, ceases to be a member, or is removed from the Company; or
 - (e) being nominated by the Indian Cotton Development Council, he ceases to be Growers' Representative on the Indian Cotton Development Council or a grower of cotton or engages, directly or indirectly in any forward dealings in cotton; or
 - (f) being an Associate Director elected by the Upcountry Cotton Trade Associations or Co-operative Cotton Marketing Societies, he ceases to be a member of the Cotton Trade Association or the Society concerned or their governing bodies by resignation or otherwise; or
 - (g) he resigns from his office; or
 - (h) he or any of his relatives or partners or any firm of which he or any of his relatives is a partner or any private company of which he is a Director or member, without the sanction of the Company in General Meetings; accepts or holds any office or place of profit under the Company; or
 - (i) he becomes disqualified under any of the provisions specified under Section 164 of the Act; or

- (j) he is removed in pursuance of Section 169 of the Act; or
 - (k) he becomes connected with any other Director in any of the following capacities, namely :-
 - (i) as a member or manager or representative of the same firm or of the same Hindu joint family, or
 - (ii) as a director or manager or representative of the same private limited company; or
 - (l) he or any firm of which he is a partner, or any private company of which he is a director, accepts a loan or guarantee or security for a loan from the Company, in contravention of the provisions of Section 185 of the Act; or
 - (m) he acts in contravention of the provisions of Section 184 of the Act; or
 - (n) he is punished with imprisonment for a term of not less than six months.
- 56.
- (a) Except with the consent of the Board of Directors given by a resolution passed at a meeting of Board, the Company shall not enter into any contract or arrangement as specified under Section 188 with a related party.
 - (b) Pursuant to the provisions of Section 184 of the Act and Rules made thereunder as amended from time to time, every Director who is interested in any contract or arrangement with any related party as specified in the said Section shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not be present at the meeting during discussion on the subject matter of the resolution relating to such contract or arrangement.
 - (c) A contract or arrangement entered into by the company without disclosure under sub-section (2) of Section 184 of the Act or with participation by a Director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

- (d) Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting, if applicable, and if it is not ratified by the Board or, as the case may be, by the members at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.
57. Pursuant to the provisions of Section 184 (1) of the Act, every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner and in such form as may be prescribed under the said Section and Rules made thereunder as amended from time to time.
58. The Company shall maintain a register of contracts or arrangements and shall make the entries therein of such particulars and in such manner as specified in section 189 of the Act and Rules made thereunder as amended from time to time and in force.
59. (1) At the Annual General Meeting of the Company for the financial year 1956-57 and thereafter at every succeeding Annual General Meeting, one Director elected from the authorised representatives of mill members included in the Buyers' Panel and two Directors elected from the authorised representatives of the remaining members included in that Panel, two Directors elected from the authorised representatives of the Sellers' Panel, three Directors elected from the authorised representatives of the Brokers' Panel and one representative elected from the authorised representatives of Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B, shall retire. The Directors to retire as aforesaid shall be Directors who have been longest in office. As between those who have been in office an equal length of time, the Director or Directors to retire shall, in default of agreement between them, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment where he has previously vacated office. The Associate Directors shall retire at the Annual General Meeting.

Notwithstanding what is stated above, both the representatives elected from the Panel of the Authorised Representatives of Special Associate Members Class A, Special Associate Members Class B and Associate Members other than New Associate Members Class B shall retire at the

Annual General Meeting of the Company for the financial year 1973-74, and two more Directors shall be elected from the Authorised Representatives of the Brokers' Panel for the year 1974-75 and at every succeeding General Meeting thereafter four Directors elected from the Authorised Representatives of the Brokers' Panel shall retire.

- (2) At the Annual General Meeting of the Company for the financial year 2000-2001 and thereafter at every succeeding Annual General Meeting, one Director elected from the authorised representatives of mill members included in the Buyers' Panel and two Directors elected from the authorised representatives of the remaining members included in that Panel, one Director alternatively from the two Directors elected from the authorised representatives of the division of the growers & growers' co-operatives and the division of the ginners included in the Sellers' Panel and three Directors elected from the authorised representatives of the remaining members included in that Panel and three Directors elected from the authorised representatives of the Brokers' Panel, shall retire. The Directors to retire as aforesaid shall be Directors who have been longest in office. As between those who have been in office for equal length of time, the Director or Directors to retire shall, in default of agreement between them, be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment where he has previously vacated office. The Associate Directors shall retire at the Annual General Meeting.
 - (3) With regard to the Directors, who are liable to retire as aforesaid, their names shall be ascertained at the latest thirty days before the Annual General Meeting in each year and if the number of candidates contesting the election for filling up the vacancies shall, in respect of each of the Panel concerned or any division thereof, be in excess of double the number of vacancies to be filled in, the respective Panel or Panels or any division thereof concerned shall be called upon to elect from amongst the candidates a number equal to double the number of the vacancies at a meeting of the Panel or Panels or any division thereof, all in accordance with the rules that may be framed from time to time in that regard by the Board keeping in view the provisions of Articles 27, 50 and of this Article.
60. Each retiring Director, if duly qualified, shall be eligible for re-election, provided he shall have attended at least one-third of the meetings of the Board held during the period since his last election or appointment, exclusive of meetings (a) in respect of which he has obtained leave of absence, and (b) at the time of which he shall have been engaged out of Mumbai on the Company's business.
 61. Subject to Sections 149, 161 and 169 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing a person thereto.

62. (a) If the place of a retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, to the next succeeding day which is not a public holiday, at the same time and place.
- (b) If at the adjourned meeting also the place of the retiring Director is not filled up, and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless –
- (i) at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so appointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution, whether special or ordinary, is required for appointment or re-appointment in virtue of any of the provisions of the Act.
63. No person, shall be eligible for election to the office of Director at any General Meeting, unless he or some other member intending to propose him has, at least fourteen clear days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him, and unless he is a retiring Director or a person filling a casual vacancy in the office of a Director under Article 64 of the Articles of Association of the Company.
64. (1) If the office of any Director is vacated before his term of office will expire in the normal course, the resulting casual vacancy may be filled up as follows :-
- (a) If the Director who vacated office, represented a Panel or any division thereof, the Board may fill up such vacancy by appointing a person who is an authorised representative from the same Panel and the division thereof, if any;

- (b) If the Director who vacated office, was the co-opted Director, the Board may fill up such vacancy from the authorised representatives of Full Members;
 - (c) If the Director who vacated office, was nominated by the Indian Cotton Development Council, the Indian Cotton Development Council shall have power to fill such vacancy by nominating a duly qualified person thereto;
 - (d) If the Director who vacated office, was an Associate Director elected from any of the upcountry regions, the Cotton Trade Association concerned in that region shall have power to elect a person to fill such vacancy by electing a duly qualified person thereto provided that such a vacancy has occurred within nine months from the date of election of such Directors; and
 - (e) If the Director who vacated office, was an Associate Director elected by the Co-operative Cotton Marketing Societies, the Societies concerned shall have power to elect a person to fill such vacancy by electing a duly qualified person thereto, provided that such vacancy has occurred within nine months from the date of election of such Director.
- (2) Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
65. The Company shall keep at its Registered Office a Register containing the such particulars of its Directors and Key managerial Personnel as may be prescribed pursuant to section 170 of the Act and Rules made thereunder as amended from time to time and inforce and the said register shall include the details of securities including debentures, if any, held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies and a return of the Directors and key managerial personnel containing such particulars and documents as may be prescribed under section 170 of the Act shall be filed with the Registrar within thirty days from the appointment of every Director and key managerial personnel, as the case may be, and within thirty days of any change taking place.
66. Pursuant to the provisions of Section 189 of the Act and Rules made thereunder as amended form time to time and inforce, every Director or key managerial personnel shall, as the case may be disclose to the Company the particulars as specified in the said section and Rules made thereunder relating to his concerned or interest in the other associations which are required to be included in the register of the contracts or arrangements or such other information relating to himself as may be prescribed under the Act and/or Rules from time to time.

PROCEEDINGS OF THE BOARD OF DIRECTORS

67. The Directors may meet together from time to time as a Board for despatch of business and they may adjourn and otherwise regulate their meetings and proceedings as they may think fit.
68. (a) Subject to Section 174 of the Act as may be amended from time to time or any reenactment thereof, the quorum for a meeting of the Board of Directors shall be either eight Directors or twenty five percent of its total strength (excluding the Directors, if any, whose places may be vacant at the time) whichever is less provided that the quorum shall not be less than two Directors and any fraction contained in that twenty five percent to be rounded of as one and the participation of the Directors by video conferencing or by other audio visual means, if provided, shall also be counted for the purpose of quorum under this clause.
- (b) Where at any time the interested Directors are present in the meeting for any matter to be transacted then the number of Directors who are not interested Director and present at the meeting being not less than two, shall be the quorum during such time.
- For the purpose of this sub clause, "interested Director" means a Director as specified in sub-section (2) of section 184 of the Act as amended from time to time or any reenactment thereof and such interested Director shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting and the provisions of sub-section (2) of section 184 of the Act shall apply.
- (c) Where a meeting of the Board could not be held for want of quorum, then, the meeting shall automatically stand adjourned and shall be held on the day and at the time and place as may be decided by the Chairman.
69. The President and in his absence the Vice-President may at any time, and the Secretary upon the request of the President or in his absence the Vice-President or any five Directors shall, convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India, and at his usual address in India to every other Director. Each Director shall register with the Secretary, an address in the city of Mumbai to which all notices and communications to him as a Director, may be sent. Any such notice or communications delivered at such address shall be deemed to have been validly given.

70. The President of the Company, i.e., the Chairman of the Board of Directors and in his absence, the Vice-President of the Company, i.e., the Vice-Chairman of the Board of Directors, shall be entitled to take the chair at every meeting of the Board. In the absence of both the President and the Vice-President, or if at any meeting they shall not be present within ten minutes of the time appointed for holding such meeting, then the Directors present shall select one of their number to be the Chairman of such meeting.
71. Questions arising at any meeting shall be decided by a majority of votes, and in case of equality of votes, the Chairman shall have a second or casting vote.
72. A meeting of the Board of Directors for the time being, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions which, by or under the Act or these Articles, By-laws and Regulations of the Company, are for the time being vested in or exercisable by the Board of Directors generally.
73. Subject to the restrictions contained in Section 179 of the Act, the Board of Directors may delegate any of their powers to Committees of the Board consisting of such number or numbers of its body as it thinks fit, and it may from time to time revoke and discharge any such Committee of the Board either wholly or in part, and either as to persons or purposes; but every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board of Directors and unless the Board shall have expressly specified to the contrary at the time of delegation, all authorities delegated by the Board shall be deemed to have been delegated subject to final confirmation or otherwise by the Board of the acts and decisions of the Committee. Subject as aforesaid, all acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment, but not otherwise, shall have the like powers and effect as if done by the Board. The meetings and proceedings of any such Committee of the Board, consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and not superseded by any regulations made by the Directors.
74. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of Committee, at their usual address in India and has been approved by such of the Directors or members of the Committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.

75. Pursuant to the provisions of Section 176 of the Act, all acts done by any Director or by a Committee member or by any person acting as a Director shall, notwithstanding that it was subsequently noticed that there was some defect in the appointment of such Directors or persons or Committee member acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be valid as if every such person had been duly appointed and was qualified to be a Director and had not vacated office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to any acts done by a Director or Committee member after his appointment has been noticed by the Company to be invalid or to have terminated.
76. Subject to the provisions of Section 118 of the Act and Rules made thereunder as amended from time to time and in force, the Company shall cause separate minutes of every general meeting of members or creditor and every meeting of Board of Directors or every Committee of Board, their pages consecutively numbered and kept and signed in such manner as may be prescribed in aforesaid Section and Rules made thereunder and the minutes shall contain inter-alia the following matters.
- (i) of the names of the Directors present at such meetings of the Board of Directors, and of any Committee of the Board;
 - (ii) of all orders made by the Board of Directors and any Committee of the Board; and
 - (iii) of all resolutions and proceedings of meetings of the Board of Directors and any Committee of the Board; and
 - (iv) in the case of each resolution passed at a meeting of the Board of Directors or any Committee of the Board, of the names of Directors or members of their Committee dissenting from or not concurring in the resolution.

Any such minutes of any meeting of the Board of Directors or of any Committee of the Board, shall be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting, and the minutes of proceedings of a general meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose and such minutes shall be conclusive evidence of the matters stated in such minutes.

77. The business of the Company shall be managed by the Board of Directors, who may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of Association required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board of Directors shall not, except with the consent of the Company in General Meeting -

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company, owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking,

Explanation: For the purpose of this Article, the term “undertaking” or “substantially the whole, of the undertaking” shall have the same meaning as specified under Section 180(1) of the Act.

- (b) remit, or give time for the repayment of, any debt due by a Director,
- (c) invest otherwise than in trust securities the sale proceeds resulting from the acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time,
- (d) borrow money where the money to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital, if any, of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, or
- (e) contribute to bonafide charitable and other funds, any amount, if the aggregate of such contribution in any financial year exceeds five percent of average net profits of the Company for the three immediately preceding financial years.

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the Memorandum or Articles of the Association or otherwise, to be exercised or done by the Company in general meeting.

78. Without prejudice to the general powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power -
- (1) to appoint Appeal Committees, Arbitration Committees, Daily Quotation Committees and Rule Committees, Trade Supervision or any other Committees or Authorities and to determine their duties and remuneration, if any, and the conditions upon which they are respectively to hold office;
 - (2) to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as the Directors may think fit; and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
 - (3) at their discretion, and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or debentures, mortgages or other securities of the Company; and any such debentures, mortgages or other securities may be either specifically charged upon all or any property of the Company;
 - (4) to secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company in such manner as the Directors may think fit;
 - (5) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees;
 - (6) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Directors or 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 claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon;
 - (7) to act on behalf of the Company in all matters relating to bankrupts and insolvents;
 - (8) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;

- (9) subject to the provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;
- (10) to determine from time to time who shall be entitled to sign, on behalf of the Company, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents, and to give the necessary authority for such purpose;
- (11) to provide for the welfare of employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls, or by grants of money, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- (12) to set aside, out of the profits of the Company, such sums as the Board of Directors may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture stock, or for repairing, improving, extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause), as the Board of Directors may, in their absolute discretion, think conducive to the interest of the Company, and, subject to the provisions of Section 179 of the Act, to invest the several sums so set aside or so much thereof as require to be invested, upon such investments as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board of Directors apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expend; and to divide the Reserve Fund into such special funds as the Board of Directors may think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation

Fund, in the business of the Company or in the purchase or repayment of debentures or debenture stock, and that without being bound to keep the same separate from the other assets, and without being bound to pay interest on the same;

- (13) to appoint, and at their discretion remove or suspend such managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, emoluments or remuneration, and to require security in such instances and to such amount as they may think fit;
- (14) at any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board of Directors under these presents) and for such period and subject to such conditions as the Board of Directors may from time to time think fit; and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board of Directors may think fit, and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them; and
- (15) subject to the provisions of Sections 188 and 2(49) of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

THE SECRETARY

- 79. The Directors may, from time to time, appoint, and at their discretion remove, a person to perform any functions which by the Act or the Articles for the time being of the Company are to be performed by the Secretary, and to execute any other duties which may from time to time be assigned to the Secretary by the Directors.

THE SEAL

80. The Board of Directors shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board of Directors shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board of Directors or a Committee of the Board previously given and in the presence of two Directors of the Company and its Secretary (if any) or some other person appointed by the Directors for the purpose.
81. Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly Constituted Attorney, be signed by two Directors and the Secretary (if any) or some other person appointed by the Directors for the purpose.

APPLICATION OF PROFITS

82. The property, capital and income of the Company whensoever, shall be applied solely towards the promotion of the objects of the Company, and no portion thereof shall be paid by way of dividend, bonus or otherwise to the members.

BY-LAWS

83. Under and in conformity with any statutory provisions for the time being in force, the Board may pass and bring into effect such By-laws rescissions or alterations as may be considered in the interest of or conducive to the objects of the Company; and they may in like manner at any time and from time to time rescind or alter or add to any of the By-laws for the time being in force; but no By-law and no rescission or alteration of or addition to any existing By-law made by the Board, shall be published or enforced, unless on seven days notice given to the authorised representatives of members of the Company entitled to attend the meeting, it has been approved in a Meeting of authorised representatives convened to consider the same. The Board's powers as aforesaid, in relation to By-laws, shall not derogate from the powers hereby conferred upon the Company who may also in the same way and for the same purpose from time to time pass and bring into effect new By-laws and rescind or alter or add to any existing By-law by resolution passed by a majority of two-thirds at the least of the authorised representatives of members entitled to attend, present and voting at a meeting convened for the purpose. The By-laws for the time being in force, including those in force immediately prior to the coming into force of these Articles, shall be binding on all members and all persons claiming through or against them and officers of the Company shall respectively observe and conform to the By-laws for the time being in force.

84. Without prejudice to the generality of the powers to make By-laws conferred by the Memorandum of Association and by these Articles, and under or in the absence of any statute or statutes in force in that behalf it is hereby expressly declared that the said powers to make, alter, add to, or rescind By-laws include power to do so in regard to all or any of the following matters :-
- (1) The course to be adopted and the conditions to be performed and observed, consistently with these Articles, by persons who desire to become members of the Company.
 - (2) The notices to be given to members, and the manner of giving the same and in particular when notices posted on the Notice Board of the Company shall be deemed to have been served and the effect thereof.
 - (3) The information which members shall be bound to give to the Company or the Board and when and in what manner it shall be given.
 - (4) The establishment, maintenance, regulation and winding-up of a Bank and an Insurance Department or several or any of them.
 - (5) The control and regulation of cotton dealings other than the dealing relating to cotton futures and other derivatives regarding which it is necessary to be a recognised exchange; the contracts and obligations in respect of which differences and other payments shall be paid; fixing and declaring market rates; the opening and closing of cotton markets and the times during which they shall be open and closed; the making, performance, passing on and cancellation of contracts and the consequences of death, supervening incapacity, suspension of payment, insolvency, or breach of contract; the prohibition of specified classes of dealings and the time or times during which such prohibition shall operate; the course of business between members *inter se* or any of them on the one hand and their constituents (whether members of any description or not) on the other hand and the forms of contracts to be used between them and their rights and liabilities to each other in respect of dealings in cottons; the fixing of brokerage and commission; and the fixing, levying and recovery of fines, fees, penalties, brokerage and subscriptions.
 - (6) The forms of contracts and stipulations therein and the cases in which contracts may be or shall be deemed to be void, and the necessity or otherwise of their being in writing, and when and in what manner they must be recorded, and what contracts, if any, shall be prohibited, and the forms of documents, book entries, awards, notices and other writings in relation thereto.
 - (7) The cases and manner in which contracts for cotton bought or sold must be recorded.

- (8) The manner in which and the times at which such contracts must be performed and the intervals at which or dates on which payments due under such contracts must be made.
- (9) The warehousing, insurance, transport and delivery of cotton by or for or to members.
- (10) The Books, Registers and Documents to be kept and filed by the Company and by the members, and when and in what cases and subject to what conditions including payment they may be inspected and copies of and extracts from the same taken as per provisions contained under the Companies Act, 2013 and Rules made thereunder as amended from time to time.
- (11) The occasions on which and the manner in which quotations of prices and information shall be obtained, published and posted.
- (12) The circumstances under which and the extent to which fines and/or penalties may or shall be imposed upon members in respect of transactions for the purchase or sale of cotton between any of them, or between any of them on the one hand and non-members (whether or not in the employ of members) or those who are not permitted to trade as principals on the other hand.
- (13) The cases in which broker and buyer and seller under delivery contracts must be licensed by the Board, the terms and duration of such licenses, the fees payable thereof, the suspension, withdrawal or cancellation thereof, and the fines and/or penalties to be imposed upon member for dealing with the broker and buyer and seller of cotton who are not so licensed.
- (14) The cases in which persons employed by members in handling cotton or otherwise must be licensed by the Board, the terms and duration of such licenses, the fees payable therefor, the suspension, withdrawal or cancellation thereof, and the fines and/or penalties to be imposed upon members for dealing with such employees not so licensed.
- (15) (i) Arbitrations, whether compulsory or permissive, how and when arbitrations shall be entered upon, conducted and concluded. The appointment of Arbitrators and Umpires and their replacement as occasion may require. The fees to be paid to the Arbitrators and Umpire (if any) and to the Company and/or Appeal Committee in respect of Arbitrations and Appeals. When and how there may be an appeal from an award and to what authority and upon what terms. Making an award a rule of Court in terms of law. Penalties for failure to perform an award.

- (ii) Conciliation – how and when it shall be entered upon, conducted and concluded. The Appointment of conciliator(s) and their replacement as occasion may arise. The fees to be paid to the conciliator(s) and to the Company.
- (16) Surveys, how and when to be made, conducted, concluded and appealed from, and the results thereof enforced or applied, and the fees payable in relation thereto.
- (17) The rights and privileges which may from time to time be given to firms which include amongst their partners, to companies which include in their Directorate or Managers, and to Joint Hindu families which include, a member or members of the Company and to their duly authorised representatives; and under what circumstances any or all such rights and privileges may be altered, suspended or withdrawn, or the holders of such rights and privileges changed, or the cases and manners in which such rights and privileges may in the event of death, retirement, insolvency or supervening incapacity be passed on to the surviving or remaining solvent and capable partner or partners, Director or Directors, Manager or Managers or duly authorised representatives of the Firm or Company or Joint Hindu family concerned.
- (18) The course to be adopted where any member suspends payment or becomes insolvent or is otherwise unable or refuses or neglects to perform and discharge his liabilities and obligations in relation to cotton transactions and what in such circumstances are to be the rights, duties and liabilities of such a member and those with whom he had such transactions and the manner in which and terms upon which they are to be closed or passed on.
- (19) When and in what circumstances and by what procedure a member may be expelled from the Company or suspended from all or any of his rights and privileges as a member and when and how any expulsion or suspension may be annulled or removed or the person concerned reinstated.
- (20) The manner in which payment of deposits, entrance fees and subscriptions may be enforced.
- (21) When and by whom and in what circumstances fines and penalties shall or may be imposed on the members for breach of the By-laws and to whom the same shall be paid and how payment shall be enforced and how applied when received.
- (22) What breaches of the By-laws of the Company shall or may render member liable to a warning or reprimand or fine or suspension or expulsion.

- (23) In what cases and by whom and in what manner the operation of the By-laws or any of them may be suspended or the breach thereof waived.
- (24) How notice of any new By-laws and of any rescission or alteration thereof or addition thereto shall be given to the members, where a copy of the same for the time being in force shall be open for inspection, and on what terms copies thereof shall be furnished to members.
- (25) The establishment, maintenance and application of a Provident Fund or Funds, Gratuity Fund or Funds and a Reserve Fund or Funds.
- (26) The disciplinary measures to be taken in relation to members and employees of the Company in connection with their relation to each other to the Company and/or the Cotton Trade or anyone engaged therein.

ACCOUNTS

85. The Company shall cause to be kept proper books of account with respect to :-
- (a) All sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company.

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

Provided that the Company may keep such books of account or other relevant papers in electronic mode in conformity with the provisions of Section 128 of the Act and Rules made thereunder.

The members of the Company shall be entitled to inspect those registers, annual return and such other documents as are permitted under the relevant provisions of the Companies Act on payment of fees of Rs.50/- wherever permissible under the Act and copies thereof may be furnished to the members on demand, on payment of Rs.10/- per page.

86. (1) At the Annual General Meeting in each year, the Board of Directors shall lay before an Annual General Meeting of the Company a Statement of the Income and Expenditure Account and a Balance Sheet, containing a summary of the property and assets and liabilities of the Company, made up to a date not earlier than the date of the meeting by more than six months or such extended period as may be permitted under the Act.
- (2) Every Balance Sheet shall give a true and fair view of the state of affairs of the Company as at the end of the financial year and shall subject to the provisions of the Act, be in the Form set out in Schedule III to the Act or as near thereto as the circumstances admit.
- (3) The Statement of Income and Expenditure Account of the Company shall give a true and fair view of the income and expenditure of the Company for the financial year and shall comply with the requirements of Schedule III to the Act, so far as they are applicable thereto.
87. Every such Balance Sheet shall be accompanied by a report of the Board of Directors including annexures thereto in conformity with Section 134 and other applicable provisions of the Act as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves either in such Balance Sheet or in a subsequent Balance Sheet. The Board's Report shall, so far as is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company deal with any changes which have occurred during the financial year in the nature of the Company's business and activities and generally in the classes of business in which the Company has an interest. The Board shall also give the fullest information and explanations in its report aforesaid, or in an addendum to that report, on every reservation, qualification or adverse remark contained in the Auditors' Report. The Board's Report and any annexures thereto shall be signed by the Chairman of the Company, if he is so authorised by the Board and where he is not so authorised, shall be signed by at least two Directors, one of whom shall be Managing Director if any.
88. The Statement of Income and Expenditure account, and Balance Sheet shall be signed by not less than two Directors and by the Manager or Secretary (if any) of the Company. The Statement of Income and Expenditure Account and Balance Sheet shall be approved by the Board of Directors before they are signed on behalf of the Board as aforesaid and before they are submitted to the Auditors for their report thereon as hereinafter provided and the Auditors' Report shall be attached thereto, or there shall be inserted at the foot thereof a reference to the Auditors' Report, and such report shall be read before the Company in General Meeting and shall be open to inspection by any member.

89. A copy of every such Statement of Income and Expenditure Account and Balance Sheet, so audited (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) shall subject to the provisions of Section 136 of the Act, at least fourteen days before the meeting at which the same are to be laid before the members, be sent to the members of the Company entitled to receive notices of General Meetings, to holders of debentures, if any, issued by the Company (not being debentures which *ex facie* are payable to the bearer thereof), to trustees for the holders of such debentures, if any, and to all persons, other than members entitled to receive notices of General Meetings of the Company.

AUDIT

90. The accounts of the Company for each year shall be examined and the correctness of the Statement of Income and Expenditure Account and Balance Sheet ascertained by an Auditor or Auditors.
91. Subject to the provisions of Section 139 of the Act, the Company, at each Annual General Meeting, shall appoint an Auditor or Auditors to hold office until the next Annual General Meeting and the following provisions shall have effect, that is to say:
- (1) At any Annual General Meeting, a retiring Auditor or Auditors, by whatsoever authority appointed, shall be reappointed, unless -
 - (a) he is or they are not qualified for re-appointment;
 - (b) he has or they have given the Company notice in writing of his or their unwillingness to be re-appointed;
 - (c) a special resolution has been passed at that meeting appointing some other auditor instead of him or providing expressly that he or they shall not be re-appointed; or
 - (d) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the Company.
 - (2) Pursuant to the provisions of Section 139 (8) of the Act, any casual vacancy in the office of an auditor shall be filled by the Board of Directors within thirty days, but if such casual vacancy is as a result of the resignation of an auditor, such appointment shall also be approved by the members of the Company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.

- (3) Any Auditor or Auditors appointed may be removed from office before the expiry of his or their term only by the passing a special resolution by the Company in General Meeting, after obtaining the previous approval of the Central Government in that behalf provided that before taking any action under this sub-clause, the auditor concerned shall be given a reasonable opportunity of being heard.
 - (4) The remuneration of the Auditor of the Company, in the case of an Auditor appointed by the Board, may be fixed by the Board. In other cases it shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine.
 - (5) If it is proposed to appoint as Auditor or Auditors a person or persons other than a retiring Auditor or Auditors, the provisions of Section 140 of the Act shall be complied with.
92. The qualifications and disqualifications of Auditors shall be those contained in Section 141 of the Act.
93. Every Auditor or Auditors of the Company shall have powers and duties as per the provisions of Section 143 and Rules made thereunder as amended from time to time and shall submit his or their report in the manner and shall contain such matters as provided under the Act, and Rules made thereunder.
94. All notices of, and other communications relating to, any General Meeting of the Company, which any member of the Company is entitled to have sent to him, shall also be forwarded to the Auditor or Auditors of the Company; and the Auditor or Auditors shall be entitled to attend any General Meeting and to be heard at any General Meeting which he or they attend on any part of the business which concerns him or them as Auditor or Auditors.
95. Every account of the Company, when audited and approved by a General Meeting, shall be conclusive.

DOCUMENTS AND NOTICES

96. (1) A document or notice may be served or given by the Company on any member either personally or by sending it by registered post or by speed post or by courier service to him at his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him, or such documents may also be served to the members at registered email id, if provided by the member to the Company.

Provided that member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting.

- (2) A document may be served on the company or an officer thereof by sending it to the Company or the officer at the registered office of the Company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as per the provisions of the Act.
97. A document or notice advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.
98. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to membership, shall be bound by every document or notice, which, previously to his name and address being entered on the Register, shall have been duly served on or given to the person from whom he derives his title to such membership.
99. Any document or notice to be served or given by the Company may be signed by a Director, the Secretary or some person duly authorised by the Board of Directors and such document may be signed manually or through electronic means as permitted.

ARBITRATION

100. (i) Whenever any dispute or difference arises between members *inter se* out of or in relation to any contract or transactions in cotton (including unpaid claims, whether admitted or not and including any dispute or difference as to the existence, validity or otherwise of such contract or transaction), the same shall, unless members in dispute agree to refer to conciliation, be referred to arbitration in such manner as shall be prescribed by the By-laws of the Company and Rules framed/made thereunder. And it is hereby expressly declared that this shall be deemed to be an agreement of arbitration, and the holding of such an arbitration and the obtaining of an award thereunder shall be a condition precedent to the right of any member in respect of such dispute or difference as aforesaid, and no member shall have any right of action against any other member except to enforce the award in any such arbitration.

- (ii) Whenever any dispute or difference arises between members *inter se* out of or in relation to any contract or transactions in cotton (including unpaid claims, whether admitted or not and including any dispute or difference as to the existence, validity or otherwise of such contract or transaction), the same shall be referred to conciliation if parties thereto have agreed for conciliation in such manner as shall be prescribed by the By-laws of the Company and Rules framed thereunder. And it is expressly declared that the holding of such conciliation shall be a condition precedent to the right of any member in respect of such dispute or difference as aforesaid. And it is hereby expressly declared that this shall be deemed to be an agreement of conciliation and the holding of such conciliation shall be a condition precedent to the right of any member in respect of such dispute or difference as aforesaid, and after finalisation of the settlement agreement as provided under the Rules of conciliation, no member shall have any right of action against any other member except to enforce the settlement agreement.

WINDING UP

101. If upon winding up or dissolution of the Company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other Association or Chamber having objects similar to the objects of the Company to be determined by the members of the Company at or before the time of dissolution or in default thereof by the Tribunal that has or may acquire jurisdiction in the matter.

INDEMNITY

102. Every President, Vice-President, Director, Member of Committee, Arbitrator, General Manager, Secretary and other officer or servants of the Company shall be indemnified by the Company against, and it shall be the duty of the Board out of the funds of the Company to pay all costs, losses, penalties and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or deed done by, or omitted by him as such officer or servant or in any way in the discharge of his duties and no Director or other officer of the Company shall be liable for the act, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency or depreciation of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects of the Company shall be deposited or for any loss occasioned by any error of judgment, omission, default or oversight on his part or for any loss, damage or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happen.

NAMES	ADDRESSES
MATHURADAS VISSANJI, Esq.	C/o. Messrs. Vissanji Khimji & Co., 3, Wallace Street, Fort, Mumbai.
C.W. du BREUL, Esq.	C/o. Messrs. Breul & Co., Forbes Building, Home Street, Fort, Mumbai.
HARIDAS MADHAVDAS, Esq. ..	C/o. Messrs. Amersey Damodar, 173, Bhuleshwar, Mumbai.
W.G. Mc.KEE, Esq.	C/o. Messrs. P. Chrystal & Co., 3, Wallace Street, Fort, Mumbai.
RAMGOPAL RAMRIKH, Esq. ..	C/o. Messrs. Sarupchand Hukamchand, Bhuleshwar, Mumbai.
K.H. McCORMACK, Esq. ..	C/o. Messrs. Indian Cotton Co. Ltd., 7, Murzban Road, Fort, Mumbai.
W. ELLIS JONES, Esq. ..	C/o. Messrs. Drennan & Co., Forbes Building, Home Street, Fort, Mumbai.
VASSANJI JEEVANDAS, Esq. ..	C/o. Messrs. Khimji Visram, Dana Bunder, Broach Street, Mumbai.
PRALADRAI RAMJIDAS, Esq. ..	C/o. Messrs. Mamraj Rambhagat, Sheikh Memon Street, Mumbai.
RAMESHWARDAS BIRLA, Esq.	C/o. Messrs. Birla Brothers Ltd., Church Gate Street, Fort, Mumbai.
ANANDILAL PODAR, Esq. ..	C/o. Messrs. Anandilal Podar & Co. Marwari Bazar, Mumbai.
FATECHAND BAIJNATH, Esq. ..	C/o. Messrs. Harnandrai Baijnath, 283, Kalbadevi Road, Mumbai.
SHIVNARAYAN NEMANI, Esq. ..	564, Sheikh Memon Street, Mumbai.

Note:	These Articles were altered by the Special Resolutions passed on (i) 13 th February, 1958, (ii) 12 th June, 1959, (iii) 30 th October, 1964, (iv) 5 th November, 1965, (v) 2 nd December, 1966, (vi) 22 nd February, 1967, (vii) 1 st August, 1969, (viii) 22 nd March, 1973, (ix) 27 th July, 1974, (x) 14 th August, 1979, (xi) 13 th August, 1981, (xii) 6 th August, 1982, (xiii) 11 th May, 1983, (xiv) 22 nd July, 1985, (xv) 4 th May, 1987, (xvi) 15 th September, 1992, (xvii) 6 th September, 1996 (xviii) 7 th September, 1998 (xix) 4 th May, 2000, (xx) 28 th November, 2000, (xxi) 30 th April 2007, (xxii) 3 rd August 2018.
-------	---
