

SUPPLYCO

**THE KERALA STATE CIVIL SUPPLIES
CORPORATION LTD.**

Memorandum of Association

and

Articles of Association

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ARTICLES OF ASSOCIATION
OF
THE KERALA STATE CIVIL SUPPLIES CORPORATION LIMITED

1. (1) Definitions - In these articles unless the context otherwise requires-

- (a) "Act" means the Companies Act, 1956 (Central Act I of 1956).
- (b) "Board" means Board of Directors of the Company.
- (c) "Capital" means the capital for the time being raised or authorized within the limit of the Company and also includes the paid up capital of the Company.
- (d) "Chairman" means the Chairman of the Board of Directors for the time being of the Company.
- (e) "Company" means the Kerala State Civil Supplies Corporation Limited.
- (f) "Directors" means the Directors for the time being of the Company.
- (g) "Dividend" includes bonus,
- (h) "Essential Commodity" means any commodity which the Government may consider as essential.
- (i) "Executor" or "Administrator" means a person who has obtained probate or letters of administration as the case may be' from a competent court.
- (j) "Governor" means the Governor of Kerala and includes the Government of Keralaⁱ.
- (k) "Government" means the Government of Kerala.
- (l) "In writing" or "written" includes printing, lithography and other modes representing or reproducing words in a visible form.
- (m) "Month" means a calendar month.
- (n) "Office" means the registered office for the time being of the Company.
- (o) "Persons" include any Company or Association or body of individuals whether incorporated or not.
- (p) "Register" means the register of members to be kept pursuant to Section 150 of the Act.
- (q) "Regulations of the Company" means the regulations for the time being in force for the management of the Company.
- (r) "Seal" means the common seal for the time being of the Company.
- (s) "Shares" means the shares or stocks into which the capital is divided and the interest corresponding with such shares or stocks.
- (t) "Year" means the financial year.

(2) Unless the context otherwise requires, the words or expressions, contained in these articles shall bear the same meaning as in the Act, or any statutory

ⁱ Article 1 (l) (j) of Articles of Association was amended vide Special General Meeting held on 06-03-1982 to replace the sub-clause (j) "Governor" means the Governor of Kerala" with the above as per G.O Ms No.47/80/Food dated 23-10-1980.

modification thereof in force at the date on which the regulations became binding on the Company.

2. **Table 'A' not apply** - The regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company except in so far as they have been specifically stated by or under these articles.
3. **Private Company** - The Company is a private limited company within the meaning of Section 3 (1) (iii) of the Act and accordingly:-
 - (a) The right of transfer of shares shall be restricted as hereinafter provided.
 - (b) The number of members of the company shall not exceed 50 (fifty) excluding -
 - (i) persons who are in the employment of the Company, and
 - (ii) persons who, having been formerly in the employment of the Company, were members of the Company, whilst in that employment and have continued to be members after the employment ceased.

Provided that were two or more persons hold one or more shares in the Company jointly they shall for the purpose of this provision, be treated as a single member.
 - (c) No invitation shall be issued to the public to subscribe for any shares in or debentures of the Company.
4. **Capital** - The Authorised Share Capital of the Company shall be such amounts as may, from time to time as provided in Clause V of the Memorandum of Association with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or qualified or special rights privileges or conditions and to vary, modify or abrogate any such right, privilege or conditions in such a manner as may permitted by the Company Act 2013.ⁱⁱ
5. **Funds of Company not to be employed for purchasing the Company's shares** - Subject to Section 77 of the Act no part of the funds of the Company shall be employed in the purchase or in loans upon the security of the company's shares.
6. **Allotment of shares** -
 - (a) Subject to the provision of the Act and these Articles and to the rights of the Government, the shares shall be under the control of the Board of Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions as they think fit.
 - (b) Subject to the provisions, if any, in that behalf of the Memorandum of Association of the Company and without prejudice to any special rights previously conferred on the holders of existing shares in the company, any share in the company, may be issued with such special rights or such restrictions, whether in regard to dividend voting rights of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may with the sanction of a

ⁱⁱ Article 4 of the Articles of Association has been amended vide Special Resolution passed at an Extra - Ordinary General Meeting held on 07-05-2016 to substitute the existed Article 4 with a new Article.

Article 4 of the Articles of Association had been amended vide Special Resolution passed at a Special General Meeting held on 06-03-1982 following the increase of Authorised Share Capital of the Company from Rs. 3,00,00,000/- (Rupees Three Crores only) to Rs. 15,00,00,000/- (Rupees Fifteen Crores only).

special resolution be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

- 7. Share certificate** - Every persons whose name is entered as a member in the register shall without payment of any fee or charge, be entitled to a certificate under, the seal of the Company specifying the share or shares held by him and the amount paid therein.

Provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a share certificate to one of several joint holders shall be sufficient delivery to all.

- 8. Particulars on share certificate** - Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid up there on and shall be signed by at least two Directors subject to The Companies (Issue of Share Certificates Rules, 1960).

- 9. Issue of new share certificate in place of one defaced, torn or old, decrepit, worn out or lost or destroyed -**

(a) If any share certificate is defaced, torn or old, decrepit, wornout, or there is no further space on the back thereof for endorsement of transfer, then, upon the surrender thereof to the Company, it may order the same to be cancelled and issued a new certificate in lieu thereof.

(b) If any share certificate is lost or destroyed, it may be renewed on obtaining prior consent of the Board and on payment of a fee of 50 paise and in such reasonable terms, if any as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Directors think fit.

- 10. Calls on Shares** - The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and specify the time or times of payments and each member shall pay to the Company at the time or times so specified the amount called on his shares.

Provided, however that the Directors may, from time to time at their discretion extend the time fixed for the payment of any call.

- 11. When interest on call payable** - If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being, or the allottee of the share in respect of which a call shall have been made, shall pay interest on the same at such rate not exceeding 6 percent per annum as the Directors shall fix, from the day appointed for the payment thereof to the time of actual payment but the directors may waive payment of such interest wholly or in part.

- 12. Forfeiture of shares -**

(1) If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.

(2) The notice aforesaid shall-

(a) name of a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made will be liable to the forfeited.

- (3) If the requirement of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- (4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (5) At any time before a sale or disposal of the forfeited shares as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

13. Effects of forfeiture -

- (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, were presently payable by him to the company in respect of shares.
- (2) The liability of such persons shall cease if and when the Company shall have received payment in full of all such moneys in respect of shares.

14. Declaration of forfeiture -

- (1) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The company may receive the consideration, if any, given for the share or any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- (3) The transferee shall thereupon be registered as the holder of the share.
- (4) The transferee shall not be bound to see to the application of the purchase money if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the shares.

15. Provisions regarding forfeiture to apply in the case of non-payment of sums payable at a fixed time - The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

16. Payments in anticipation of calls may carry interest - The Directors may if they think fit, receive from any member willing to advance the same, all or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 6 percent per annum to the member paying such sum in advance and the Directors agree upon. The Director may, at any time, repay the amount so advanced upon giving to such member three months notice in writing.

17. The joint holders liability to pay - The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. Company's lien on share - The company shall have the first and paramount lien on every share (not being a fully paid share for all money's, whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares (other than fully paid shares) standing registered in the name of a single person, for all money's presently payable by him or from his estate to

the Company, but the Directors may at anytime, declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any, on the share shall extend to all dividends payable thereon.

- 19. Enforcement of lien by sale** - The Company may sell, in such manner as the Directors think fit, any shares on which the company has a lien, but no sale shall be made unless a sum in respect of which the lien exists, is presently payable, nor until the expiration of fourteen days, after a notice in writing stating and demanding payment of such part of amount in respect of which the lien exist as is presently payable, has been given to the registered holder for the time being of the share or the persons entitled thereto by reason of his death or insolvency.
- 20. Application of proceeds of sales** - The proceeds of the sale shall be received by the Company and shall be applied in payment of such part of the amount in respect of which the lien exists as in presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the persons entitled to the shares at the date of the sale, The purchaser shall be registered as the holder of the shares and he shall not to bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 21. Transfer and transmission of shares** - The right of members to transfer their shares shall be restricted as follows:-

 - (a) A share may be transferred by a member or other person entitled to transfer only to a person approved by the Government.
 - (b) Subject to section 111 of the Act and subject as afore-said, the Directors may in their absolute and uncontrolled discretion, refuse to register any proposed transfer of shares.
- 22. Refusal of register transfer** - If the Directors refuse to register the transfer of any shares they shall, within two months of the date on which the instrument of transfer is delivered to the Company send to the transferee and the transferor notice of the refusal.
- 23. Company not bound to recognize any interests in shares other than that of the registered holders** - Save as herein otherwise provided, the Directors shall be entitled to treat the person whose name appears on the register of members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any "Benami" trust or equity or equitable contingent or other claim to or interest in such share on the part of any persons, whether or not it shall have express or implied notice thereof.
- 24. Execution of transfer** - The instrument of transfer of any share in the company shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered into the register of member in respect thereof.
- 25. Form of transfer** - Shares in the Company shall be transferred in form 7 (B) prescribed in the Companies (Central Governments) General Rules and forms, 1956.
- 26. Instrument of transfer to be at the office and evidence of title to be given** - Every instrument of transfer shall be presented at the office for registration, accompanied by the certificate of shares to be transferred, and such evidence as the Company may require to prove the title of the transferor or his right to transfer the shares . All

instruments of transfer shall be retained by the Company but any Instrument of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same.

27. **Transmission by operation of law** - Nothing contained in Article 21 shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.
28. **Fee on transfer** - A fee not exceeding two rupees may be charged for each transfer and shall if required by the Directors be paid before the registration thereof.
29. **When register of members and debenture holders may be closed** - The register of members or the register of debenture holders may be closed for any period or periods not exceeding in the aggregate 45 days in any year but not exceeding 30 days at any one time after giving not less than 7 days previous notice by advertisement in some newspaper circulating in the District in which the registered office of the Company is situated.
30. **Power to increase capital** - The Directors may, with the sanction by an ordinary resolution of the Company in general meeting increase the share capital by such sum to be divided into shares of such amount, as may be specified in the resolution.
31. **On what condition new shares may be issued** - New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Company may in its general meeting direct:

Provided that no shares (not being preference shares) shall be issued carrying voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares (not being preference shares).
32. **How far new shares to rank with shares in Original Capital** - Except so far as otherwise provided by the conditions of issue, or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provision herein contained with reference to the payment of calls and installments, transfer and transmission, lien, voting, surrender and otherwise.
33. **Reduction of share capital** - Subject to the provisions of section 100 to 104 of the Act the Company, may from time to time by special resolution reduce its capital in the manner laid down aforesaid sections of the Act.
34. **Sub-division and consolidation of shares** - The Company in general meeting may, from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by section 94 of the Act and shall file with the Register such notice of exercise of any such powers as may be required by the Act.
35. **Power to modify** - If at any time, the capital by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the right and privilege attached to each class, may, subject to the provisions of sections 106 and 107 of the Act be modified abrogated or dealt with by agreement between the Company and by any person purporting to contract on behalf of that class, provided to at such agreement is: (a) ratified in writing by the holders of shares of that class of atleast three-fourths of the nominal issue value of them or (b) confirmed by a resolution passed at a separate general meeting and supported by the votes of atleast three-fourths of the holders of shares of the class and all the provisions herein after contained as to general meeting shall mutatis mutandis apply to every such meeting, except that the quorum thereof shall be members holding or representing by proxy

one fifth of the nominal amount of the issued shares of that class. This article shall not by implication curtail the power of modification which the Company would have if the article were omitted.

36. **Power to borrow** - The Directors may, from time to time, borrow or secure the payment of any sum or sums of money for the purposes of the Company by means of a resolution passed at a meeting of the Board.
37. **Conditions on which money may be borrowed** - The Directors may, secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debentures stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being).
38. **Securities may be assignable free from equities** - Debenture, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
39. **Persons not to have priority over any prior charge** - Whenever any uncalled capital of the Company is charged, all persons taking subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled by notice to the share-holders or otherwise to obtain priority over such prior charge.
40. **Indemnity may be given** - If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Director may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
41. **General Meetings** - The First Annual General Meeting of the Company shall be held within eighteen months of its incorporation. The Company shall in each calendar year hold in addition to any other meetings an Annual General Meeting, not more than 15 months shall lapse between the date of one Annual General Meeting and that of the next. The first annual general meeting and the subsequent annual general meetings of the Company shall be held in accordance with the provisions of section 166 of the Act. All meetings of the Company other than the Annual General Meeting shall be called extra-ordinary general meetings.
42. **When extra-ordinary general meeting to be called** - Subject to the provisions of section 169 of the Act, the Directors, may, whenever they think fit and they shall, on the requisition of the holders of not less than one-tenth of the paid up capital of the Company as at that date carried a right of voting in regard to that matter and on which all calls or other sums then due have been paid forthwith proceed to convene an extra-ordinary meeting of the Company in the case such requisition the following provisions shall have effect:
 - (1) The requisition must state the subjects of the meeting and must be signed by the requisitionists and deposited at the office and may consist of several documents in like form each signed by one or more requisitionists.
 - (2) If the Directors of the Company do not proceed within twenty one days from date of the deposit of the valid requisition to cause a meeting to be called for the consideration of these matters on a day not later than forty-five days from the date of the deposit of the requisition the requisitionists or a majority of them in value of the shares held may themselves convene the meeting, but any

meeting so convened shall be held within three months from the date of the deposit of the requisition.

- (3) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible at that in which meetings are to be convened by the Directors. If, after a requisition has been received, it is not possible for a sufficient number of Directors to meet in time so as to form a quorum, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

- 43. Notice of Meeting** - A general meeting of the Company may be called by giving not less than twenty-one day's notice in writing specifying the place, day and hour of the meeting, with a statement of the business to be transacted at the meeting. Such notice shall be served on every member in the manner hereinafter provided, but with the consent in writing of all the members entitled to receive notice of the same any particular meeting may be convened by such short notice and such manner as those members may think fit:

Provided, however, that where any resolution is intended to be passed as a special resolution at any general meeting as required by sub-section (2) of section 189 of the Act, notice of such meeting specifying the intention to propose the resolution as a special resolution shall be served.

- 44. Omission to give notice** - The accidental omission to give notice to or the non-receipt of notice by, any member or other person to whom it should have been given shall not invalidate the proceedings of any meeting.
- 45. Business of Annual General Meeting** - The business of Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and the report of the Directors and of the Auditors, to declare dividends, to appoint and fix the remuneration of auditors, to appoint Directors in the place of those retiring and to transact any other business which under these Articles ought to be transacted at an annual general meeting. All other business transacted at an annual general meeting and all business transacted at an extraordinary meeting shall be deemed special.
- 46. Quorum** - Two members present in person shall be quorum for a general meeting.
- 47. Right of Governor to appoint any person as his representative** -
- (1) The Governorⁱⁱⁱ so long as he is shareholder of the Company, may from time to time, appoint one or more persons (who need not be members of the company) to represent him at all or any meetings of the company.
- (2) Any one of the persons appointed under sub-clause (1) of this articles who is personally present at the meeting shall be deemed to be a member entitled to vote and he present in person and shall be entitled to represent the Governor at all or any such meetings and to vote on his behalf whether on a show of hand or on a poll.
- (3) The Governor may, from time to time cancel any appointment made under sub-clause (1) of this article and make fresh appointments.

ⁱⁱⁱ Article 47 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

"Article 47 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995."

- (4) The production at the meeting of and order of the Governor evidenced as provided in the Constitutions of India shall be accepted by the Company as sufficient evidence of any such appointment or cancellation as aforesaid.
- (5) Any person appointed by the Governor under this article may, if so authorized, by such order, appoint a proxy, whether specially or generally.
- 48. Chairman of General Meeting** - The Chairman of the Directors shall be entitled to take the chair at every general meeting or if there be no such Chairman, or if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting or is unwilling to act as Chairman the members present shall choose another Director as Chairman and if no Director shall be present, or if all the Directors present decline to take the Chair, then, the members present shall choose one of their members to be Chairman.
- 49. If quorum not present when meeting to be dissolved and when to be adjourned** - If within fifteen minutes from the time appointed for the meeting a quorum is not present, the meeting convened upon such requisition as aforesaid, shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at the same time and place.
- 50. How questions to be decided at meeting** - Every question submitted to a meeting shall be decided by a show of hands and in the case of an equality of votes the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.
- 51. What is to be evidence of passing of a resolution, where poll not demanded** - At any general meeting resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by a member present in person or proxy or by duly authorized representative and unless a poll is so demanded, a declaration by the Chairman, that a resolution has or has not on a show of hands, been carried or carried unanimously or – by a particular majority, 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.
- 52. Poll** - If a poll is duly demanded, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs and either at once or after an interval of adjournment or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn at any time before the poll is taken.
- 53. Power to adjourn General Meeting** - The Chairman of a general meeting may, with the consent of the members present at the meeting adjourn the same, from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left un-finished at the meeting from which the adjournment took place.
- 54. In what cases poll taken without adjournment** - Subject to the provisions of section 180 - of the Act, any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
- 55. Business may proceed notwithstanding demand of poll** - The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

56. **Chairman's Decision conclusive** - 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 time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
57. **Votes of Members** - Upon a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy or by duly authorized representative shall have voting rights in proportion to his share of the paid up equity capital of the Company.
58. **Voting by proxy on show of hand** - A proxy shall not be entitled to vote on a show of hands.
59. **Votes in respect of Deceased and Bankrupt Members** - Any person entitled under the transmission clause to any share may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to such shares on his right to vote at such meeting in respect thereof.
60. **Joint holders** - Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy, in respect of such shares as if he were solely, entitled thereto, and if more than one such joint holders be present the joint holder whose name stand first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this clause be deemed joint holders thereof.
61. **Votes in respect of shares of members of unsound mind** - A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote either on a show of hands or on poll by his committee or other legal guardian and any committee or guardian may on a poll, vote by proxy.
62. **Proxies permitted** - On a poll, votes may be given either personally or by proxy or by duly authorized representative.
63. **Instrument appointing proxy to be in writing** - A member entitled to attend and vote at a meeting may appoint another person (whether a member or not) as his proxy to attend a meeting and vote on a poll. No member shall appoint more than one proxy to attend on the same occasion. A proxy shall not be entitled to speak at a meeting or to vote except on a poll. The instrument appointing a proxy shall be in writing and be signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an officer or an attorney duly authorized by it.
64. **Instrument appointing proxy to be deposited at office** - The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
65. **When vote by proxy valid though authority revoked** - A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the

proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer or transmission shall have been received at the office of the Company before the commencement of the meeting of adjourned meeting at which the proxy is used.

- 66. Form of proxy** - an instrument appointing a proxy may be in the following form or in any other form which the Director shall approve and shall be attested by one witness.

THE KERALA STATE CIVIL SUPPLIES CORPORATION LIMITED

“I.....of.....in the district ofbeing a member of the above named company hereby.....appoint.....of.....in the District of.....as my proxy to vote for me and on my behalf at the ordinary/extraordinary general meeting of the Company to be held on theday of.....and at any adjournment thereof.”

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

Witness : Signature.....

- 67. No member entitled to vote, etc, while call due to Company** - No member shall be entitled to be present or to vote on any question either personally or by proxy at any general meeting or upon a poll, or be reckoned in quorum whilst any call or other sum shall be due and payable to the company in respect of any shares of such members.
- 68. Time for objection to vote** - No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.
- 69. Number of Directors** - The Governor shall from time to time determine the number of Directors of the Company which shall not be less than 2 and shall not exceed 7. The Directors are not required to hold any qualification shares.^{iv}
- 70. Appointment of Directors** -
- (a) Subject to the provisions of the Act, the Director including the Chairman and the Managing Director, if any, shall be appointed by the Governor and shall be paid such salary and or allowances as the Governor may from time to time determine. Subject to the provisions of Section 314 of the Act, such reasonable additional remuneration as may be fixed by the Governor may be paid to any one or more of the Directors for extra or special service rendered by him or them or otherwise.

^{iv} Article 69 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word “GOVERNMENT” with the word “GOVERNOR.”

“Article 69 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.”

- (b) The Governor may determine the period for which the Chairman and the Managing Director if any are to hold their respective offices.
- (c) The Governor shall have the power to remove any Director including the Chairman, Deputy Chairman, if any, and the Managing Director, if any, from office at any time in his absolute discretion.
- (d) The Governor shall have the right to fill any vacancy in the office of the Directors caused by a removal, resignation, death or otherwise.
- (e) The Directors are entitled to sitting fees for attending the meetings of the Board or Committee thereof subject to the directions issued by the Government from time to time.^v

71. General powers of Company vested in Directors - The business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in getting the Company registered and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force or by these Articles required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of these Articles to the provisions of the Act, and to such regulations not being inconsistent with the provisions, as may be prescribed by the Company, in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made

72. Specific powers to Directors - Without prejudice to the general powers conferred by Article 71 and the other powers conferred by these articles but subject to the provisions of section 292 of the Act, the Board of Directors shall have the following powers, namely:-

- (1) to purchase, take on lease or otherwise acquire for the Company, property rights, or privilege which the Company is authorized to acquire at such price, and generally on such terms and conditions as they think fit;
- (2) to authorise the undertaking of works of capital nature subject to the condition that all cases involving a Capital expenditure exceeding 50 lakhs shall be referred to Government for approval before authorization.^{vi}

^v Article 70 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

"Article 70 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995."

Articles 70 had been amended to include Sub- Clause (e) included vide Special Resolution passed at 10th Annual General Meeting held on 28/09/1984.

^{vi} Article 72 (2) was amended vide special resolution at the Extra - Ordinary General Meeting held on 07-05-2016 to substitute the existed sub-clause given below with a new sub-clause pursuant to the GO (Rt) No.310/2013/F&CSD dated 05.10.2013

"to authorise the undertaking of works of capital nature subject to the condition that all cases involving a Capital expenditure exceeding rupees 35 lakhs shall be referred to Government for approval before authorization."

"Article 72 (2) of Articles of Association had been amended vide Special Resolution passed at the Adjourned 18th Annual General Meeting of the Company dated 30/04/1998."

- (3) to pay for any property rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds debentures or other securities of the Company and any such shares may be issued either a fully paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital and not so charged;
- (4) to secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital alignment for the time being or in such other manner as they may think fit;
- (5) to appoint at their discretion, remove or suspend such manager, including General Manager who is not coming within the meaning of section 2(24) of the Act secretaries officers, 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 or emoluments and to require security of such amount as they think fit in such instances;

Provided that no appointment the starting basic pay of which is Rs. 2,000/- or more per mensem without the prior approval of the Governor.^{vii}

- (a) To follow the principles of reservation as applicable to Government in the Matter of all appointments.^{viii}
- (6) to appoint any person or persons (whether incorporated or not) to accept and hold in trust for Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do such deeds and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees;
- (7) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers of otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;
- (8) to refer any claims or demands by or against the Company to arbitration, and observe and perform, the awards;

^{vii} Article 72 (5) of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

Article 72 (5) of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

Article 72 (5) was amended vide Special Resolution passed at the Adjourned 9th Annual General Meeting of the Company held on 17-09-1987 to substitute existed proviso to clause 5 as given below with a new proviso

"Provided that no appointment the maximum basic pay of which is Rs. 1, 000/- or more per mensem without the prior approval of the Governor"

^{viii} Article 72 (5) was amended vide Special Resolution passed at the Adjourned 7th Annual General Meeting of the Company held on 15-01-1986 to include a new sub clause (a) to Clause (5) of Article 72.

- (9) to make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company;
- (10) to determine the person who shall be entitled to sign on the Company's behalf bills, notes, receipts acceptance, endorsements, cheques, releases, contracts and documents;
- (11) to appoint any person to be the attorney or agent of the Company with such power (including power to sub-delegate) and upon such terms as may deem fit;
- (12) to invest the funds of the Company in the Reserve Bank of India or in such securities as may be approved by the Governor and deal with any of the money's of the Company upon such investments authorised by the Memorandum of Association of the Company (not being shares in this Company) and in such manner as they think fit, and from time to time to vary or release such investment;
- (13) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon;
- (14) to give to any person employed by the Company a commission on the profit of any particular business transaction or a share in the general profits and such commission or share of profits shall be treated as part of the working expenses of the Company;
- (15) from time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants;
- (16) to give award or allow any bonus, pension gratuity of compensation to any employee of the Company or his widow, children or dependants that may appear to the Directors just or proper, whether such employee, his widow, children or dependants, have or have not a legal claim upon the Company;
- (17) before declaring any dividend to set aside such portion of the profit of the Company as they think fit to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;
- (18) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in the State of Kerala or out of the State of Kerala and to appoint any person to be members of such Local Board and to fix their remuneration, and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Directors other than their powers to make call, and to authorize the members for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding any vacancies and any such appointment or delegation may be made in such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any person so appointed and annual or vary any such delegation;
- (19) to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and

on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company; and

- (20) subject to Section 292 of the Act to delegated all or any of the powers, authority and discretion for the time being vested in them subject however to the ultimate control and authority being retained by them.
- 73. (1) Appointment of Managing Director** - Subject to the provisions of the Act (1) The Governor
may appoint any one of the Directors of the Board to be the Managing Director or a Board of Management consisting of two or more Directors or any other person as General Manager of the company for the conduct or management of the business of the Company subject to the control and supervision of the Board of Directors. The Managing Director or the Board of Management, or the General Manager, as the case may be, may be authorized by the Board to exercise such of the powers of authority and discretion in relation to the affairs of the Company as are specifically delegated to him/it by the Board and are not required to be done by the Board of Directors or the Company at the general Meeting under the Act.
- (2) The Managing Director or the General Manager as the case may be shall be paid such salary and allowances as may be fixed by the Governor.^{ix}
- 74.** The Board of Directors shall cause minutes to be made in books provided for the purpose
- (a) of all appointments of officers made by the Directors;
 - (b) of the name of the Directors present at each meeting of the Directors and of any Committee of the Directors;
 - (c) of all resolution and proceedings at all meetings of the Company and of the Directors and of the Committees of Directors; and every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for the purpose.
- 75. Seal** - The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Directors and such other person as the Board may appoint for the purpose; and the said Directors and the person aforesaid shall sign every instrument to which the seal is so affixed in his presence.
- 76. Vacancy in the Office of Directors** - The office of the Directors shall become vacant if,
- (a) he is found to be of unsound mind by a competent court;
 - (b) he applies to be adjudicated an insolvent;
 - (c) he is adjudged an insolvent;
 - (d) he is convicted by a court of any offence involving 'moral turpitude' and sentenced in respect thereof to imprisonment to not less than six months;

^{ix} Article 73 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

Article 73 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

- (e) he fails to pay any call in respect of shares of the Company held by him (whether alone or jointly with others) within six months from the last date fixed for the payment of the call;
- (f) he absents himself from three consecutive meetings of Board of Directors or from all meetings of the Board for a continuous period of three months, whichever is longer without obtaining leave of absence from the Board.
- (g) he fails to disclose the nature of his concern or interest in any contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company as required under Section 299 of the Act;
- (h) he becomes disqualified by an order of Court under Section 203 of the Act;
- (i) he is removed in pursuance of Section 284 of the Act; and
- (j) he is concerned or participates in the profits of any contract with the Company'

Provided, however, that no Director shall vacate his office by reason of his becoming a member of any Company which has entered into contract with or done any work for the Company of which he is a Director, but a Director shall not vote in respect of any such contract or work; and if he does so vote, his vote shall not be counted.

Note.- The disqualifications referred to in sub-clause (c), (d) and (h) above shall not take effect-

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

- 77. Alternate Directors** - The Board of Directors of the Company may with the prior approval of the Governor appoint an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from this State. Such Director shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed. Such appointment shall have effect and such appointee while he holds office as an alternate Director shall be entitled to notice of the meetings of the Directors and to attend and to vote there at accordingly but he shall not require any qualification and he shall ipso facto vacate office when original Director returns to this State. Any provisions for the automatic reappointment of the retiring Director in default of another appointment shall apply to the original and not to the alternate Director.^x

^x Article 77 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

Article 77 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

- 78. Meeting of Directors and Quorum** - The Directors may meet together for the transaction of business once at least in every three calendar months and at least 4 such meetings shall be held in every year. They may adjourn or otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of the business. Until otherwise determined one third of the total strength of Directors (any fraction contained in that one third being rounded off as one) or two Directors who are not interested whichever is higher shall be a quorum.^{xi}
- 79. Place of Meeting** - The meeting of the Board may be held at the Registered office or any where else within the State of Kerala if it is in the interest of the Company.
- 80. Director may summon meeting-how questions to be decided** - A Director may at any time convene a meeting of the Directors and questions arising at any meetings shall be decided by a majority of votes. The Chairman shall have a second or casting vote.
- 81. Powers of quorum** - A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authority powers and discretion by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally.
- 82. Chairman of Director's Meeting** - The Governor^{xii} may nominate a Director as Chairman of the Director's meetings and determine the period for which he is to hold such office, if no such Chairman is nominated or if at any meeting the Chairman is not present within 5 minutes after the time fixed for holding the same, the Directors present may choose one of their members to be the Chairman of the meeting.

^{xi} Article 78 of the Articles of Association had been amended to include the proviso "Provided that such quorum shall not be complete unless at least one official representation on the administrative Department or Finance Department of the Kerala or the Board of Revenue (CS) who is a Director for the time being, is present," vide Special Resolution passed at the 15th Adjourned Annual General Meeting held on 17/01/1995 and was further amended to delete the proviso to Article 82 mentioned above vide Special Resolution passed at the 30th Annual General Meeting held on 19-09-2004.

^{xii} Article 82 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

Article 82 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

- 83. Decisions of Board requiring approval of the Governor** - (i) Subject to the provisions of the Act the Chairman shall reserve for the approval of the Governor any proposals on decisions of the Board in respect of the following matters, namely:-
- (a) increasing or reducing the issued capital of the Company.
 - (b) winding up of the Company.
 - (c) issue of debentures or bonds
 - (d) sub Division and consolidation of shares^{xiii}
 - (e) promotion of a new Company.
 - (f) to enter into collaboration or partnership arrangement for joint working in business, sharing of profit, joint ventures a reciprocal concession with any other company, firm or Co-operative Society or body engaged in business with any or more of the objects of the Company or objects similar thereto;
 - (g) formation of a subsidiary company.
 - (h) annual revenue Budget of the Company if there is an element of deficit which is proposed to be met by obtaining funds from Government.
 - (i) the agreements involving foreign collaboration proposed to be entered into by the Company".
 - (j) Deleted.^{xiv}
 - (k) Any programme of capital expenditure or an amount which exceeds Rs.35 Lakhs in cases which do not form part of the sanctioned estimate.^{xv}
 - (l) Sale, lease, exchange, Mortgage and/or disposal otherwise of the whole of' the undertaking of the Corporation.
 - (m) Matters relating to revision of scales or pay and T.A of the employees of the Corporation.
 - (n) Rules of the Company governing the conditions of service, P.F and other rules, creation of reserve and capital funds.
 - (o) Travel outside India on business tour or otherwise by the Directors or employees of the Company.
 - (p) Any other matter which in the opinion, of the chairman be of such importance as to be reserved for the approval of the Governor^{xvi}.

^{xiii} Amended Article 83 (i) vide Special Resolution passed in the Seventh Annual General Meeting held on 28-9-1981. The AGM has adopted the amendment to Article 83 (i) of the Articles of Association as suggested by G.O. Ms. No.26/78/Fd dated 30-9-78. The following additions to Clause 83 (i) as Clause (d), (e),(f), (g), (h) and (i) were made. The existing Clause (d) – “Any other matter which in the opinion, of the chairman be of such importance as to be reserved for the approval of the Governor.” was renumbered as Clause (j).

Amended Article 83 (i) vide Special General Meeting held on 06-3-1982 to include the following clause as Clause 83 (i) - (d), (e), (f), (g), (h) (i) and the existing Clause 83 (i) - (d), (e), (f), (g), (h) (i) and (j) renumbered as Clause 83 (i) - (j), (k), (l), (m), (n), (o) and (p) as per GO No.47/80/Food dated 23-10-1980.

^{xiv} Article 83 (i) (j) were erroneously numbered as 83 (i) (d). – “Creation of and appointment to the post of General Manager and post carrying a salary of more than Rs. 2000 per month” was deleted Vide Special Resolution passed at the 9th Adjourned Annual General Meeting held on 17/09/1987.

^{xv} Article 83 (i) (k) were erroneously numbered as Article 83 (i) (e) – “Any programme of capital expenditure or an amount which exceeds Rs.10 Lakhs in cases which do not form part of the sanctioned estimate” was amended vide Extra- Ordinary General Meeting held on 21-05-2008 to increase the limit to Rs.35 Lakhs as per Government letter No.1636/C3/2008/F7CSD dated 15-04-2008.

^{xvi} Article 83 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word “GOVERNMENT” with the word “GOVERNOR.”

Article 83 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

(ii) No action shall be taken by the Company in respect of any proposal or decision of the Board reserved for the approval of the Governor as aforesaid until his approval of the same has been obtained.

- 84. Delegation of powers to Committee** - The Directors may subject to the restrictions laid down in section 292 of the Act, delegate any of their powers to committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any committee so formed shall in their exercise of powers so delegated conform to any regulations that may, from time to time, be imposed upon it by the Directors.
- 85. Chairman of the Committee meetings** - A Committee may elect a Chairman for its meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their members to be the Chairman of the meeting.
- 86. When actions of Directors or Committee valid notwithstanding defective appointments** - All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be Director:
- Provided that nothing in this Article shall be deemed to validate acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
- 87. Resolution without Board Meeting valid** - Save as otherwise expressly provided in the Act, a resolution in writing signed by all the Directors then in India or by a majority of such of them as are entitled to vote on the resolution shall be as valid and effectual as if it had been passed at meeting of the Directors duly called and constituted.
- 88. Reserve Fund** - The Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalising a dividends, or for special dividends, or for repairing, improving and maintaining any of the property of the Company, and for amortisation of capital and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company, and may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit from time to time, deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserve funds into such special funds as they think fit, and employ the reserve funds or any part thereof in the business of the Company and without being bound to keep the same separate from the other assests.
- 89. Dividends** - The profits of the Company available for payment of dividend subject to any special rights relating there to created or authorised to be created by these presents, subject to the provisions of these presents as to the reserve fund and amortisation of capital shall be divisible among the members on proportion to the amount of capital held by them respectively.

Provided always that any capital paid up on a share during the period in respect of which a dividend is declared shall only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment.

90. **Capital paid up in advance** - Where Capital is paid up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits.
91. **Declaration of dividends** - The company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the Directors.
92. **Dividends out of profits only and not to carry interest** - No dividend shall be payable otherwise than out of the profits of the year or other period or any other undistributed profits of the Company and no dividend shall carry interest as against the company.
93. **When to be deemed not profit** - The declaration of the Directors as to the amount of the net profits of the company shall be conclusive.
94. **Interim dividend** - Subject to the provisions of section 205 of the Act, the Directors may, from time to time, pay to the members of such interim dividends as may be decided by them having regard to the position of the Company.
95. **Debts may be deducted** - The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.
96. **Dividend and call together** - Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the call on each member shall not exceed the dividends payable to him and the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the members be set off against the call. The making of a call under this clause shall be deemed to be an ordinary business of an ordinary general meeting which declares a dividend.
97. **Dividends or bonus payable wholly or partly in cash** - Any general meeting declaring a dividend, may resolve or direct that such dividend wholly or in part be paid in cash in accordance with section 205 of the Act and in particular of paid up share, debenture or debenture stock of any other company or may appoint any person to sign such contract on behalf of the person entitled to the dividend of the capitalised fund and such appointment shall be effective.
98. **Effect of transfer** - A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.
99. **Retention in certain cases** - The Directors may retain the dividends payable upon the shares in respect of which any person is, under Article 21, entitled to become a member or which any person under that clause is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.
100. **Dividend to Joint Holders** - Any one of the several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payment on account of dividends in respect of such shares.
101. **Payment by post** - Unless otherwise directed any dividend may be paid by cheque or warrant through post to the registered address of the member or person entitled or in the case of the joint holders, to the address of that the one whose names stands first in the register in respect of the joint – holding or to such person and to such address

as the share-holder or joint holder may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

- 102. Notice of Dividend** - Notice of the declaration of any dividend whether interim or otherwise, shall be given to the holders of registered shares in the manner hereinafter provided.
- 103. Unclaimed dividend** - All dividends unclaimed for one year after having been declared may be invested in the manner laid down in the Act from time to time.
- 104. Accounts to be kept** - The Company shall cause to be kept proper books of accounts 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 takes place;
 - (b) all sales and purchases of goods by the company and;
 - (c) the assets and liabilities of the company
- 105. Inspection of account books** - The books of account shall be kept at the registered office of the company or subject to the provisions of Section 209 of the Act at such other places as the Directors shall think fit and shall be open to inspection by the Directors during business hours.
- 106. Inspection of Members** - The Directors shall, from time to time, determine whether and to what extent and at which times and places and under what conditions or regulations and the accounts and books of the company or any of them shall be open to inspection of members (not being Directors) and no member not being a Director shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by Directors or by the Company in General meeting.
- 107. Annual accounts and Balance sheet** - The Directors shall at some date not later than 18 months after the incorporation of the company and subsequently once at least every year lay before the company in general meeting a balance sheet and profit and loss account, in the case of the first account since the incorporation of the company and in any other case since the proceeding account made up to a date not earlier than the date of the meeting by more than six months.
- 108. Annual reports of Directors** - The Governor^{xvii} shall cause an annual report to be made out and attached to every balance sheet and a report with respect to the State of the Company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any which they propose to carry to the Reserve Fund, General reserve or reserve account shown specifically on the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet. The report shall be signed by the Chairman of the Board on behalf of the Directors if authorized in this behalf by the Directors and when he is not so authorized shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account by virtue of sub – sections (1) and (2) of section 215 of the Act.

^{xvii} Article 108 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

Article 108 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

- 109. Contents of profit and loss account** - Forms of balance sheet and profit and loss account should be in accordance with the provisions of section 211 of the Act. The profit and loss account shall, in addition to the matters referred to in section 211 of the Act, show, arranged under the most convenient heads, the account of gross income, distinguishing the several sources from which it has been derived and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting, and in cases where and item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of their reasons why only a portion of such expenditure is charged against the income of the year.
- 110. Balance sheet and profit and loss account to be sent to members** - The Company shall send a copy of such balance sheet and profit and loss account together with a copy of the auditor's report to the registered address of every member of the company in the manner in which notices are to be given hereunder at least twenty one days before the meeting at which it is to be laid before the members of the company and shall deposit a copy at the registered office of the company for inspection of the members of the company during a period of at least twenty one days before that meeting.
- 111. The Board of Directors to comply with sections 209 to 222 of the Act** - The Directors shall in all respects comply with the provisions of section 209 to 222 of the Act or any statutory modification thereof for the time being in force as may be applicable to the company.
- 112. Accounts to be audited annually** - Once at least in every year the accounts of the company shall be examined and the correctness of the profit and loss account and the balance sheet ascertained by one or more auditors as provided in the Act.
- 113. Appointment of auditors** - The auditors of the company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India and their rights and duties shall be regulated by sections 224 to 233 of the Act.
- 114. Auditors right to attend meetings** - The auditors of the company shall be entitled to receive a notice and to attend any general meeting of the company at which any accounts which have been examined or reported on by them are to be laid before the company and may make statement or explanation they desire with respect to the accounts.
- 115. Powers of the Comptroller & Auditor General of India** - The Comptroller and Auditor General of India shall have power -
- (a) to direct the manner in which the Company's accounts shall be audited by the auditors appointed in pursuance of Article 117 thereof and to give such auditors instructions in regard to any matter relating to the performance of their functions as such and
 - (b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorize in his behalf, and for the purposes of such audit, to have access at all reasonable times, to all accounts, account books, vouchers documents and other papers of the company and to require information to be furnished to any person or

persons so authorized, on such matter, by such person or persons so authorized on such matter by such persons or persons and in such form as the Comptroller and Auditor General of India may by general or special order, direct.

116. Comments upon or supplement to audit report by the Comptroller and Auditor General of India to be placed before ordinary meetings - The auditors aforesaid shall submit a copy of their audit report of the Controller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit. Any such comments or supplements to the audit report shall be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.^{xviii}

(a). The Company shall submit a copy of the Balance Sheet and Profit and Loss Account with a copy of Auditor's Report to Principal Secretary (Finance), Government of Kerala who shall have the right to comment upon the Audit Report in such a manner as he/she thinks fit. Any such comment to the Auditors Report shall be placed before the AGM at the same time and in the same manner as the Audit Report.

117. Accounts to be deemed finally settled - Every account of the Company when audited and approved by a general meeting shall be conclusive excepts as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within period, the account shall forthwith be corrected and thenceforth shall be conclusive.

118. Rights of the Governor to issue directives^{xix xx} - Notwithstanding anything contained in any of these articles, the Governor may, from time to time issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directives or instructions so issued. In particular the Governor will have the powers:

- (1) to give directions to the enterprise as to the exercise and performance of its function in matters involving National security or substantial public interest;
- (2) to call for such returns, accounts and other information with respect to the property and activities of the enterprise as may be required from time to time;
- (3) to approve the enterprise's five year and annual plans of development and the enterprise's capital budget;
- (4) to approve agreements involving foreign collaboration proposed to entered into by the enterprise.

^{xviii} Article 116 of Articles of Association was amended to include Article 116 (a) vide Special Resolution passed at the 30th Annual General Meeting held on 17-09-2004.

^{xix} Article 118 of Articles of Association had been amended vide Special Resolution passed at the 26th Annual General Meeting of the Company dated 23/09/2000 to substitute the word "GOVERNMENT" with the word "GOVERNOR."

Article 118 of Articles of Association had been amended vide Special Resolution passed at the 21st Annual General Meeting of the Company dated 29/09/1995.

^{xx} Article 118 was amended to replace the existing Article with new Article 118 at an Extra-Ordinary meeting of the shareholders held on 10/07/1976.

- 119. How notices to be served on members** - A notice may be given by the company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address) to the address if any supplied by him to the company for the giving of notice to him.
- 120. Notification of address by a holder of registered place of address** - A holder of registered shares, who has no registered place of address may, from time to time, notify in writing to the company an address, which shall be deemed his registered place of address within the meaning of this article.
- 121. When notice may be given by advertisement** - If a member has no registered address and has not supplied to the company any address for the giving of notices to him, a notice addressed to him and advertised in newspapers circulating in the neighborhood of the registered office of the company, shall be deemed to be duly given to him on the date of which the advertisement appears.
- 122. Notice of Joint holders** - A notice may be given by the company to the Joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
- 123. How notice to be given to representatives of a deceased or bankrupt member** - A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- 124. To whom notice of general meeting to be given** - Notice of every general meeting shall be given in the same manner hereinbefore authorized to (a) every member of the company except those members who having no registered address have not supplied to the company an address for the giving of notice of them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency, would be entitled to receive notice of the meeting provided the company has due notice.
- 125. Transferees etc. bound by prior notice** - Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share be bound by every notice in respect of such share which previously to his name, address and title to the share being notified to and registered by the company, shall be duly given to the person from whom he derives his title to such shares.
- 126. How notice to be signed** - The signature to any notice to be given by the company may be written or printed.
- 127. How time to be counted** - Where a given number of days, notice or notices extending over any other period is required to be given the days of service shall unless it is other wise provided, be counted in such number of days or other period.
- 128. Distribution of assets on winding up** - If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to

repay the whole of the capital paid up the excess shall be distributed among the members in proportion to the capital paid up or which ought to have been paid up on the share held by them respectively. But this clause shall be without prejudice to the right of the holders of shares issued upon special terms and conditions.

- 129. Secrecy Clause** - No member shall be entitled to require discovery or any information respecting any detail of the company's trading or any matter which may be in the nature of a trade secret, mystery of trade, or secret process which may relate to the conduct of the business of the company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the company to communicate to the public.
- 130. Indemnity** - Subject to the provisions of Section 201 of the Act, every Director, Manager, Auditor, Secretary and other Officer or servant of the Company should be indemnified, by the Company against, and it shall be duty of the Directors, out of the funds of the company to pay all costs losses and expenses which any such officer or servant may incur or become liable by reason of any contract entered into, or act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the member over all other claims.
- 131. Individual responsibility of Directors** - No Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults or any other Director or Officer of the company or for joining in any receipt or other act for conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to 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, insolvency or tortuous act or any person with whom any moneys, securities or effects shall be deposited or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own negligence, default, misfeasance, breach of duty or breach of trust.
- 132.** The Company is a Government Company within the meaning of Section 617 of the Act.

Names of Subscriber	Address, Description and Occupation if any	Signature of Subscribers
(1)	(2)	(3)
(1) Shri P. M. Abraham	Son of Shri P.K. Mathai, IRAN House Compound, Kaudiar, Trivandrum-3 Special Secretary to Government, Food Department and Commissioner of Civil Supplies, Kerala	(Sd.)
(2) Shri S. Krishnakumar	Son of Shri C. P. Sankara Pillai SANSAR, Jawaharnagar, Kaudiar, Trivandrum-3 Additional Secretary to Government of Kerala, Food Department and Director of Civil Supplies, Kerala	(Sd.)
(3) Shri M.P.Madhavan Nair	Son of late Shri. K. Narayanan Moossad SAROJ, T.C.No.14/280, Udarasiromony Road, Vellayambalam Triandrum-10 Joint Secretary to Govenment of Kerala, Food Department	(Sd.)

Dated the Twenty Fourth day of June 1974.

Witness to the above signature

P.V. Ramachandran Nair, son of late Shri.A.K. Karunakaran Nair, residing at 26/204, Tank Road, Vanchiyoor, Trivandrum – 1, Under Secretary to Government, Food Department, Secretariat, Trivandrum.