

Date: 30<sup>th</sup> September 2019

Mr.S.Vasudevan  
DIN : 01567080  
K1, SICAL Race View Apartments,  
No.2 Race Course Road, Guindy,  
Chennai – 600 032.

Dear Sir

**Sub: Appointment of Independent Director – reg.**

We are pleased to inform you that the Members of the Company at the 33<sup>rd</sup> Annual General Meeting (AGM) held on 30<sup>th</sup> September 2019 have resolved to appoint you as an Independent Director of the Company to hold office for a period of five consecutive years from the date of this 33<sup>rd</sup> AGM.

Your role, functions, duties and responsibilities, as Independent Director shall be as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of Section 166, Schedule IV of the Companies Act, 2013 and the Rules made thereunder. Your appointment is also governed by the 'Company's Code of Conduct for Directors and Employees' and ' Company's Code of Conduct for Prevention of Insider Trading' under SEBI (Insider Trading) Regulations, adopted by the Board of Directors of the Company from time to time .

During the said tenure of office, as may be decided by the Board, you may also be required to serve on one or more Committees of the Board, such as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Compensation Committee etc.,

To protect the interest of all the Directors, the Company will be taking out a Directors and Officers Liability Insurance Policy to cover all the statutory liabilities of the Directors and Officers of the Company.

The dates of the Meetings of Board of Directors and the Committees thereof will be intimated to you well-in-advance to enable you to attend the meetings.



**Rajshree Sugars & Chemicals Limited**

*The Uffizi*, 338/8, Avanashi Road, Peelamedu, Coimbatore - 641 004, TN, India.

T: +91 - 422 4226222, 2580981-82 F: +91 - 422 2577929 E: rscl@rajshreesugars.com W: www.rajshreesugars.com

CIN: L01542TZ1985PLC001706

As per the present Nomination and Remuneration Policy of the Company, you are entitled to Sitting Fees for attending the meetings of the Board and the Committees of the Board, as is determined by the Board. At present, the Directors are being paid Sitting Fee of Rs.50,000/- for every Board meeting and Rs.20,000/- for every Committee meeting attended by them. In addition, you will be entitled to reimbursement of expenses for participation in the Board and other meetings.

We request you to familiarize yourself with the various policies and Code of Conduct of the Company governing its Directors and Employees.

While we have annexed herewith some of the critical documents for your immediate reference, we request you to visit the company website, [www.raishreesugars.com](http://www.raishreesugars.com) to access the complete set of policy documents, Financial and Annual Reports.

The receipt of this Letter of Appointment may kindly be acknowledged.

Thanking you

For and on behalf of  
RAJSHREE SUGARS & CHEMICALS LIMITED

  
RASHREE PATHY  
Chairperson

AGREE AND ACCEPT

S. VASUDEVAN

Enc:

- Annexure A : Duties of Directors under Section 166 of the Companies Act, 2013.
- Annexure B : Code of conduct for Independent Directors as per Scheduled IV of the Companies Act, 2013.
- Annexure C : Code of conduct for the Directors and Executives of the Company.
- Annexure D : Code of conduct for Insider Trading.
- Annexure E : Memorandum & Articles of Association of the Company.



Date: 30<sup>th</sup> September 2019

Mr.K.Ilango  
DIN : 00124115  
No.8, Post Office Road,  
Krishnaswamy Nagar,  
Coimbatore – 641045.

Dear Sir

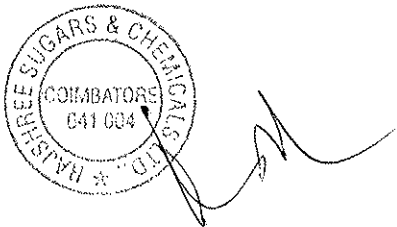
**Sub: Appointment of Independent Director - reg**

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During the said tenure of office, as may be decided by the Board, you may also be required to serve on one or more Committees of the Board, such as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Compensation Committee etc.,

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While we have annexed herewith some of the critical documents for your immediate reference, we request you to visit the company website, [www.rajshreesugars.com](http://www.rajshreesugars.com) to access the complete set of policy documents, Financial and Annual Reports.

The receipt of this Letter of Appointment may kindly be acknowledged.

Thanking you

For and on behalf of  
RAJSHREE SUGARS & CHEMICALS LIMITED

  
RASHREE PATHY  
Chairperson

AGREE AND ACCEPT

K. ILANGO

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- Annexure A : Duties of Directors under Section 166 of the Companies Act, 2013.
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- Annexure E : Memorandum & Articles of Association of the Company.



## **DUTIES OF DIRECTORS**

### **Section 166 of the Companies Act, 2013**

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

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## **CODE FOR INDEPENDENT DIRECTORS**

### **Schedule IV of the Companies Act 2013, read with Section 149(8)**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.]

#### **I. Guidelines of professional conduct:**

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

#### **II. Role and functions:**

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties:**

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) provision for Directors and Officers (D and O) insurance, if any;
  - e) the Code of Business Ethics that the company expects its directors and employees to follow;



- f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- 1) The independent directors of the company shall hold at least one meeting "in a financial year", without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

- c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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## **CODE OF CONDUCT FOR DIRECTORS AND EXECUTIVES OF RAJSHREE SUGARS & CHEMICALS LIMITED**

The Board of Directors and Senior Management of Rajshree Sugars & Chemicals Limited subscribe to the following code of conduct adopted by the Board. The Code is prescribed in order create corporate culture that promotes highest standards of ethical conduct in the interests of shareholders and all other stakeholders and to provide guidance to the directors to help them recognize and deal with ethical issues.

### **1. HONESTY AND INTEGRITY**

The Directors and Executives shall act honestly and with integrity in all their dealings for the company. They shall not discriminate on the grounds of peoples' race, religion, gender, marital status or disability.

### **2. CONFLICT OF INTEREST**

Directors and Executives must avoid any conflicts of interest between the director and the Company. Directors should make business decisions in the best interest of the Company. Actions by Directors and Executives must be based on sound business judgement and not motivated by personal interest or gain. A "conflict of interest" can occur when:

- a. A director's personal interest is adverse to, or may appear to be adverse to, the interest of the Company as a whole.
- b. A director or his relative receives personal benefits as a result of his or her position as a director of the Company.
- c. The Company does business with entities in which the Directors or their relatives are interested.
- d. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Board of Directors.

### **3. CORPORATE OPPORTUNITIES**

Directors and Executives are prohibited from:

- a. Taking for themselves or their companies, opportunities that are discovered through the use of Company information or position as a director.
- b. Using the Company's property or information for personal gain; or
- c. Competing with the Company for business opportunities.

#### **4. GIFTS, FAVOURS AND ENTERTAINMENT**

The Directors and Executives should not accept or provide gifts, favours or entertainment in their role as Company Director or Executive from or to persons or entities with which the Company has or is likely to have a business relationship.

#### **5. PROTECTING COMPANY ASSETS**

Directors and Executives should protect the Company assets and ensure their efficient utilisation. Company resources should be used only to conduct company business or for purposes authorized by management.

#### **6. CONFIDENTIALITY**

Directors and Executives must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director or Executive, except when disclosure is authorized or legally mandated.

For purpose of this Code, “confidential information” includes all non-public information relating to the Company.

#### **7. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Directors and Executives must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company.

#### **8. FAIR DEALING**

Directors and Executives must deal fairly, and must oversee fair dealing by employees and officers, with the Company’s customers, suppliers, competitors and employees.

#### **9. INSIDER TRADING**

The Directors and Executives should not use confidential information for personal benefit. The Directors and Executives should not trade in securities or tip others to trade in securities of the Company on the basis of material information before it is made publicly available to ordinary investors through appropriate media.

## **10. ENCOURING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

Directors and Executives should promote ethical behaviour and take steps to ensure the Company:

- a. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
- b. Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel.
- c. Informs employees that the Company will not allow retaliation for report made in good faith.

## **11. COMPLIANCE STANDARDS**

Directors and Executives should communicate any suspected violations of this Code promptly to the Board of Directors. Violations will be investigated by the Board or by persons authorised by the Board, and appropriate action will be taken in the event of any violations of the Code.

## **12. DUTIES OF DIRECTORS**

- a) Subject to the provisions of the Companies Act 2013, a director of a company shall act in accordance with the articles of the company.
- b) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- c) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- e) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- f) A director of a company shall not assign his office and any assignment so made shall be void.

### **13. DUTIES OF INDEPENDENT DIRECTORS**

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

### **14. WAIVER OF CODE OF CONDUCT**

Any waiver of this Code may be made only by the Board of Directors.

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**RAJSHREE SUGARS & CHEMICALS LIMITED**  
**CODE OF CONDUCT TO REGULATE, MONITOR AND**  
**REPORT INSIDER TRADING**

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# **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS PURSUANT TO REGULATION 9(1)(2) OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS 2015**

## **1. Definitions**

- 1.1. **"Act"** means the Securities and Exchange Board of India Act, 1992.
- 1.2. **"Board"** means the Board of Directors of the Company.
- 1.3. **"Code"** or **"Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of RAJSHREE SUGARS & CHEMICALS LIMITED, formulated pursuant to Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- 1.4. **"Company"** means **RAJSHREE SUGARS & CHEMICALS LIMITED**.
- 1.5. **"Compliance Officer"** means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- 1.6. **"Connected Person"** means:
  - 1.6.1. any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - 1.6.2. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established.
    - a) an immediate relative of connected persons specified in clause (1.6.1); or
    - b) a holding company or associate company or subsidiary company; or
    - c) an intermediary as specified in Section 12 of the Act or an employee or director thereof; or



- d) an investment company, trustee company, asset management company or an employee or director thereof; or
  - e) an official of a stock exchange or of clearing house or corporation; or
  - f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
  - h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - i) a banker of the Company; or
  - j) a concern, firm, trust, hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- 1.7. **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- 1.8. **Designated Persons** (s) shall include:
- i) every employee in the grade of Deputy General Manager and above; every employee in the finance, accounts, secretarial, Information Technology and legal department of the company.
  - ii) Other Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to UPSI in the organization.
  - iii) every employee in the grade of Deputy General Manager and above; every employee in the finance, accounts, secretarial, Information Technology and legal department of the material subsidiary Company, if any.
  - iv) Other Employees of material subsidiaries of the Company, if any, designated on the basis of their functional role or access to UPSI in the organization.
  - v) All promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;
  - vi) Chief Executive Officer and employees upto two levels below Chief Executive Officer of intermediary, fiduciary and its material

subsidiaries irrespective of their functional role in the company or ability to have access to UPSI;

vii) Any support staff of intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information

- 1.9. **"Director"** means a member of the Board of Directors of the Company.
- 1.10. **"Employee"** means every employee of the Company including the Directors in the employment of the Company.
- 1.11. **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.
- 1.12. **"Immediate Relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities
- 1.13. **"Insider"** means any person who is,
  - a) a connected person; or
  - b) in possession of or having access to unpublished price sensitive information.
- 1.14. **"Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013.
- 1.15. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 1.16. **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 1.17. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.18. **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.19. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- 1.20. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- 1.21. **"Unpublished Price Sensitive Information (UPS I)"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available,

is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- i) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v) changes in key managerial personnel; and

1.22. **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

1.23. **"Specified Persons"** means the Directors, connected persons, the insiders, the Designated Persons and their immediate relatives are collectively referred to as Specified Persons.

1.24. **'Fiduciaries'** means Professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.

1.25. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 shall have the meanings respectively assigned to them in those legislation.

## **2. Role of Compliance Officer**

2.1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors on half yearly basis.

2.2. The Compliance Officer shall assist all designated persons in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

## **3. Preservation of "Price Sensitive Information"**

3.1. All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

3.2. USPI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- a. an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company; or
- b. not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of UPSI.

- 3.3. The Board of Directors has formulated a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” and the same has been filed with stock exchanges and also placed on the website of the Company. You are required to take note of the same.
- 3.4. The Company is maintaining a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under the Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases is maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance officer is authorized by the Board to maintain the database.
- 3.5. Need to Know:
  - a) “need to know” basis means that UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
  - b) All non-public information directly received by any designated person should immediately be reported to the head of the department.
- 3.6. Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.,
- 3.7. Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such

unpublished price sensitive information in compliance with this code of conduct.

#### **4. Prevention of misuse of “Unpublished Price Sensitive Information”**

The specified persons shall be governed by an internal code of conduct governing dealing in securities.

##### **4.1. Trading Plan**

An insider shall be entitled to formulate a trading plan for dealing in securities of the Company, which is not a mandatory requirement, and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

##### **4.2. Trading Plan shall:**

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period from the end of the quarter for which results are required to be announced by the Company and till 48 hours after the declaration of financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

4.3. The Compliance Officer shall consider the Trading Plan made as above and shall approve within a reasonable time not exceeding 5 trading days. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and also to approve and monitor the implementation of the plan as per provisions of the Regulations.

4.4. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

Provided that the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation.

The commencement of the Plan shall be deferred until such UPSI becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

- 4.5. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **5. Trading Window and Window Closure**

- 5.1. i) The trading period, i.e. the trading period of the stock exchanges, called "trading window", is available for trading in the Company's securities

ii) The trading window shall be closed from the end of every quarter, for which the financial results are required to be announced by the Company, till 48 hours after the declaration of financial results.

iii) When the trading window is closed, the Specified Persons shall not trade in the Company's securities in such period.

iv) All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

- 5.2. The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.

- 5.3. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information

- 5.4. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

## **6. Pre-clearance of trades**

- 6.1. All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the

proposed trades is above 50,000 shares or upto Rs.10 Lakhs (market value) or 1% of total shareholding, whichever is less, should pre-clear the transaction. The pre-clearance procedure shall be:

- i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Specified Persons intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- ii) An undertaking (Annexure 2) shall be executed in favour of the Company by such Specified Persons incorporating, *inter alia*, the following clauses, as may be applicable:
  - (a) That the specified persons does not have any access or has not received UPSI up to the time of signing the undertaking.
  - (b) That in case the Specified Employee has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - (c) That he/she has not contravened the code of conduct as notified by the Company from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
- iii) All Specified Persons shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Specified Person shall file within 2 (two) trading days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (Annexure 4 or 5 as applicable).
- iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.
- v) All Specified Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

vii) Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

viii) The trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan

## **7. Other Restrictions**

7.1. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions

7.2. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

7.3. The disclosures made under this Code shall be maintained for a period of five years.

## **8. Reporting Requirements for transactions in securities**

### **8.1. Initial Disclosure**

a) Every promoter/member of promoter group / Key Managerial Personnel / Director / Officers / Designated Persons of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure 6).

b) Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter. (Annexure 7)



## 8.2. **Continual Disclosure**

Every promoter, member of the promoter group, designated person and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10 lakhs.

The disclosure shall be made:

- a) In case of any fresh allotment within two trading days from the receipt of intimation of allotment,
- b) In the case of any other mode of acquisition within two trading days of such acquisition.

8.3. The disclosure requirements as aforesaid shall be applicable to the 'members of the promoter group', with effect from 21<sup>st</sup> January 2019.

## 9. **Disclosure by the Company to the Stock Exchange(s)**

9.1. Within 2 days of the receipt of intimation under Clause 8.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

9.2. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated persons for a minimum period of five years.

## 10. **Dissemination of Price Sensitive Information**

10.1. No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

10.2. Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

- a) The following guidelines shall be followed while dealing with analysts and institutional investors
- b) Only public information to be provided.
- c) At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- d) Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- e) Simultaneous release of information after every such meet.

## **11. Penalty for contravention of the code of conduct**

- 11.1. Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- 11.2. Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- 11.3. Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in employee stock option plans, etc.
- 11.4. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **12. Disclosures by Designated Persons**

- 12.1. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
  - a) immediate relatives
  - b) persons with whom such designated person(s) shares a material financial relationship
  - c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation–The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

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// Annexures Follow //

**ANNEXURE 1**  
**FORMAT OF APPLICATION FOR PRE-CLEARANCE APPROVAL**

Date:

To,

The Compliance Officer,

Dear Sir/Madam,

**Application for Pre-clearance approval in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1.	Name of the applicant		
2.	Designation		
3.	Number of securities held as on date		
4.	Folio No. / DP ID / Client ID No.)		
5.	The proposal is for		(a) Purchase of securities (b) Subscription to securities
6.	Proposed date of dealing in securities		
7.	Estimated number of securities proposed to be acquired/subscribed/ sold		
8.	value at which the transaction is proposed		
9.	Current market price (as on date of application)		
10.	Whether the proposed transaction will be through stock exchange or off-market deal		
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited		

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

**ANNEXURE 2**  
**FORMAT OF**  
**UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION**  
**FOR PRE-CLEARANCE**

To,

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_\* shares of the Company as mentioned in my application dated \_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public. I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 trading days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance again.

I declare that I have made full and true disclosure in the matter.

Date :

Signature : \_\_\_\_\_

\* Indicate number of shares

**ANNEXURE 3**  
**FORMAT FOR PRE- CLEARANCE ORDER**

To,

Name : \_\_\_\_\_

Designation: \_\_\_\_\_

Place : \_\_\_\_\_

This is to inform you that your request for dealing in (nos) shares of the Company or value of the transaction as mentioned in your application dated\_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before\_\_\_\_\_(date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

for \_\_\_\_\_

COMPLIANCE OFFICER

Date :

Encl: Format for submission of details of transaction

**ANNEXURE 4**

**FORM C**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

[Regulation 7(2) read with Regulation 6(2)]

Name of the Company :

ISIN of the Company :

Details of change in holding of Securities of Promoter, Employee or Director of a listed Company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/ DIN & address of Promoter/ Employee/ Director with contact Nos.	Category of Persons (Promoters/ KMP/ Directors/ immediate relatives/ others etc)	Securities held prior to acquisition/ disposal		Securities acquired / Disposed		% of share holding / Disposed		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase /public rights/ preferential offer / off market /inter-se transfer etc.	Trading in derivatives (specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. Shares, Warrants, Convertible Debentures etc)	No	Type of security (For eg. Shares, Warrants, Convertible Debentures etc)	No	Pre transaction	Post transactions	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note : "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI(Prohibition of Insider Trading) Regulations, 2015.

Date :

Signature:

Place :

Designation:

**Annexure - 5**

**FORM D**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

**Regulation 7(3) – Transactions by Other connected persons as identified by the Company**

Name, PAN No, CIN/ DIN & address of connected persons as identified by the Company with contact Nos.	Connection with company	Securities held prior to acquisition/ disposal		Securities acquired / Disposed		% of share holding / Disposed		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase /public/rights/ preferential offer / off market /inter-se transfer etc.	Trading in derivatives (specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. Shares, Warrants, Convertible Debentures etc)	No	Type of security (For eg. Shares, Warrants, Convertible Debentures etc)	No	Pre transaction	Post transactions	From	To			Buy		Sell		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	

Note : "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI(Prohibition of Insider Trading) Regulations, 2015.

Date :

Signature:

Place :

Designation:

## ANNEXURE 6

### FORM A

#### Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7(1)(a) read with Regulation 6(2)]

Name of the Company :

ISIN of the Company :

#### Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN No, CIN/ DIN & address with contact Nos.	Category of Persons (Promoters / KMP/ Directors / immediate relatives / others etc)	Securities held as on the date of regulation coming into force		% of share holding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option contracts held as on the date of regulation coming into force	
		Type of security (For eg. Shares, Warrants, Convertible Debentures etc)	No		Number of units (contracts * lot size)	National value in Rupee terms	Number of units (contracts * lot size)	National value in Rupee terms
1	2	3	4	5	6		7	

Note : "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI(Prohibition of Insider Trading) Regulations, 2015.

Date :

Signature:

Place :

Designation:



**ANNEXURE 7**

**FORM B**

**Securities and Exchange Board of India**

**(Prohibition of Insider Trading) Regulations, 2015**

[Regulation 7(1)(b) read with Regulation 6(2)]

Name of the Company :

ISIN of the Company :

**Details of Securities held by on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed Company and other such persons as mentioned in Regulation 6(2)**

Name, PAN No, CIN/ DIN & address with contact Nos.	Category of Persons (Promoters / KMP/ Directors / immediate relatives / others etc)	Date of appointment of Director / KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter / appointment of Director / KMP		% of share holding	Open Interest of the Future contracts held at the time of becoming Promoter / appointment of Director / KMP		Open Interest of the Option contracts held at the time of becoming Promoter / appointment of Director / KMP	
			Type of security (For eg. Shares, Warrants, Convertible Debentures etc)	No		Number of units (contracts * lot size)	National value in Rupee terms	Number of units (contracts * lot size)	National value in Rupee terms
1	2	3	4	5	6	7		8	

Note : "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI(Prohibition of Insider Trading) Regulations, 2015.

Date :

Signature:

Place :

Designation:

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**MEMORANDUM AND ARTICLES OF ASSOCIATION**

\*

**RAJSHREE SUGARS & CHEMICALS LIMITED**

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FORM 1 R.



# CERTIFICATE OF INCORPORATION

No. 12483 of 1985

I hereby certify that RAJSHREE SUGARS & CHEMICALS

LIMITED. \*\*\* \*\*

\*\*\* \*\*

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

Given under my hand at MADRAS

this THIRTEENTH day of DECEMBER TWENTY SECOND AGRAHAYANA

One thousand nine hundred and eighty five

One thousand nine hundred and seven (Saka)



(R. AGHORAMURTHY)  
Registrar of Companies  
TAMIL NADU



## Certificate For Commencement of Business

Pursuant of section 149 (3) of the Companies Act, 1956

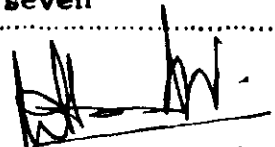
I hereby certify that the **RAJSHREE SUGARS & CHEMICALS LIMITED**

.....  
\*\*\*\*

which was incorporated under the Companies Act, 1956, on the ~~Thirteenth~~ **Twenty Second** day of ~~December~~ **Agrahayana** ~~1985~~ **1907** and which has this day filed a duly verified declaration in the prescribed form that the condition of section ~~149 (1) (a) to (d)~~ 149 (2) (a) to (c) of the said Act, have been complied with, is entitled to commence business.

Given under my hand at **M. A. D. R. A. S.** this ~~Twenty First~~ **Thirty First** day of ~~May~~ **Vaisakha** ~~One thousand nine hundred and eighty seven~~ **One thousand nine hundred and nine**



  
(R. AGHORAMURTHY)  
Registrar of Companies  
Tamil Nadu

**The Companies Act, 1956**  
**Company Limited by Shares**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**RAJSHREE SUGARS & CHEMICALS LIMITED**

- I. The name of the Company is **Rajshree Sugars & Chemicals Limited**.
- II. The Registered Office of the Company will be situated in the State of **Tamilnadu**.
- III. A. The Main Objects to be pursued by the Company on its incorporation are:
  01. To carry on the business of manufacture of sugar and its by-products in all its branches.
  02. To plant, purchase, produce, manufacture, process, prepare and generally trade and deal in sugarcane, sugar beet, sugar, sugar candy, jaggery, confectionery syrups, aerated waters, essences, alcohol, bagasse, molasses, molasses based products, alcohol based products and bagasse based products of all kinds.
  03. To own, fabricate, erect, install, manufacture, maintain, equip, repair, alter, add to or otherwise handle or deal in mills, distilleries, alcohol units, pulp and paper plants, spinning mills, weaving mills or any other factories.
  04. To manufacture, process, purchase, buy, sell and deal in soyamilk products and preparations, soyabean based foods including spray dried milk, powders, cheese and ice cream, baby foods, protein foods and other preparation of soya cereals and lentils including flour and dal, soya snack, foods, soya beverages and other products and preparations of every kind, nature and description. (amended in the Extra-Ordinary General Meeting of the Members of the Company held on Friday, the 10th November 1989).
- B. The objects incidental or ancillary to the attainment of the above main objects are:
  01. To pay all the costs, charges and expenses of the promotion, formation, registration and establishment of the Company and the issue of its capital including any underwriting or other commission,

brokers' fees and charges in connection therewith and to remunerate (by cash or other assets or by the allotment of fully or partly paid shares or debentures or by a call or option on shares, debentures or securities of this Company or any other Company or in any other manner, whether out of the Company's capital or profits or otherwise) any person, firm or company for services rendered or to be rendered in procuring any property or business to the Company or in placing or guaranteeing the subscription of shares, debentures or other securities of the Company or in or about the formation or promotion of the Company or for any other reason which the Company may think proper.

02. To acquire, by purchase, grant, concession lease or otherwise any lands, plantations, forests, timber, bamboo forests and woods of all kinds whether standing or otherwise, lumbering rights and privileges over lands situate in India or elsewhere and to raise, cultivate, produce crops, plantations, fruits, vegetables and all types of agricultural produce and to cut, sell, prepare for market, and deal in all kinds and products of any such forests, timber and woods, lands and plantations.
03. To give, let out, lease or exchange any of the lands of the Company to cultivators for tilling and cultivating and/or for growing crops and/or vegetables fruits and all other types of agricultural produce.
04. To enter into contracts with cultivators for acquiring by purchase, barter, grant, exchange or otherwise the crops and other products grown or cultivated by them.
05. To purchase, take on lease, construct or otherwise acquire any lands, houses, offices, workshops, buildings and premises and any fixed and movable machinery, tools, engines, boilers, plants, implements and patterns, properties, convenient to be used in or about the trade or business or for the use of the Company.
06. To make, draw, accept, endorse, execute, discount or negotiate and issue, cheques, promissory notes, hundies, bills of exchange, bills of lading, railway receipts and other negotiable or transferable instruments.
07. To open account or accounts with any individual, firm or company or with any Bank and to pay into, withdraw money from such account or accounts.
08. To borrow, raise moneys, obtain guarantees by the issue of bonds, debentures convertible or otherwise and to mortgage, pledge or

charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital or otherwise to transfer or convey the same absolutely or in trust and to give the lenders powers of sale of the property (except uncalled capital) and other powers as may be deemed expedient; and to purchase, redeem or payoff any such securities within the permissible limit without doing any banking business as defined in the Banking Regulations Act 1949 or to receive moneys on deposits with or without interest within the permissible limit without doing any Banking business as defined in the Banking Regulation Act 1949.

09. To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bond, debentures, contracts, mortgage, charges, obligations, instruments and securities of any company or any authority, municipal, local or otherwise, or of any person whomsoever, whether incorporated or not and generally to guarantee or become sureties for the performance of any contracts or obligations.
10. To lend money on mortgage of immovable property or on the hypothecation or pledge of movable property or without security to such person and on such terms as may seem expedient.
11. To invest and deal with the moneys of the Company not immediately required in any investments, movable or immovable, in such manner as may from time to time seem expedient.
12. To issue or subscribe for capital, shares, debentures or other securities, and to take, hold and deal in shares, debentures and securities of any company.
13. To appoint and remunerate experts, scientists, engineers, mechanics, managers, accountants, lawyers, professors, teachers, contractors, brokers, canvassers, agents, artisans, workmen and other persons and to establish and maintain factories, agencies, branches and offices in the Indian Union or in any State in India or elsewhere for the purpose of achieving all or any of the objects of the Company and/or to discontinue the same.
14. To construct, improve, maintain, develop, work, manage, carry out, rebuild or repair, control, any roadways, sidings, bridges, reservoirs, watercourses, wharves, manufactures, warehouses, godowns, storage facilities, tanks and other works, and conveniences which may directly or indirectly advance the Company's interests to contribute subsidise or otherwise assist or take part in any of these activities.

15. To improve, manage, work, develop, lease, mortgage, abandon or otherwise deal with all or any part of the properties, rights and concessions of the Company.
16. To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licences and concessions for or in relation to any of the object of business herein mentioned and to undertake, sub-contract, execute, carry out, dispose off or otherwise turn to account the same.
17. To enter into any contract, agreement, arrangement or other dealings in the nature of technical collaboration or otherwise for the conduct of the business of the Company or any part thereof.
18. To establish and maintain agencies or branches for sales, purchases and distribution of its products or for any purpose or business of the Company, regulate their working and also discontinue the same and to take all steps for registering the Company in any country as may be required.
19. To adopt such means of making known any products of the Company, as may seem expedient and in particular advertising in the press radio, television, video or any other media, by circulars, by publication of books, magazines or periodicals and by granting prizes and rewards.
20. To carry on the business of transporting the raw materials, products, materials and things which the Company is authorised to purchase, produce, manufacture, sell or deal in.
21. To enter into partnership or into any arrangements for sharing or pooling of profits, amalgamation, union of interests, co-operation, joint venture, reciprocal concessions or otherwise or amalgamate with any person, firm, authority, corporation, body corporate or Company carrying on the business which this company is authorised to carry on and to lend money or guarantee the contracts of such other person, firm, authority, corporation, body corporate, company and to hold, sell, re-issue their shares.
22. To pay for any properties, rights, or privileges, acquired by the Company either in shares, debentures, of the Company or in cash or otherwise.



23. To obtain from any Government, State, Authority, Individual, Firm or Corporation any licences, concessions, water rights, grants, decrees, rights, power and privileges whatsoever which may seem to the Company capable of being turned to account.
24. To obtain under any Act of Legislature or Parliament, for enabling the company to obtain any powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which may directly or indirectly prejudice the Company's interest.
25. To purchase, develop, invent, acquire, protect and use whether in India or elsewhere, any patents, patent rights, licences, privileges, protections and concessions which may appear likely to be advantageous or useful to the Company and to grant licences or privileges in respect of the same and to manufacture and produce and trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or connection with any such inventions, processes, letters, patent, licences, concessions, rights or privileges as aforesaid.
26. To carry on research and development and to deal in any new process, discovery, invention, process or formula, in cane growing, gardening, hydroponics, soil processes, manuring and chemicals and fertilizers for the more efficient carrying on of the business of the Company in all its branches.
27. To establish, provide, maintain, conduct, endow, subsidise or become members of research laboratories and experimental workshops or scientific and technical research and experiments and to undertake and carry on all scientific and technical research, experiments and tests and to promote studies, research, investigation and inventions by providing, subsidising or endowing libraries, lectures, meetings and conferences and by providing for exhibitions, scholarships, prizes and grants to students or scholars and generally to encourage, promote and reward studies, research, investigations, experiment, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorised to carry on.
28. To create any depreciation fund, reserve fund, sinking fund, insurance fund or any other fund for repairing, improving, extending or maintaining any of the properties of the Company or for redemption of debentures or redeemable preference shares or for any other purpose whatsoever, conducive to the interest of the company.

29. To provide for the welfare of the employees or ex-employees, Directors or ex-Directors, of the Company and the wives, families, dependants or connections of such persons by building or contributing to the building of houses, colonies, settlements, dwelling or by grants of money, pensions allowances, bonus or other payments or by creating and from time to time subscribing, contributing to provident and other associations, institutions, fund or trusts and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit and to subscribe 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 claims to support or aid by the Company either by reasons of locality of operation or of public and general utility or otherwise, and to support and subscribe for or contribute to any funds of any trade, commerce or industry provided such contributions is likely to lead to the advantage and furtherance of business carried on by this Company.
30. To appropriate, use or layout lands belonging to the Company for streets, parks, pleasure grounds, allotments, and other convenience and to present any such lands so laid out to the Government, public or to any persons or Company conditionally or unconditionally as the Company thinks fit.
31. To dedicate, present or otherwise dispose off for value or otherwise any property of the Company to any national trust, public body, museum, corporation or authority.
32. To undertake and execute any trust as may seem desirable, either gratuitously or otherwise.
33. To sell, let, exchange, or otherwise deal with the undertaking of the company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures, or securities of any other Company and if thought fit to distribute the same among the shareholders of this Company.
34. To distribute any of the properties of the Company amongst the members in specie or cash either on reduction of capital or on liquidation of the Company as required by law.
35. To take over any company/Companies or amalgamation and to amalgamate with any Company or Companies having objects altogether or in part similar to those of this Company.

36. To take part in management, supervision or control of the business or operation of any company or undertaking. However the Company shall not act as Managers or Managing Agency of any other Company.

C. The other Objects not included in 'A' and 'B' are:

01. To produce, manufacture, process import or export and otherwise deal in soft drinks, liquors, wines, beer, food products, bio – chemical products, protein products, animal feeds, carbondioxide, vinegar, glycerin, yeast and other.
02. To grow, raise, produce, manufacture and deal in all kinds and varieties of hybrid seeds, edible oil, cattle feed, vanaspathi, vegetable ghee, soaps, grease, corn flakes, glucose, fructose, defatted groundnut cake fuel, pellets from agricultural wastes, turmeric concentrates and flavouring agents.
03. To produce, purchase and sell fertilizers, manures, chemicals, salts, carbonates, chlorates caustic soda, lime, oil, soap, dyestuff, tanning and bleaching materials, chlorine and bleaching powder of all description and to deal in any or all of them.
04. To manufacture and deal in plastics of all kinds based on alcohol or otherwise and the components used thereon for manufacture and in all materials, products, components, compositions, compounds and other substances used for building, flooring, roofing and other purposes.
05. To carry on business as dealers in the products of dairy farm and garden produce of all kinds in particular milk, cream, butter, cheese, other dairy products and their by-products including canned and tinned fruits, dehydration and processing of pulses, fruits and vegetables.
06. To carry on the business of bakers and biscuits makers.
07. To carry on the business of traders and dealers in all livestock.
08. To manufacture, purchase, acquire, sell, give or otherwise deal with engines and other machineries, pumps, tractors, agricultural implements, tools, hoses and other materials for the purpose of agricultural and cultivation and growing of sugarcane, sugar beet, setts and other crops and for horticultural purpose and for the manufacture of sugar, paper, paper pulp, alcohol, liquor, chemical, fertilizers and seeds.

09. To carry on the business of commission agents, del-credere agents, dealers, importers and exporters of products and goods of all description, manufactured, made, processed, purchased by this Company or otherwise.
10. To carry on the business of transport operators.
11. To act as advisers and/or consultants on all matters relating to management, finance, secretarial, administration, organization, production, training of personnel, marketing, computer services.
12. To open schools and publish books, reports, journals, magazines, newspapers, periodicals, thesis, researches, writings, discourses, documents, formulae, news and information and to take cine films, plates, pictures, painting, sketches and to make lantern slides, transparencies, stereoscopic slides, video tapes and to have printing presses and litho presses and block making devices and accessories and to do business as such.
13. To undertake, carry out, promote and sponsor rural development programmes including any programme for promoting the social and economic welfare of the public in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. The Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as they may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority or Central or State Government or any public institutions or trusts or funds or organization (s) or person (s) as the Directors may approve.
14. To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers, or for organizing lectures or seminars likely to advance these object or for giving merit awards, scholarships, loans or any other assistance to deserving students or scholars or persons to enable them to pursue their studies or research and for

establishing, conducting or assisting any institutions, fund or trust, having anyone of the aforesaid objects as its object by giving donation or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any public or local body or authority Central or State Government or any public institution or trusts or funds or organization (s) or person (s) as the Directors may approve.

15. To carryon the business of co-generation of power.
16. To carryon the business of floriculture, horticulture and other allied activities.
17. To carryon trade or business of property developers, builders, contractors for construction work of any kind including residential, commercial and industrial buildings, holiday resorts, clubs, motels, entertainment centres, health clubs, sports complexes and other specialised structures; to acquire by purchase, lease, exchange, hire or otherwise, lands, buildings and properties of any tenures or any interest therein and to develop the same; to erect and construct houses, buildings or works of every description on any land of the company or any other lands or property, and to improve, convert or appropriate such properties into utilities or other conveniences and generally to deal with, develop and improve any immovable property.

IV. The Liability of the members is limited.

V. The share capital of the Company is *Rs.30,00,00,000/-* (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of *Rs.10/-* each with power to increase or reduce or alter the capital in accordance with the provisions of the Companies Act, 1956 (Ordinary Resolution passed at the 12<sup>th</sup> Annual General Meeting held on 28th August 1998).

We, the several persons, whose names, addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

S. No	Name and Address, Description and Occupation of Subscribers	No. of equity shares taken by each subscriber	Signature
01.	<b>G. Varadaraj</b> S/o. Late P.S.G. Ganga Naidu 'Rajshree' 15, Travellers Bungalow Road Coimbatore – 641 018 (Industrialist)	1510 (One Thousand Five Hundred and Ten Only)	Sd. G. Varadaraj
02.	<b>Smt. V. Srivalli</b> W/o. Shri G. Varadaraj 'Rajshree' 15, Travellers Bungalow Road Coimbatore – 641 018 (Industrialist)	1510 (One Thousand Five Hundred and Ten Only)	Sd. V. Srivalli
03.	<b>Smt. Rajshree Pathy</b> W/o. Shri S. Pathy 'Rajshree' 15, Travellers Bungalow Road Coimbatore – 641 018 (Industrialist)	1510 (One Thousand Five Hundred and Ten Only)	Sd. Rajshree Pathy
04.	<b>G. R. Karthikeyan</b> S/o. Late Shri G. Ramaswamy Naidu 14, Travellers Bungalow Road Coimbatore – 641 018 (Industrialist)	520 (Five Hundred and Twenty Only)	Sd. G. R. Karthikeyan
05.	<b>Smt Sheela Karthikeyan</b> W/o Shri G. R. Karthikeyan 14, Travellers Bungalow Road Coimbatore – 641 018 (Industrialist)	520 (Five Hundred and Twenty Only)	Sd. Sheela Karthikeyan
06.	<b>R. Venkatesalu</b> S/o. Shri S. N. Rangaswamy Naidu 1/8, Ramakrishna Nilayam Pappanaickenpalayam Coimbatore – 641 037 (Industrialist)	500 (Five Hundred Only)	Sd. R. Venkatesalu
07.	<b>V. Ramakrishnan</b> S/o. Shri R. Venkatesalu 1/8, Ramakrishna Nilayam Pappanaickenpalayam Coimbatore – 641 037 (Industrialist)	500 (Five Hundred Only)	Sd. V. Ramakrishnan

Total Number of Shares subscribed 6570 (Six Thousand Five Hundred and Seventy only)

**Witness to the above Signatures :**

[Sd] N. G. Srinivsa Rao

S/o Shri N. Gundu Rao

Chartered Accountants

8-A, Devanga High School Road

Coimbatore -641 002.

Place : Coimbatore

Date : 23.10.1985

**The Companies Act, 1956**  
**Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

**OF**

**RAJSHREE SUGARS & CHEMICALS LIMITED**

[as amended and adopted in the Annual General Meeting  
held on 8<sup>th</sup> September 2000]

**INTRODUCTION**

- 01 In these Articles, unless the context otherwise requires
- a) The words of expressions contained in the Articles shall bear the same meaning as in the Act or any statutory modifications thereof.
  - b) The 'Act' means the Companies Act, 1956 as amended from time to time.
  - c) The 'Seal' means the Common Seal of the Company.
  - d) The words importing singular shall include plural and vice versa and words importing the masculine gender, shall include feminine and words importing persons shall include bodies corporate.
  - e) 'Month' and 'Year' means a calender month and calender year respectively.
  - f) Expressions referring to writing shall be construed as including reference to printing, lithograph, photograph and other modes of presenting or reproducing words in a visible form.
  - g) "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub section (1) of section 2 of the Depositories Act, 1996.

- h) "Depositories Act" means the Depositories Act, 1996, including any statutory modification or reenactment thereof for the time being in force.
- i) "Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.
- j) "Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.
- 02 The covenants contained in Table 'A' in Schedule I of the Companies Act, shall apply to this Company in so far as they have not been specifically modified or excepted by these presents.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- 03 a) The share capital of the Company is *Rs.30,00,00,000/-* divided into 3,00,00,000 Equity Shares of *Rs.10/-* each (Special Resolution passed at the 12<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> August 1998).
- b) The Company shall have the power to increase or decrease or reduce the share capital from time to time according to the exigencies of business.
- c) Provided that an option or right to call on shares shall not be given to any person (s) except with the sanction of the Company in general meeting.

### **COMPANY'S LIEN OF SHARES**

- 04 The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that this article will have the full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless and until otherwise agreed, the registration of a transfer of shares shall operate as waiver of the Company's lien, if any, on such shares. The Directors may, at any time, declare any shares wholly or in part to be exempt from the provisions of this clause.



## **DEPOSITORY SYSTEM**

- a) The company shall be entitled to dematerialise its existing shares and other securities, rematerialise its shares and other securities held in the depositories and/or offer fresh shares and other securities in a dematerialised form pursuant to the Depositories Act 1996 and the rules framed thereunder, if any,
  
- b) The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.
  
- c) Every person subscribing to shares offered by the Company shall have the option to receive share certificate, or to hold the shares with a Depository. Such a person who is the Beneficial Owner of shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of shares.

If a person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the depository shall enter in its record the name of the allottee as the Beneficial owner of the shares.

- d) All shares held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the shares held by it on behalf of "the Beneficial Owners".
  
- e) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares on behalf of the Beneficial Owner.  
  
(ii) Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his shares, which are held by a Depository.

- f) Notwithstanding anything in the Act or these Articles to the contrary, where shares are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.
- g) Nothing contained in Section 108 of the Companies Act, 1956 or these articles shall apply to a transfer of shares effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- h) Notwithstanding anything in the Act or these Articles, where shares are dealt with by a Depository, the Company shall intimate the details thereof to the Depository, immediately on allotment of such shares.
- i) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not 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 other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.
- j) The Company shall cause to be kept a Register and index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- k) The Company shall keep a "Register or Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form.
- l) In the case of transfer or transmission of shares, where the Company has not issued certificates and where such shares are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
- m) A depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the beneficial owner as per the Register of Beneficial Owner maintained by a Depository shall be entitled to such rights in respect of shares held by him in the Depository. Any reference to the member or joint members in Article 98 to 110 shall include a reference to Beneficial Owner or Joint Beneficial Owners in respect of "the shares held in a Depository".

### **NOMINATION**

- a) Subject to Provisions of section 109 -A and 109-B of the Companies Act, 1956, every holder or joint holder of shares or debentures may at any time nominate a person to whom his/their shares or debentures shall vest in the event of death and such nominee may either register him as the holder of the share or debenture, as the case may be or make such transfer of such shares or debentures as the deceased shareholders or debenture holders could have made.
  
- b) Notwithstanding anything contained in Table A of the Companies Act, 1956, on the death of a member where he was a sole holder, if the member has filed a nomination in the prescribed form, the nominee shall be the only person recognised by the company as having any title to his interest in the shares.

### **DEBENTURES**

- 05 Debentures, debenture stock bonds or other securities with a right to allotment of or conversion into shares, shall not be issued without the sanction of the Company in general meeting.

### **PROCEEDINGS AT GENERAL MEETING**

- 06 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, five members present in person shall be a quorum.
  
- 07 The Chairman, if any, of the Board, shall preside as Chairman at every general meeting of the company.
  
- 08 If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting or being present is unwilling to act as Chairman of the meeting, the members present shall elect one of the members to be the Chairman of the meeting.
  
- 09 Save as otherwise expressly provided for in the Act, matters at any general meeting shall be decided by a majority of votes.

## **DIRECTORS**

- 10 Until otherwise decided by the Company in general meeting the minimum and maximum number of Directors shall be three and twelve respectively (including nominee Directors, if any).
- 11 There shall be no share holding qualifications for Directors.
- 12 Every Director shall be paid from out of the funds of the Company by way of sitting fee, such sum as prescribed by the Central Government from time to time for every meeting of the Board or any committees thereof attended by him.
- 13 Without prejudice to Article 12 herein, every Director who comes to the meeting from a place other than the city or town where the meeting is held, shall, in addition be entitled to receive from out of the funds of the Company, all travelling and stay expenses reasonably incurred by him for the purpose of attending the meeting of the Board or any committee thereof.
- 13A The Board may in accordance with and subject to the provisions of section 313 of the Companies Act, 1956 appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. (New clause as passed at the 6th Annual General Meeting held on 24th August 1992).

## **MANAGING DIRECTOR / WHOLETIME DIRECTOR**

- 14 Subject to the provisions of the Act, the Company shall
- a) be managed by one or more Managing Director/s/Wholetime Director/s, who shall be appointed by the Board of Directors.
  - b) The Managing Director/s on appointment, shall automatically have the substantial powers of management of the affairs of the Company vested in him/ them. Such Managing Director/s shall however perform all the functions and shall exercise all the powers, which the board of Directors of the Company may assign or entrust. He/they shall, however function subject to the control, guidance and supervision of the Board of Directors.
  - c) The Wholetime Director/s shall perform all the functions and shall exercise all the powers which the Board of Directors of the Company may assign or entrust. He/they shall, however, function subject to the control, guidance and supervision of the Managing Director/s.
  - d) The Managing / Wholetime Director/s shall be paid such remuneration as may be determined in this behalf by the Board and as approved by the Company in general meeting and subject to further approvals, if any required from the Central Government.

- \* e) The quantum of compensation payable to the Managing / Wholetime Directors for loss of office, if any, shall be determined in accordance with the provisions of the Act.
- \* f) The Chairman / Chairperson of the Company shall not be subject to retirement by rotation, while in that position. He / she may be paid remuneration / commission in accordance with the provisions of the Companies Act, 2013.

#### **NOMINEE DIRECTOR**

- 15 Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India Limited (IFCI), the Industrial Credit and Investment Corporation of India Limited (ICICI), the Industrial Re-construction Bank of India Limited (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), the Oriental Fire and General Insurance Company Limited (OFGI), the New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI) or a State Financial Corporation or any Financial Institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereafter in this Articles referred to as "The Corporation") out of any loans/debentures assistance granted by them to the Company or so long as the Corporation holds or continues to hold debenture/shares in the Company or so long as a result of underwriting or by Direct subscription or private placement, or so long as any liability of the Company or so long as a result of under writing or by Direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or nonwhole-time (which Director or Directors, is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. Such Nominee Director/s shall not be required to hold any share qualification in the Company, such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continue to hold debentures/shares in the Company as a

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\* *Altered vide special resolution passed at the Annual General Meeting held on 28<sup>th</sup> August 2017.*

result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to Corporation are paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under the article shall be entitled to receive all notices of and attend all general meetings, Board meetings and of the meetings of the committee of which the nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as Wholetime Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the corporation.

### **CHAIRMAN**

- \* 16 The Board may elect a Chairperson of its meeting and determine the period for which such Chairperson shall hold office. Such Chairperson shall occupy the position, notwithstanding that he/she is the Managing Director of the Company for the time being. The Board is empowered to fix the term of office of such Chairperson and in the absence of term being fixed, the Chairperson so elected shall occupy the position as long as she/he is director of the Company. The Chairman so appointed shall preside over all the meetings of the Board and the General Meetings during the tenure of his/her office.
- 17 The Chairman or the Managing Director/s may of their volition and at any time summon a meeting of the Board.

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\* *Altered vide special resolution passed at the Annual General Meeting held on 8<sup>th</sup> September 2014.*

- 18 Any Director other than Chairman and the Managing Directors desirous of convening a meeting of the Board shall inform in writing to the Chairman or the Managing Director/s, his desire to have the meeting convened and the purpose of such meeting.
- 19 The Chairman or the Managing Director/s shall within a week from the date of receipt of such notice from any Director either convene the meeting of the Board or inform the Director concerned in writing as to why the calling of the meeting is not desirable.
- 20 No Director/Directors other than the Chairman or the Managing Director/s, shall have the power to convene the Board meeting.
- 21 Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board, shall be decided by a majority of votes. In case of any equality of votes, the Chairman of the Board, for the time being, shall have a second or casting vote.

#### **DIVIDEND**

- 22 No unclaimed dividend shall be forfeited by the Board unless the claim thereto become barred by law and the Company shall comply with all the provisions of Sec. 206A of the Companies Act in respect of unclaimed or unpaid dividend.

#### **COMMON SEAL**

- 23 The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors or of a Committee of the Board and except in the presence of at least one Director and of the Secretary or such other person as the Board may appoint for the purpose and the Director and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence. This clause is subject to Companies (issue of share certificate) Rule. 1960.

S. No	Name and Address, Description and Occupation of Subscribers	Signatures of Subscriber
01.	<b>G. Varadaraj</b> S/o. Late P.S.G. Ganga Naidu 'Rajshree' 15, Travellers Bungalow .Road Coimbatore – 641 018 (Industrialist)	Sd. G. Varadaraj
02.	<b>Smt. V. Srivalli</b> W/o. Shri G. Varadaraj 'Rajshree' 15, Travellers Bungalow .Road Coimbatore – 641 018 (Industrialist)	Sd. V. Srivalli
03.	<b>Smt. Rajshree Pathy</b> W/o. Shri S. Pathy 'Rajshree' 15, Travellers Bungalow .Road Coimbatore – 641 018 (Industrialist)	Sd. Rajshree Pathy
04.	<b>G. R. Karthikeyan</b> S/o. Late Shri G. Ramaswamy Naidu 14, Travellers Bungalow .Road Coimbatore – 641 018 (Industrialist)	Sd. G. R. Karthikeyan
05.	<b>Smt Sheela Karthikeyan</b> W/o Shri G. R. Karthikeyan 14, Travellers Bungalow .Road Coimbatore – 641 018 (Industrialist)	Sd. Sheela Karthikeyan
06.	<b>R. Venkatesalu</b> S/o. Shri S. N. Rangaswamy Naidu 1/8, Ramakrishna Nilayam Pappanaickenpalayam Coimbatore – 641 037 (Industrialist)	Sd. R. Venkatesalu
07.	<b>V. Ramakrishnan</b> S/o. Shri R. Venkatesalu 1/8, Ramakrishna Nilayam Pappanaickenpalayam Coimbatore – 641 037 (Industrialist)	Sd. V. Ramakrishnan

**Witness to the above Signatures:**

[Sd] N. G. Srinivasa Rao

S/o. Shri N. Gundu Rao

Chartered Accountants

8-A, Devanga High School Road

Coimbatore – 641 002.

Place : Coimbatore

Date : 23.10.1985