

ARTICLES OF ASSOCIATION  
OF  
INDIA PEPPER AND SPICE TRADE ASSOCIATION  
PRELIMINARY

**Interpretation**

**1.**The marginal notes hereto shall not affect the construction hereof. In these presents, unless there be something in the subject or context inconsistent therewith:-

(A) The "Association" means India Pepper and Spice Trade Association.

(B) "Members" include an Ordinary Member, Trading Member, Trading Cum Clearing Member, and Professional Clearing Member and subscribers to the Memorandum of Association, and mean a person, Firm, Corporation, or a Limited Company admitted into the Association as such according to these presents.

(C) The "Office" means the registered office of the Association for the time being.

(D) The "Bye-laws" means the Bye-laws, Rules and Regulations of the Association for the time being in force.

(E) The "Act" means the Companies Act I of 1956 and every statutory modification or replacement thereof.

(F) The "Register" means the Register of Members, maintained pursuant to the Provisions of the Companies Act, 1956.

(G) "Year" means financial year commencing from 1<sup>st</sup> April and ending with 31<sup>st</sup> March

(H)

Directors" means the Directors for the time being of the Association

(I)

The "Board" means the Board of Directors of the Association for the time being acting through at least a quorum of them or in such manner as may be provided

for in these articles and includes a meeting of the Board duly called and constituted.

(J) "President" means the president of India Pepper and Spice Trade Association elected in accordance with the provisions of the articles of Association and in his absence the Vice-President and includes the President for the time being

(K) "Vice-President" means the Vice-President of the Association.

(L)

"Place of Business" means an office where in the opinion of the Directors, a member or a person, Corporation, Company eligible for Membership is conducting or intending to conduct a bonafide business directly or through an authorized person in pepper and /or spices and other commodities.

(M) The "Secretary" means the Secretary of the Association and include an officiating secretary A Deputy Secretary, an Assistant Secretary, an officiating Deputy or Assistant secretary.

(N) In "Writing" and "Written" include printing, typing, lithography and other modes of representing words, figures, and signs in a visible form.

(O) Words importing the singular number only include the plural number and vice versa.

(P) Words importing the singular number only include the plural number and vice versa.

(Q) "Seal" means the common seal of the Association.

(R) "Authorised Representative" or "Representative" means a person registered as the "Representative" of a member under the Article 29(v) hereof.

(S) "Month" means the month according to the English calendar.

(T) "General Meeting" means a general meeting of the Members of India Pepper and Spice Trade Association duly convened and constituted.

(U) "General Body" means the members present at the General, Extra Ordinary and special meetings of the Association and acting through a quorum.

1.(W) "Trade Guarantee Fund" or Guarantee Fund" means the Fund/Trust established by the Association through contributions made by the Association through contributions made by the Association and/or members both present and future, as well as members of the public for the purpose of making payments falling due on account of the Association's guaranteeing the performance of transactions in the commodity derivative contracts in the IPSTA Trade Division.

2.(a) The number of Members of the Association shall be limited to 500, provided always that the Board of Directors may, from time to time, whenever the Association requires it, register an increase of Members.

(b) The subscribers to the Memorandum and such other persons as the Board shall admit to Ordinary membership shall be members of the Association.

## Qualifications

3.(i) There shall be four classes of Members: Ordinary Member, Trading Member, Trading Cum Clearing Member and Professional Clearing Member

3.(i) a. Trading cum clearing member are entitled to trade on their own account as well as on the account of their clients, TCM can also clear and settle these trades themselves.

3.(i)b. Trading member category of membership entitles a member to execute trades on his own account as well as on account of his clients but, clearing and settlement of trades executed through the Trading Member would have to be

done through a Trading-cum Clearing Member or Professional Clearing Member of the Exchange.

(ii) (a)

Ordinary member shall mean any member having a voting right in the exchange, However trading rights can be exercised only after registering with SEBI.

(b)

Subject to a special resolution being passed by a two-thirds majority of the members present

And entitled to vote at a general meeting.

(c) Ordinary members of the Domestic Division of the Association shall have the right to trade any or all contracts controlled or regulated by the Association through the IPSTA Trade Division.

(d) This clause has been deleted.

(iii) This clause has been deleted.

(iv) This clause has been deleted.

(v) This clause has been deleted.

### **Rights of present members to continue**

4(i) Any person, Firm, a Company or Corporation, who on the date of incorporation of this Association is a member of the unincorporated

Association (India Pepper and Spice Trade Association) shall automatically be enrolled as a Ordinary member of the incorporated Association (India Pepper and Spices Trade Association) without payment of any admission or other fees.

4(ii) Any person, Firm, Company or Corporation having a place of business in the Union of India and having either an office, agent or authorized representative in Kochi and intending to carry on business in pepper and/or other commodities for trading in which the Association may be recognized by the Central Government and being a subject of the Republic of India, may by applying to the Association in the form prescribed by the Board from time to time and on payment of such deposit, admission fee and initial contribution to the Guarantee Fund established by the Association as a separate trust and annual subscription as specified in Article in Article 5 and on agreeing to conform to the Memorandum Of Association and Articles of Association and the Rules, regulations and bye-laws of the Association which may be in force and subject to the application being passed in accordance with these presents be elected an Ordinary Member of the Association. Such Ordinary Member of the Association being a subject of the Republic of India shall be eligible to be an Ordinary Member in the IPSTA Trade Division of the Association. But no person who is a minor or a person otherwise incompetent to enter a contract or a lunatic or a person who is declared a defaulter by any association recognized by the Government under the laws in that behalf or who has compounded with his or its creditors or is an adjudicated insolvent or whose registration or application for registration with the SEBI has been suspended, revoked or rejected by the SEBI shall be registered or continued as an Ordinary Member.

(iii) This clause has been deleted

(iv) This clause has deleted.

(v) Net owned funds of an Ordinary Member shall be the sum of the values of fixed and current assets owned by the Ordinary Member shall not include

intangible assets. The value of current assets of an Ordinary Member shall include only cash, margin and security deposits, bank deposits and readily marketable investments. Secured liabilities shall include all liabilities (regardless of country of origin of creditors) of the Ordinary Member.

vi) Any scheduled commercial bank licensed by the Reserve Bank of India and any all-India

Term lending financial institution owning at least the stipulated maximum number of equity shares in the same Designated Clearing House, wherein the stipulated minimum and the stipulated maximum number of shares and the designated clearing house would be as specified by the Board from time to time, may by applying to the Association in the form

Prescribed by the Board from time to time and on payment of such deposit, admission fee and annual subscription as specified in Article 5 and on agreeing to conform to the Memorandum of Association and Articles of Association and the Rules, Regulations and

Bye-Laws of the Association which may be in force and subject to the application being passed in accordance with these presents, be elected an Institutional Clearing Member of the Association.

But no scheduled commercial bank or all-India term-lending financial institution whose

Registration or application for registration with the SEBI or whose license to conduct banking, borrowing, lending or investment operations and business in India under the regulation and supervision of the Reserve Bank of India and/or by the

Central Government under the relevant Act(s) and statute(s) has been revoked or suspended shall be registered or continued as an Institutional Clearing Member of the Association.

5(i) The entrance fee and the annual subscription payable by an Ordinary Member in the Domestic Division shall be Rs.15000/- and Rs.1000 respectively. In addition an Ordinary Member in the Domestic Division shall pay a sum not less than Rs.25000 as may be determined by the Board from

time to time with the concurrence of the General Body to the Guarantee Fund to be known as the IPSTA Domestic Division Trade Guarantee Fund Set up by the Association as initial contribution to the IPSTA Domestic Division Trade Guarantee Fund.

Provided however that all existing Ordinary Members as per the Register of Members of the Association shall also pay a fixed contribution of Rs.10000/- (Rupees ten thousand Only) to the corpus of the Guarantee fund at the time of its establishment.

5 (i) This clause has been deleted,

In addition, all Ordinary Members shall place with the Association a security deposit of Rs.500 (Rupees five hundred) which shall bear no interest. The Ordinary Member shall not be entitled to withdraw the security deposit so long as he continues to be an ordinary member of the Association.

((ii) This clause has been deleted.

Addition 5(v) & (vi)

The following sub-clause be added at the end of the existing sub-clause 5(iv)

(v) A new applicant for Ordinary Membership in the IPSTA Trade Division shall submit Written and certified proof of having minimum net owned funds of Rs.200000 to be eligible for ordinary membership. Net owned funds of an Ordinary Member shall be the sum of the values of fixed and current assets owned by the Ordinary Member less the sum of any secured and unsecured liabilities of the Ordinary Member. The value of fixed assets owned by an Ordinary Member shall not include intangible assets. Further, any revaluation of Fixed Assets will not be taken into consideration for working out net owned funds. The value of current assets of an Ordinary Member shall include only cash, margin and Security deposits, bank deposits and readily

marketable investments, closing stock and sundry debtors. Secured liabilities shall include all liabilities due from and charged to the assets and /or future income of the Ordinary Member in accordance with the provisions of the relevant Act and Rules framed thereunder. Unsecured liabilities shall include all other liabilities of the Ordinary Member.

vi) Any person, firm, a company or Corporation who is a registered broker of the Association and whose name is in the Register of Brokers as on July 15, 2000 shall be eligible to submit his application to enroll as an ordinary Member in the Domestic Division of the Association subject to the approval of the Board, with the concessional payment of entrance fees of Rs. 5000/- and concessional contribution to the guarantee fund of Rs. 10000 provided however he meets the criteria of minimum concessional net owned funds of Rs. 100000 computed as per Article 5(v) and required annual subscription and security deposit applicable to other members of the Domestic Division. The provision of this article shall be applicable upto one month from date of effect.

8. This clause has been deleted

### **Application for membership**

9) Every application for membership shall be made in writing in accordance with the form prescribed by the Board and signed by the Applicant and shall be forwarded together with the prescribed fees to the secretary of the Association who shall cause the name of the applicant to be posted on the Notice Board of the Association seven days before the next meeting of the Board any objection against the applicant which would disqualify him from being a member.

### **Election of members**

10. After the expiration of seven days and after considering any objection as mentioned in the preceding article, the applicant shall be declared elected as a

Ordinary member by the Board, provided that at least three fourths of the votes, of the Directors present are cast in favour of the candidate. The same applicant may not be considered for admission unless a period of 6 months has elapsed since previous rejection of his application for membership.

### **Board to decide eligibility**

11. The Board shall decide any question which may arise as to the eligibility or otherwise of an applicant for admission as a member of the Association, and its decision shall be final. Also all trading members and Trading cum clearing members shall comply with the eligibility requirements as stipulated by SEBI.

### **Membership Certificates**

12. Every member shall be issued a certificate regarding his membership which shall be given by the Association under its common seal signed by two members of the Board and countersigned by the secretary. If any such certificate be lost, destroyed or defaced, the Board shall issue a duplicate certificate on payment of such fees as may be prescribed by the Association in that behalf.

## **DUTIES AND RIGHTS OF MEMBERS**

### **Duties of Members**

13. Every member shall be bound to further to the best of his or its ability the objects and interests of the Association and shall observe and act up to the Rules, Regulations and bye-laws of the Association for the time being in force.

### **Right of Ordinary Member to enter into transactions and right of Clearing Member to clear transactions**

14. Every Trading Member of the Association shall have the right to enter into contracts in pepper and other commodities in the forms from time to time

prescribed by the Association and the same shall be subject to the Rules, Regulations and bye-laws of the Association.

An Institutional Clearing Member shall have the right to clear and guarantee the performance of all contracts entered into by any Ordinary Member in the forms from time to time prescribed jointly by the Association and the designated Clearing House and the same shall be subject to the Rules, Regulations and Bye-laws of the Association and/or the designated Clearing House.

### **Responsibilities of Firms, Corporation, etc**

15. Firms or Limited Companies admitted to the membership of the Association shall be responsible in all matters as an individual member for the acts and defaults of their servant, agents and officers, and shall similarly be entitled to the protection and privileges of the Association.

Change in the constitution of the firms

16. A Firm shall not cease to be a member by reason of a change in the constitution of the Firm, occasioned by the admission, retirement or death

### **Change in the Constitution of Firms**

16. A firm shall not cease to be a member by reason of a change in the Constitution of the Firm, occasioned by the admission, retirement or death of a partner, provided the business of the Firm is continued in the conventional name and trading style in which such firm was elected a member.

17. The member shall forthwith intimate to the Association any changes in the constitution of the Company, partnership or the name or address from time to

time.No changes in the constitution of the partnership or shall become operative so far the Association and its members are concerned unless and until changes are notified to the Association in accordance with the conditions laid down by the Board in this behalf.

### **Change in the corporate name**

18.A firm, company, bank, financial institution or corporation shall not cease to be a member of the Association upon any change being made in the constitution or conventional or corporate name of the said firm, company, bank, financial institution or corporation respectively unless the Board, if the Board think fit, declare and direct otherwise. If the Board decide and direct otherwise, the continuance of the membership of such firm, company, bank, financial institution or corporation shall be on such terms as may be decided by the board including a fresh application for membership or any fresh admission fee.

### **Vesting of rights in Association on the death of a member**

19. On the death of a member or in the case of a Firm or Corporation on its dissolution or on its going into liquidation, his or their rights of membership shall cease and vest in the Association, provided that the Association shall not be liable for any liabilities of the deceased member or the Firm or Corporation which has gone into liquidation as the case may be.

Nomination by legal representative

20 The Legal Representative of a deceased member may with the sanction of the Board nominate one of themselves or any other person eligible under the Rules and Bye-laws for the time being in force for admission to membership of the Association as a candidate for admission in place of the deceased member.

### **Forfeiture of member's rights**

21. When a member is declared a defaulter by the Board or is expelled by the Association or when a member is adjudicated an insolvent or when a firm or corporation being a member is dissolved or has gone into liquidation, his or their rights of membership and all his or their rights and privileges as a member of the Association, shall be forfeited to and become the property of the Association, but any liability of any such member to the association or to any other member of the Association shall continue and remain unaffected.

### **Disposal Of Forfeiture of Rights**

22. The right of membership which under any rule for the time being in force is forfeited to and vests in the Association shall belong absolutely to the Association free of all rights, claims, and interest of such member or any person claiming through such member and the Board shall be entitled to deal with or dispose of the said rights as the Board may think fit.

## **RESIGNATION, SUSPENSION ETC OF MEMBERS**

### **Resignation of members**

23. An Ordinary Member may resign from IPSTA Trade division of the Association by giving three months notice in writing to the Association of his or its intention to do so and upon the expiration of such notice and acceptance of such resignation by the Board, he shall cease to be a member, provided nevertheless that he shall continue to be responsible and liable for all the liabilities incurred by him and a member of the Association prior to his ceasing to be a member.

### **Termination of membership**

24. A member shall cease to be a member and his or its name shall be removed from the Register of Member:

- (i) If he or it is declared a defaulter or becomes or is adjudicated an insolvent or becomes a lunatic or of unsound mind or in the case of a Firm is wound up except for the purpose of reconstruction or suspends payment or ceases to have a place of business in Kochi.
- (ii) If he is pronounced guilty of a criminal offence involving moral turpitude or other acts which in the opinion of the Board amount to an act or conduct in contravention of the Rules and Regulations of the Association or to the detriment or discredit of the Association or is injurious to the welfare of the Association.
- (iii) If he resigns from the Association in a manner provided hereinbefore in the preceding clause.

#### **Expulsion of members and others**

25. The Association shall have the power to expel, suspend, fine, warn, reprimanded and declare as a defaulter any member or his or its employee or representative and the Board shall from time to time frame and amend, alter or repeal Rules as to when under which circumstances and by whom, a member can be so expelled, suspended, fined, warned, reprimanded, or declared a defaulter.

(A) If it shall appear to the Board that any particular member has not conformed to the articles or Bye-laws, Rules and Regulations of the Association or that any member has been guilty of any conduct likely to reflect detrimentally on the Association, it shall be within the competence of the Board to take appropriate action against the member after giving him an opportunity to represent his case before the Board.

(B) (i) If at any time the Board suspects or comes to know or if it is brought to its notice about the financial weakness or commitments of any Member in the division

beyond his means the Board is empowered to enquire into his financial position, and after giving the Member an opportunity to represent his case, if it is satisfied by two-thirds majority of its members present that any further commitments by such Member will involve the other members of the Association or registered non-members into a loss, it shall appraise the General Body of the position and take appropriate action in the matter.

(ii) If at any time the Board suspects or comes to know or if it is brought to its notice about the financial weakness or commitments of any Trading-cum-clearing Member beyond his means the Board is empowered to enquire into his financial position, and after giving the Trading-cum-Clearing Member an opportunity to represent his case, if it is satisfied by two-thirds majority of its members present that any further commitments by such Trading-cum-Clearing Member will involve the other members of the Association or registered non-members into a loss, it shall appraise the General Body of the position and take any appropriate action in the matter.

(C) Any person, Firm, or Company who has been expelled under Article 25 shall not be eligible for re-election until after the expiry of one year from the date of expulsion and provided not less than three members in addition to the proposer and the second support the proposal for re-admission.

25.(D) Any member who shall for any reason cease to be a member shall nevertheless remain liable for and shall pay to the Association or to its order all moneys which may be due from such member to the Association at the time such member ceases to be member, but he shall not however, be entitled to refund of any subscription, donations, contributions to the Association and/or to the IPSTA Domestic Division Trade Guarantee Fund or fee paid by him in advance.

26. On ceasing to be a member, an erstwhile member shall have no right to repayment of the admission fee and subscription fee paid by him to the Association and his contributions to the Trade Guarantee Fund (by whatsoever name called) established by the Association.

### **Liability of members against whom disciplinary action is taken to continue**

27. A member against whom disciplinary action as mentioned in the preceding clauses is taken shall be liable to pay to the Association all fines, subscriptions and other moneys due or to become from him to the Association or to any member of the Association.

### **Register of members**

28.(A) The Board shall cause to be kept and maintained from time to time a Register and index of Ordinary Members and Institutional Clearing Members at the Registered Office of the Association and the register shall also contain particulars of the division, the panel, style, constitution and address of the Persons, Firms and Companies who are members and in the case of a Company or Corporation, the name and address of its Managing Director.

(B) Every member shall promptly notify the Association in writing of any change affecting any of the entries in the Register.

(C) A Member being a person taking into partnership with him another person or persons taking into partnership with him another person or persons or being a firm altering its style or Constitution or converting its business into a limited Company, or being a Company going into voluntary liquidation for the purpose of reconstitution or amalgamation or transferring its business to another company except on a sale for cash, then on application to the Board and upon such terms as the Board may deem fit to impose on such members, may transmit his or its membership to such firm as so styled or constituted or such Company as the case may be, provided such transmittee is qualified for membership under these articles.

## **AUTHORISED REPRESENTATIVE**

### **Appointment of representatives**

29

(i) "Every member being an individual or firm or limited Company shall from time to time nominate any person as his/their authorized representatives by executing specific power of attorney, by person or persons having authority in this behalf, who shall have full authority to conduct and manage such member's business in Pepper and/or other commodities in Kochi. If the member does not so nominate, he/partners /directors shall be deemed to have nominated himself/themselves.

(ii) Every member not being a Firm, shall from time to time, by a nomination in writing signed by a person holding its general power of attorney or nominate a person, duly authorized who shall ordinarily be resident in Kochi to be its Authorised Representative.

(iii) Every member not being an Individual or Firm or shall from time to time, by a nomination in writing signed by some person or person having authority in this behalf, nominate one of its members or a person duly authorized who shall ordinarily be a resident in Kochi to be its Authorised Representative.

(iv) A person shall not be nominated as an Authorised Representative unless he has an office in Kochi, and unless he shall in the opinion of the Board whose opinion in the matter shall be final and binding, have full authority, to conduct and manage in Kochi, business in pepper and other commodities, for which the Association may be recognized by the Central Government on behalf of a principal engaged in the trade in pepper and other commodities.

(v) The Association shall maintain a Register of Authorised Representatives and there shall be entered from time to time in such Register the names of persons nominated or deemed to be nominated in accordance with the provisions of these Articles.

(vi) If any member who has or is deemed to have nominated an Authorised Representative, ceases to be a member, the name of such Authorised Representative shall be struck off the Register maintained under this Article.

(vii) The entry of a nomination in the Register of Authorised Representatives maintained under this Article shall be conclusive evidence that the person so nominated is the Authorised Representatives of the member who nominated him.

### **SUBSCRIPTION AND DEPOSIT**

30. Every member shall pay an annual subscription as prescribed in Article 5 or such fee as may be prescribed by the Board from time to time. Subscription is to be paid in advance. A member whose annual subscription has not been paid within one month of the due date shall be deemed to be in arrears and his name shall be struck off the rolls, if after due notice, he does not pay the subscription. It shall however be open to the Board to admit him as a member on the payment of all outstanding subscription.

### **Funds of the Association**

31. All moneys received by the Association in respect of admission fee, annual subscription, fines, penalties, and otherwise whether under these Articles or the by-laws or otherwise shall belong to the Association absolutely and may be dealt with in such manner as the Board may from time to time think fit.

### **Control of deposit money**

32. (a) All moneys received by the Association as deposit from members and others whomsoever shall be deemed to be under the absolute control of the Association. The

Association shall be entitled,subject to the provisions of these Articles,to use them as if these moneys belonged to the Association absolutely.

(b)The deposit of a member shall be liable to be utilised in the event of that member failing to fulfil his engagements,obligations or liabilities to the Association or to other members of the Association arising out of any contract or obligations made subject to the Rules,Regulationsand Bye-laws of the Association.The Association shall have the first lien on the amount of the deposit in respect of such members' engagements,obligations or liabilities to the Association and the surplus,if any,shall be subject to a second lien,in favour of other members in respect of engagements,obligations or liabilities to the Association and the surplus,if any,shall be subject to a second lien,in favour of other members in respect of engagements,obligations or liabilities in his or its capacity as a member of the Association whether the period for payment ,fulfillment or discharges thereof shall have actually arrived or not.The deposit or part thereof to be repaid,if any,to a member shall be repaid within a period of one month from the date on which all the liabilities of the members are fully discharged.

## **Borrowing Powers**

33.This clause has been deleted.

## **Power to secure payment**

34.The Board may raise or secure the payment or repayment of such sums or sum of moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures or debenture stock of the Association charged upon all or any part of the properties and assets of the Association both present and future.

## **MEETINGS**

## **Statutory Meeting**

35. This clause has been deleted.

## **When General Meeting to be held**

36.(a) The Association shall in addition to any other meetings, hold a General meeting which shall be styled its Annual General Meetings.

(b) The first Annual General Meeting shall be held within 18 months from the date of its incorporation. The next Annual General Meeting shall be held by the Association within nine months after the expiry of the financial year in which the first Annual General Meeting was held, and thereafter an Annual General Meeting shall be held by the Company within nine months after the expiry of each financial year.

Provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

## **Distinction between ordinary and extra-ordinary meeting**

37. The General Meeting referred to in the last preceding clause shall be called Ordinary Meeting. All other meetings of the Association shall be called Extra-ordinary meetings.

## **Extra-ordinary meetings**

38. The Board may, whenever it thinks fit and it shall, on the requisition of such member or members as have at the date of deposit of the requisition not less than one-tenth of the total voting power of all the members having at the said date a right to vote in regard to that matter, forthwith proceed to convene an extra-ordinary General Meeting of the Association and in case of such requisition the provisions of the Companies Act, 1956 shall apply.

### **14 days notice**

39. At least fourteen clear day's notice of every General Meeting, ordinary or extraordinary

(other than a meeting for the passing of a Special Resolution) and by whomsoever called specifying the day, place and time of the meeting and the general nature of the business to be transacted thereat and in case it is proposed to pass a special Resolution the intention to propose such resolution as a Special Resolution shall be given in the manner hereinafter provided, to such persons as are under these Articles, entitled to receive notice from the Association.

### **Notice for special resolution**

40. When it is proposed to pass a Special Resolution, 14 days notice specifying the intention to propose the resolution as a Special Resolution and specifying the date and hour of meeting and nature of the business shall be given.

### **Short notice by consent**

41. A General Meeting may be called after giving shorter notice than that of 14 days, if consent is accorded thereto:

- (i) In the case of Annual General Meeting, by all the members entitled to vote thereat;
- (ii) In the case of any other meeting, by members having not less than 95% of the total voting power exercisable at the meeting.

Provided that where any members of the Association are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of this sub-clause in respect of the former Resolution or resolutions and not in respect of the latter.

### **Signature on notice**

42. Every notice calling a General Meeting shall be signed by the Secretary of the Association or by such person as the Board may appoint;

Provided that in the case of a meeting convened on a requisition from members, if the Board does not within twenty-one days from the date of the deposit of a valid requisition, proceed duly to call all a meeting on a day not later than 45 days from the date of the deposit of the requisition ,the meeting may be called by the requisitionists themselves and for its purpose, the notice may be signed by the requisitionists themselves.

### **Omission to give notice not to invalidate a resolution passed**

43.(a)Every notice of a meeting shall specify the place and the day and hour of the meeting and shall contain a brief statement of the business to be transacted thereat.

(b) Notice of every meeting of the Association shall be given to every member of the Association in the manner prescribed in Article 100 of Articles of Association.

(C )The accidental omission to give notice to,or the non-receipt of notice by,any member Or other person to whom it should be given shall not invalidate the proceedings at the meeting.

### **Notice of business to be given**

44.No General Meeting,Ordinary or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been specially mentioned in the notice or notices upon which it was convened.

45.DELETED.

46.DELETED.

### **Special Business**

47.All business shall be deemed special,that is transacted at an Extra-Ordinary meeting and all that is transacted at an Ordinary Meeting with the exception of the consideration of the accounts,the balance sheets and the annual report of the Board of Directors and Auditors,the election of Directors and Auditors,the election of Directors and Auditors in the place of those retiring and the fixing of remuneration of the Auditors.

### **Business of Ordinary meeting**

48.The business of an Ordinary Meeting shall be to receive and consider the Profit & Loss Or Income and Expenditure Account,Balance sheet,and the report of the Directors and Auditors,the election of Directors and Auditors in the place of those retiring by rotation,and the fixing of the remuneration of the Auditors and to transact any other business which under these presents,ought to be transacted at any Ordinary General Meeting.

All other business whether transacted at an Ordinary Meeting or at an Extra-Ordinary Meeting shall be deemed to be special business.

### **Quorum**

49.Fifteen or 1/3 of the members or Authorised Representatives of members whichever is less,

Entitled to be present and vote shall be a quorum for a General Meeting of the Association.No business shall be transacted at any General Meeting unless the requisite quorum be present at the commencement of the business.

### **Chairman of the meeting**

50. The president of the Board shall be entitled to take the chair at every General Meeting or if there be no such President or if at any meeting, he shall not be present within fifteen minutes after the time appointed for holding such meeting, the Vice president of the Board shall be entitled to take the chair, but if there be no such Vice president or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding of such meeting, the members and/or the Authorised Representatives of the members present shall choose another director as Chairman and if no Director be present or if all Directors present decline to take the chair, then the members and the Authorised Representatives of the members present shall choose one of their members to be the chairman of the Meeting.

### **Absence of quorum**

51. If within half an hour from the time appointed for the meeting a quorum of members is not present the meeting if called on the requisition of the members, shall be dissolved. In any other case it shall stand adjourned to the same day in the following week at the same time and place and if at such adjourned meeting a quorum of members is not present, the members present shall be competent to transact any ordinary business that could have been transacted if a quorum had been present but they shall not be competent to transact any special business.

### **How decision taken at a meeting**

52. Every question submitted to a meeting shall be decided, in the first instance, by a show of hands and then, if demanded, by a poll. In case of a tie, the Chairman will have a casting vote.

### **Adjournment**

53. The Chairman may with the consent of members adjourn the meeting from time to time and place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting which was adjourned.

### **What is the evidence of the passing of the resolution where poll not demanded**

54. At any general meeting, unless a poll is demanded by at least five members present in person or by the Chairman of the Meeting, a declaration by the Chairman that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Association, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

### **In what case poll taken without adjournment**

55. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment. Any other poll shall be taken at the meeting within three days and at such time and place as the Chairman of the meeting decide.

### **Poll**

56. (a) Subject to the provisions of the Companies Act 1956, the Chairman of the Meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution in which the poll was taken.

Business may proceed notwithstanding demand of poll

57.The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

### **VOTE OF MEMBERS**

#### **Vote of members**

58.Only the Members or the Authorised Representatives of Members shall be entitled to vote at the meeting of the Association.Voting by proxy shall not be permitted.Every member of the Association qualified to vote shall have one vote except the Chairman who shall have in addition a casting vote.

#### **No member entitled to vote for etc.while moneys due to the Association**

59.No member shall be entitled to be present or to vote on any question at any General Meeting or upon a poll, or to be reckoned in quorum through his or its Authorised Representative whilst his or its annual subscription or transaction fee or any other due to the Association or the designated Clearing house is overdue for more than one month on the date of the meeting or he is expelled or suspended by the Association or the designated Clearing House.

### **Directors**

60(i) The Board of Directors shall consist of not more than 15 Directors inclusive of the President and the Vice-President of the Association. The Board shall from time to time elect one of its members to be the President who shall be the ex-officio Chairman of the Board;

(iii) The Board of Directors shall be constituted as follows:

(a) DELETED

(b) DELETED.

(C ) 3 Directors nominated by the Central Government under Sections of the Securities Contracts (Regulation ) Act 1956.

(iii) The election of the President shall require the concurrence of the SEBI for the first 3 years.

60(iv) No Director shall hold office of President, Vice-president for a continuous period exceeding 2 years unless thereafter re-elected by a majority of at least three-fourths of the Members of the Board present and voting.

(v) The nominated Director shall be paid travelling and incidental allowances at such rates as may be fixed by the Board in concurrence with the SEBI.

(vi) The other Directors of the Board shall not be entitled to receive any remuneration or compensation for attending the meetings of the Board, except payment of such travelling and other expenses as the General Body may sanction for the purpose in its General Meetings.

(vii) The Directors including the nominated Directors shall be paid such travelling allowances and other expenses as may be fixed by the Board from time to time for attending to the business of the Association at meeting other than Board Meetings or visiting other centres in connection with the work of the Association.

61.The first Members of the Board of Directors shall be the following.

- 1.Shri Vallabhdas.V.Mariwala
- 2.Shri V.M.Patel
- 3.Shri Shamji Narshi
- 4.Shri Ramji Champshi
- 5.Shri.K.U.Scaria
- 6.Shri.C.D.Sebastian
- 7.Shri.V.A.Joseph
- 8.Shri.Jayanthibhai.B.Patel
- 9.Shri.C.Khandelwal
- 10.Shri.M.K.Chacko
- 11.To be appointed by the Central Government
- 12.To be appointed by the Central Government
- 13.To be appointed by the Central Government
- 14.To be appointed by the Central Government
- 15.To be co-opted by Directors

The above mentioned directors,except the Directors,appointed by the Central Government, shall hold their respective offices from the date of incorporation till the first Annual General Meeting on which date they shall retire, but shall be eligible for re-election.

## **Election and period of office of Directors**

62.(a) All directors other than the Government nominees and the co-opted Directors shall be elected at an Annual General Meeting and shall hold office till the next Annual General Meeting when the new Board takes office but they shall be eligible for re-election.

(b) Directors appointed by the Central Government shall hold office for the period for which they are appointed.

(c) DELETED

## **Election to be in individual names**

63. An individual who is a member of the Association or is the Authorised Representative of a firm, bank, financial institution, company or corporation that is a member of the Association may be proposed and elected as Director in his individual name. In respect of Authorised Representatives, no more than one Authorised Representative per nominating member shall be eligible for election as Director.

## **Co-opted Directors**

64. The Board may at any time co-opt an Ordinary Member or Institutional Clearing Member by two-thirds of the majority of the Directors present as an additional Director against any vacancy with respect to elected Directors. In such a case of co-option, the Board shall co-opt a Director only from the IPSTA Trade Division in respect of which the vacancy has arisen and/or exists and provided that the total number of elected and co-opted Directors of the Board does not exceed 11 (eleven)

## **Casual Vacancies of Directors**

65. Any casual vacancy in the Board arising from the death or resignation or otherwise of an elected Director shall be filled in by the Board by choosing a Director to fill that vacancy from among the Members of the Division and panel represented by the Director of the Association or among the Institutional Clearing

Members as the case may be. Such Director shall however, vacate his office at the next Annual General Meeting.

### **By-laws for election for directors**

66. The Board may from time to time make Rules and Regulations for the election of Directors and may provide that no person shall be eligible to offer himself as a candidate for election as a Director unless notice of intention to do so is given within a prescribed time before the Annual General Meeting, and also provide that the election shall be by ballot or by show of hands at a General Meeting, as the Board may think fit.

### **Directors may act notwithstanding vacancy**

67. The continuing Directors may act notwithstanding any vacancy in their body provided that the strength of the Board does not, however fall below seven at any time.

68. The Board shall act notwithstanding that the Government Directors have not been nominated by the Central Government or that any vacancy in the Government Directors has not been filled.

### **When office of the Director to be vacated**

69. The office of a Director shall ipso facto be vacated:

(i) If he accepts or holds any other office under the Association but the position of a trustee of a deed for securing debentures or of a legal advisor or a Banker, is not be considered an office.

(ii) If he becomes or is adjudicated insolvent or suspends payment or is declared a defaulter by an Association recognized under the Securities Contracts (Regulation) Act 1956.

- (iii) If he is found lunatic or becomes of unsound mind.
- (iv) If he ceases to be a member of the Association in the case of an elected Director.
- (v) If he is absent from the meeting of the Directors during a period of three calendar month or three consecutive meetings whichever period is longer without leave of absence from the Board.
- (vi) If by a notice in writing to the Association he resigns his office.
- (vii) If he is concerned or interested in or participates in the profits of any contract with or work done for the Association. Provided however, that no Director shall vacate his office by reason of his being a Director, partner, Manager or Representative of any Firm or Limited Company which has entered into contract with or has done any work for the Association or which is concerned in or participates in the profits of any contract with the Association, subject nevertheless, that he shall not vote in respect of any contract or work in which he is so interested and if he does so vote, his vote shall not be counted.

### **Power to remove Directors by Extraordinary resolution**

70. Subject to provision of Section 169 of the Companies Act, 2013, insofar as they apply to the Association, the Association may by resolution remove any Director (other than a nominee of the Government) before the expiration of his period of Office and appoint another Director in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

### **POWERS OF THE BOARD**

## Management

71. The management of the business and funds and the control of the Association shall be vested in the Board, who in addition to the powers and authorities by their presence or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Association and are not hereby or by statute expressly directed or required to be exercised or done by the Association in General Meetings: provided that no Regulations so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

72. Without prejudice to the generality of the foregoing clauses, the Board shall have the following powers:

- (i) To make, and from time to time repeal, vary, or amend the Rules and bye-laws not inconsistent with these presents for the conduct of the business of the Association, for the proceedings of the Board and for the conduct of the employees of the Association. The Board shall fix the quorum for the meetings of the Board shall be 5 members.
- (ii) To appoint any committee or sub-committee consisting of the members of the Board and or the ordinary members of the Association for such purposes as the Board may determine: provided that it shall be open to a new Board of directors constituted after a General Meeting to continue such committee or sub-committees or not.
- (iii) To delegate, subject to such conditions as they think fit any of their powers to any committee or sub-committee or the Office bearer, and to make, vary and repeal bye-laws or Rules for the regulation of the proceedings of any committee or sub-committee.

- (iv) To prescribe from time to time the duties and powers of the Office bearers and the employees of the Association.
- (v) To enter into arrangement upon such terms and conditions as the Board may deem desirable for working in co-operation with any Association organised for the protection or better development of any branch of trade,commerce or manufacture in India or else-where or with like objects that may be applied to be allowed to work in conjunction with the Association provided the object for which the Association is/or shall be formed are not inconsistent with the objects of this Association as defined in its Memorandum of Association.
- (vi) To make bye-laws for the regulation and control of Commodity derivative contracts in pepper and/or other commodities and in particular and without prejudice to the generality of the foregoing powers to make bye-laws providing for:-
  - (a)The opening and closing of markets and regulation of the hours of trade.
  - (b)The usage of and/or joint working with a Clearing House for the periodical settlement of contracts and differences thereunder,the delivery of and payment for goods, the passing on of delivery orders and for the regulation and maintenance of such Clearing House.
  - (c)The number and classes of contracts in respect of which settlement shall be made or differences paid through the designated Clearing House.
  - (d)Fixing altering and postponing days of settlement.
  - (e)Determining and declaring market rates including the opening,closing and ceiling and floor rates for goods.

(f)The terms,conditions and incidents of contracts including the prescription of margin requirements,if any and conditions relating thereto and the forms of contracts in writing;

(g)Regulating the entering into making,performance,rescission and termination of contracts,including contracts between members or between a member and a non-member or between a member and a non-member or between a member and commission agent or his constituent and the consequences of default or insolvency on the part of a seller or buyer or intermediary,the consequences of a breach or omission by a seller or buyer and the responsibility of commission agents and brokers who are not parties to such contracts.

(h)The admission and prohibition of specified classes of contracts in goods or types of goods or dealings in goods by a member.

(i)The method and procedure for the settlement of claims or disputes including the settlement thereof by arbitration.

(j)The levy and recovery of fees,fines and penalties.

(k) The regulation of the course of business between parties to a contract in any capacity.

(l)The fixing of a scale of brokerage and other charge.

(m) The making,comparing,settling and closing of bargains.

(n)The regulation of fluctuations in rates and prices.

(o)The emergencies in trade which may arise and the exercise of powers in such emergencies such as the power to declare an emergency to close the

market for a specified period, to declare special clearings and the powers to fix maximum and minimum prices.

(p) The regulation of dealings by member on their own account.

(q) The limitation on the volume of trade done by any individual member.

(r) The obligation of members to supply such information and to produce such book relating to their business as the Board may require at any time.

(s) To specify the bye-laws the contravention of any of which shall make a contract entered into otherwise than in accordance with the bye-laws void.

(t) To prepare, compile and submit to the SEBI agenda, minutes notes and reports of the working of the Board and other Committees from time to time.

(u) To provide that the contravention of any of the bye-laws shall.

(i) render the member concerned liable to a fine, or

(ii) render the member concerned liable to expulsion or suspension from the Association or to any other penalty of a like nature not involving the payment of money.

(vii) To make such bye-laws as the Board may consider expedient for the regulation of the joint working of any association, Clearing House or commodity exchange connected with the Association or for the purpose of defining the terms and conditions of the joint working of the business of such association, Clearing House or Commodity Exchange or as may from time to time be agreed upon between such association and the Board.

- (viii) To consult, appoint and nominate Counsels, vakils, solicitors and pleaders to advise then on all or any matters connected with the Association and authorize all or any of them to represent the Association in all duly constituted courts of laws, either as plaintiffs or Defendants and to represent them before any Officer or authority or the legislatures in India or before any committee of any legislature in connection with the welfare of Indians in general and particularly of any measure connected with the commerce of India\
- (ix) To appoint or dismiss the staff and servants of the Association and regulate their terms and conditions of service
- (x) To incur all necessary expenses for the maintenance and carrying out of the objects and intention of these Articles and Memorandum of Association.
- (xi) With the prior concurrence of the SEBI to fix or alter or modify the entrance or admission fees, subscription rates, deposits, fines, penalties, survey fees, arbitration fees etc and to collect or waive or postpone the collection of such amounts and all and any other sums of money due in connection with the working of the Association.
- (xii) To pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Association.
- (xiii) To purchase or otherwise acquire for the Association any property rights or privileges, which the Association, is authorized to acquire, at such price and generally on such terms and conditions as they think fit.
- (xiv) At their discretion to pay for any property rights or privileges acquired by or services rendered to the Association, either wholly, partially in bonds, debentures, or other securities of the Association, and to issue the same either as fully paid up or with such amount credited as paid up thereon as may be agreed upon such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Association or not so charged. Provided that in all these matters the approval of the SEBI shall be taken in advance.
  
- (xv) To secure the fulfillment of any contract or engagements entered into by the Association by mortgage or charge of all or any of the property of the Association or in such other manner as they may think fit.

(xvi) To accept from any member the resignation or surrender of his or its membership

(xvii) To expel, suspend or fine any member for any of the following acts or omissions.

(a) Refusal to abide by awards: for neglecting or refusing to submit to abide by and carry out any award or decision or order of any arbitrators or surveyors, or umpire or appeal committee or any other committee, or of the Board, made in conformity with the bye-laws or the Articles of Association.

(b) Unbecoming conduct: for acting in any manner detrimental to the interests of the Association or unbecoming of a member.

(c) Misconduct: for any misconduct in his dealings with or in relation to the Association or any member or members thereof, or for any disreputable or fraudulent transactions with any person whether a member or registered non-member of which a complaint is made to the Board by one or more members or registered non-members.

(d) Violation of bye-laws, order etc: for knowingly violating, disobeying, or disregarding any bye-law of the Association or any enactment, order, ordinance or notification issued by the Central Government or the SEBI in respect of trading in Pepper and/or other spices or any notices issued by the Board in this regard.

(e) Publications and mis statements: Knowingly publishing or permitting to be published in any news papers, circulars or otherwise or disseminating any misrepresentation or misstatements or wrong information relating to the Association calculated to mislead the members and/or the public.

(a) Refusal to comply with requests: For not complying with any notice given or request made to him by the Board or on behalf of the Board, requiring him to attend any meeting of the Board, or to produce any books, documents, correspondence or other

papers or any information, in his possession, power or control, or for refusing or neglecting to answer any question put to him by any member of the Board relevant to any business before the Board at any such meeting.

- (b) Non-payment of differences: For failure to pay amounts due under the Bye-laws, and/or arbitration or appeal fees when due, or for non-payment of any fine imposed on him pursuant to these bye-laws or for failure to pay any other amount due by him under these bye-laws or under any order of the Board within ten days after the same shall become payable, and for failure to pay registered non-members such amounts including differences and refund of margins within three days after the same shall become payable.
- (c) (h) Misconduct in dealing with the allied Associations: For any misconduct in the sense of the sub-clauses (a) to (f) hereof inclusive in his dealing with or in relation to the Association or any of its members or the Designated Clearing House or the Clearing Members of the Designated Clearing House or any association or exchange or corporation or public body with which the Association shall have entered into an arrangement or undertaking for the purpose of safeguarding the trade in pepper and other commodities or protecting those interested therein.
- (d) (i) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Association any property belonging to the Association or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (j) To institute, conduct, defend, compound or abandon any legal proceedings by or against  
The Association or its Officers or otherwise concerning the affairs of the Association, and also to compound and allow time for payment or satisfaction of any debts, dues and of any time or demands by or against the Association
- (xviii) To refer any claims or demands by or against the Association to arbitration and perform  
the awards.

(Xix) To make and give receipts releases and other discharges for money payable to the Association and for the claims and demands of the Association.

(xx) To determine who shall be entitled to sign on behalf of the Association bills, notes, receipts, acceptances, endorsements, cheques, releases contracts and documents.

(xxi) To invest and deal with any of the moneys of the Association in or upon such securities and in such manner as they think fit and from time to time to vary or realize such investments.

(xxii) To execute a mortgage in the name and on behalf of the Association in favour of any director or other person who may incur any personal liability for the benefit of the Association's property (present and future) as they think fit and from time to time to vary or realize such investments.

(xxii) To execute a mortgage in the name and on behalf of the Association in favour of any Director or other person who may incur any personal liability for the benefit of the Association's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

72 xxiii(a) To contribute out of the profits/funds of the Association and/or the fees/contributions received from the members of the Association to create a Trade Guarantee Fund as a separate trust and exclusively meant for the purpose of paying the differences/dues to the affected members of the Association by reason of defaults committed by any member of the Association in respect of the transactions entered into by them in the IPSTA Trade Division of the Association.

(b) To appoint trustees to the trust administering the IPSTA Domestic Division Trade Guarantee Fund and to merge/take over the IPSTA Domestic Division Trade Guarantee Fund with the prior approval of the and the General Body of SEBI the members if the situation so warrants.

(xxiv) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Association, as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for carrying out the objects or the purposes of the Association.

(xxv) To subscribe to any charitable or benevolent object or to any exhibition or to any public, general or useful object a sum which shall not except with the previous sanction of the general meeting, exceed Rs.1000 in any year.

(xxvi) To make Rules, Regulations and Bye-laws and revise, add, amend, alter, repeal, and cancel the same regarding the various matters mentioned in the Memorandum and Articles of Association, provided nevertheless no such Rules, Regulations and bye-laws shall come into effect unless the same are approved by the SEBI.

### **SECRETARY**

73. The Board may, with the prior concurrence of the Commission appoint any person not being a Member possessing such qualifications as may be prescribed, as the Secretary of the Association upon such terms and conditions as may be prescribed in this behalf and for such period as may be deemed fit. The services of the Secretary so appointed shall not be terminated except with the prior concurrence of the SEBI.

74. It shall be the function of the secretary and the officers appointed by the Board to generally manage the business of the Association, to take all necessary steps for convening meetings at the Association and of the Board and of Committees, to keep minutes of all proceedings of these meetings, to execute the orders and resolutions of these bodies, to carry on all the correspondence of the Association under the guidance of the President and in his absence, of the vice-president and generally to carry on the management of the Association according to the directions of the Board and the President from time to time. The Secretary or the Officer appointed by the

Board shall be the custodian of the records, furniture, cash and securities belonging to the Association.

## **PROCEEDINGS OF THE BOARD**

### **Meeting of the Board**

75. The Directors may meet together for the dispatch of business adjourn, and otherwise regulate their meetings as they think fit. Question arising at any meeting shall be decided by a majority of votes. The chairman shall not have any voting right in the first instance, but he shall exercise a casting vote in the event of an equality of votes. President and the secretary, on the requisition in writing of any two Directors, shall at any time summon a meeting of Directors .

### **Quorum**

76. The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors whichever is higher;

Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested shall be the quorum during such time.

### **Power of Quorum**

77. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the statutes or the Articles of the Association for the time being vested in or exercisable by the Directors.

### **Vacancy in Board**

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

#### Chairman

79. The President and in his absence the vice-president shall preside over all meetings of the Board but if at any Meeting neither of them is present within the minutes after the time appointed for holding the same, the Directors present may choose one of their member to be the Chairman of the Meeting.

#### Powers to appoint subcommittee and to delegate powers

80. The Directors may delegate any of their powers to committees consisting of such member or members of their Board as they think fit. Any committees so formed shall in exercise of the powers so delegated conform to any Regulations that may be imposed on them by the Board.

#### Chairman of the committee

81. A committee may elect a Chairman for its meetings. If no such Chairman is elected or if at any meeting the Chairman is not present within 10 minutes after the time appointed for holding the same the members present may choose one of their members to be the Chairman of the meeting.

#### Proceedings of sub-committees

82. The Meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the

meetings and proceedings of the Board so far as the same are applicable thereto and are superseded by any Regulations made by the Directors under the last preceding clause.

### **Questions how decided**

83. A committee may meet and adjourn and they think proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairman shall have a second casting vote.

When acts of Directors for committee valid notwithstanding defective appointment

84. All acts done by any meeting of the Board or of a committee of Directors or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, or persons acting as aforesaid or that they or any of them was disqualified be as valid as if every such person had been duly appointed and was qualified to be a Director.

85. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors' or to all the Members of the committee then in India (not being less in number than the quorum fixed for committee as the case may be) and to all other Directors or Members at their usual; address in India, and has been approved by such of the Directors as the in India, or by a majority of such of them as are entitled to vote on the resolution.

### **ARBITRATION**

Settlement of disputes between members and members

86. It shall be compulsory for every member of the Association in the first instance to have all the claims and disputes arising out of or in course of all dealings and

transactions in Pepper and/or Spices between himself and any other member of the Association,settled by Arbitration subject to the Bye-laws of the Association from time to time in force and in the absence of such bye-laws subject to the Rules the Board may from time to time prescribe.

### **Settlement of dispute between member and Non-members**

87. It shall be compulsory for every non-member who has entered into a contract with any member of the Association in case such non-member has agreed in writing to abide by the Rules and Regulations of the Association ,to have all the claims and disputes arising out of or in the course of the performance thereof or out of any breach of such contract settled by arbitration subject to the bye-laws of the Association from time to time in force.

### **PROVIDENT FUND**

#### **Provident Fund**

88.The Directors may also set aside out of the income of the Association such sums as they think proper as Provident Fund,for the benefit of the employees of the Association and their wives,children and dependants and they may invest,the sum,so set aside and from time to time vary such investments.The Directors may in their absolute discretion determine as to who is entitled to benefit by the said fund and may make Regulations dealing with the same and as to how the same is to be disposed of and if they think fit to do so,they may impose a condition that no employee or his wife,children or dependants of such employee have any claim to participate in such Fund.

### **MONEYS TO BE HELD IN TRUST**

**Money paid into the Clearing House to be held in trust**

89. Unless explicitly expressed otherwise in the Articles, Bye-laws, Rules and Regulations of the designated Clearing Corporation and/or Clearing House, all sums of moneys paid into the Designated Clearing House and all credits appearing in the books of the Clearing House for the benefit of trading-cum-Clearing Members entitled thereto, and the making of such payment or credit Entry shall be deemed and taken to be payment or credit to such member and no other member shall be entitled to levy any attachment or execution thereupon, and neither the Association nor any one (whether a member or registered non-member) deriving rights through the Association shall have any right to such money or credit.

90. DELETED

### **THE SEAL**

Common Seal

91. The Association shall have a common seal and the Board of Directors shall provide for the safe custody of the Seal. The Seal shall not be used except by the authority of the Board previously given and one member of the Board at least shall sign every instrument to which the seal is affixed and every such instrument shall be countersigned by the secretary.

### **ACCOUNTS**

#### **Accounts to be kept**

92. The Directors shall cause true accounts to be kept of the sums of money received and expended by the Association and the matters in respect of which such receipts and expenditures take place and of the assets, credits and liabilities of the Association.

Where to be kept

93. The books of accounts shall be kept at the Registered Office of the Association or at such other places as the Directors may think fit.

Inspection by members

94. The account books of the Association shall be open to inspection of the members on previous requisition, at such time as the secretary may determine and the Board shall have powers to restrict the time and place of inspection of such accounts and give directions to the secretary in this behalf.

Annual Accounts and balance sheets

95. At every Ordinary General Meeting, the Board shall lay before the Association a Profit and Loss Account or the Income and Expenditure Account and a Balance sheet containing a summary of the Assets and Liabilities of the Association made up to date not more than 9 months before the meeting.

ANNUAL REPORT OF THE BOARD

96. Every such Balance Sheet shall be accompanied by a Report of the Directors as to the state and condition of the Association and the amount (if any) which they propose to carry to the Reserve Fund according to the provisions in that behalf herein before contained, and the Accounts, Report and Balance Sheet shall be signed by not less three Directors.

COPY TO BE SENT TO MEMBERS

97. A printed copy each of such account, Balance Sheet and Report shall, not less than twenty-one days before the meeting, be served on the members, in the

manner in which notices are herein after directed to be served, regard being had to the provisions of the Companies Act, 2013, in this behalf in so far as they apply to the Association.

#### ACCOUNT TO BE AUDITED EVERY YEAR

98. The accounts of the Association, shall be audited by a Chartered Accountant, who shall be appointed at the General Meeting and whose remuneration shall also be fixed at the General Meeting.

#### WHEN ACCOUNTS TO BE DEEMED FINALLY SETTLED

99. Every statement of accounts presented by the Board when audited and approved by a General Meeting shall be conclusive except as regard to any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected and thence forward such accounts shall be conclusive

#### NOTICE

100. (i) A notice may be given by the Association to any member either personally or by sending it by post to him or to its registered address or (if he or it has no registered address in India) to the address, if any in India supplied by him or to the Association for giving notices to him or to it. In no case refusal to take delivery of the notice shall affect the validity of its service.

(ii) Any notice sent by post shall be deemed to have been served at the time when the letter containing the same is posted and would have reached the address in the ordinary course, and in proving such services it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

(iii) The signature to any notice to be given by the Association may be written or printed , or stamped

(iv) Where a given number of days' notice or notice extended over any other period is required to be given, the day of service, shall unless otherwise provided , be counted in such number of days or other period.

(v) In the matter of services of notices and other documents on the members regard shall be had to the provisions of the Companies Act 2013 in this behalf in so far as they are applicable to the Association

### INDEMNITY

#### INDEMNITY

101. Subject to the provisions of the Companies Act of 2013 every Director, Manager, Auditor, Secretary and other Officer or servants of the Association shall be indemnified by the Association against all costs and losses which any such Officer or servant may incur or become liable to by reason of any contract entered into or things done by him as such Officer or servant or in any way in the discharge of his duties and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Association and have priority as between the members over all the other claims.

102. Subject to the provisions of the Companies Act 1 of 2013, no Director, Auditor or other Officer of the Association shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer, or for joining in any receipt or other acts for conformity, for any loss or expenses happening to the

Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Association or for the insufficiency or deficiency of title to any property acquired by order to the Directors for or on behalf of the Association or for the insufficiency or deficiency in or upon which may any of the moneys of the Association shall be invested or for any loss, damage etc. arising the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by any error of judgment , omission default or oversight on his part or for any other loss, damage or misfortune whatever which may happen in relation to the execution of the duties of his officer or in relation thereto, unless the same happens through his own dishonesty