

PRUTHASHAKTI FARMER PRODUCER COMPANY LIMITED

ELECTION (APPOINTMENT OF DIRECTORS FROM AMONG THE MEMBER) RULES, 2024

1. Title and Purpose. -

(1) These rules may be called the Election (Appointment of Directors from among the Member) Rules, 2024.

(2) The purpose of these rules is to establish a fair and transparent process for the election of Elected members of the Board of Directors of Pruthashakti Farmer Producer Company Limited, hereinafter referred to as "PRUTHASHAKTIFPC."

2. Definitions. - (1) In these rules, unless the context otherwise requires,

(a) **"Act"** means the Companies (Amendment) Act, 2020 (Chapter XXIA);

(b) **"Active Member"** means a member who fulfils the qualification for active membership. Including shall have conducted some business in previous financial Year.

(c) **"Board"** means the Board of Directors constituted under the provision of Articles of Association of Pruthashakti Farmer Producer Company Limited.

(d) **"Chief Executive"** means an individual appointed as such, by whatever name called, under sub-section (1) of section 378W of the Act.

(e) **"Member"** means a producer Institution (Incorporated under The Company Act, 2013) having all women directors and subscribed shares of Pruthashakti Farmer Producer Company Limited

(f) **"Election Officer"** includes Chief Executive of Company or Company Secretary or any person appointed by the Board of Directors to assist them to conduct of Election.

(g) **"Patronage"** means the use of services offered by the producer company to its members by participation in its business activities;

(h) **"Scrutinizer"** Means Chartered Accountant in practice, Cost Accountant in practice, or Company Secretary in practice or an Advocate, or any other person who is not in employment of the company and is a person of repute who, in the opinion of the Board can scrutinise the voting process in a fair and transparent manner

3. Board of Directors

(1) The company shall be administered by a board consisting of persons elected or appointed as directors in manner consistent with the provisions of part XXIA of the act and the board shall be accountable to the members.

(2) Pruthashakti Farmer Producer Company Limited has provision of appointing only Woman Directors which have been followed.

(3) The number of directors shall not be less than five and shall not be more than fifteen.

(4) Number of Directors to be Elected: Minimum 5 and maximum 12 Directors shall be elected from the representatives of members.

(5) Expert Directors – Maximum 3 (Not exceeding one fifth of total number of directors). Expert Directors shall be independent from the Members.

4. The Conduct of Election of Directors

- (1) Election of directors shall take place at the Annual General Meeting.
- (2) The names of Board of Directors elected as per the election rules will be declared in Annual General Meeting.

5. Term of the Elected Board

- (1) The term of the elected board shall be 5 years from the date of assumption of office.

6. Election Periodicity

- (1) The election of the Board shall take place within the period of Every Five Years.

7. Eligibility Criteria for Members and Their Representatives

- (1) Farmer Producer Company shall have their name in the List of the Member.
- (2) The Eligibility Criteria for Producer Company to Nominate of Their Representative-
 - i) A person competent to represent FPOs, shall not be eligible for election/continuance as a director of the Board unless the FPOs, which she is representing.
 - ii) A person shall have minimum 25 active members of PRUTHASHAKTIFPC consent/ support letter to Nominate.
 - (a) Producer Company is an Active member of the PRUTHASHAKTIFPC as on the day of election.
 - (b) The Producer Company has made default in repayment of any advances or loans taken from any company or institution or any other person, which default continues for ninety days.
 - (c) Producer Company has failed to repay its deposit or withheld price or patronage bonus or interest there an on due date, or pay declared dividend and such failure continues for one year or more.
 - (d) Producer Company has not framed Elections rules of the Directors as per the Provision in the Act.
 - (e) The Annual General Meeting or Extraordinary General Meeting of the Producer Company is not called in accordance with the provisions of this Act except due to natural calamity or such other reason.
- (3) The Eligibility Criteria for Persons to Be Nominated by A Producer Company as Their Representative
 - (a) She is an Active member and director of the Producer Company as on the day of election.
 - (b) She has not made any Default in holding election for the office of director, in the producer company in which he is a director, in accordance with the provisions of this Act and articles:
 - (c) She or her relative is not engaged directly or indirectly including in running the same type of business as that of the Producer Company, or is having direct or indirect interest in such activities in last five years.
 - (d) She has not directed or indirect interest in any contract made with the Producer Company or any property sold or purchased by the Producer Company or any other transaction of the Producer Company except in any investment made in or in any loan taken from the Producer Company.
 - (e) FPC has given authority in writing given to him to represent in the general meeting.

8. Manner of Election of Board of Directors

(1) The elections of the Board of Directors under the Chapter XXIA Producer Companies PART III Section 378 of the Company Amendment Act, 2020 And Article of Association of the Company, shall be held or cause to be held by the Directors of the Company in the manner as specified, hereunder, namely: -

(a) The Board of Directors, shall be responsible for holding the election of the Directors

(b) The Board of Directors shall appoint Chief Executive Officer/Company Secretary as the Election Officer, who shall be subordinate to the Board of Directors and accountable to them for the purpose of such elections.

(c) Election officer shall work under the general guidance of the Board of Directors of the Company provided that Election officer must take help of Nomination and remuneration committee

(d) The Election Officer shall have powers to appoint additional staff, Professionals, experts, independent scrutiniser as he deems necessary to assist him.

9. List of Members:

(1) List of members will be prepared based on Register of Members maintained at the Company.

(2) List of Members with Voting Rights shall be prepared by CEO/authorised person in every year 50 days before AGM as per following manner with their voting rights.

(3) Every Member Shall have One Vote.

(4) Particulars to be included in the List of Members: -

(a) Member shall provide name of representative (any director) duly authorised (Chairman/ Chief Executive) to vote at the election on behalf of the Member.

(b) While communicating the name of the representative to the Company the Member Producer Company shall enclose a copy of the resolution of the Board of Directors, where the representative is so authorised. The company (PRUTHASHAKTIFPC) shall include in the list of Members the name of all such representatives as have been communicated to it before the date fixed for publication of the list.

(c) Voting Rights of the Members.

10. Notice of Election and Appointment of dates etc. for various stages of an election: -

(1) The Election officer, with prior approval of the Board of Directors, as the case may be, shall draw and declare a programme of various stages of election through Election Notice

1	Publication of List of Members with Voting Rights	50 days Before AGM Every Year
2	Inviting Queries if any on member list	Within a Week after Publication
3	Publication of Final List of Members	Within a month
4	Notice to Members for Nominations	Before 30 Days of the Annual General meeting and vacation of office Director whichever is earlier.
5	Last date for making nominations by Member	As defined in the Election Notice

6	The date of publication of list of nomination received	As and when received till the last date fixed for making nominations.
7	Date of scrutiny of nominations	Next day of the last date for making nominations
8	Date of publication of list of valid nomination after scrutiny	Next day after the date of completion of scrutiny or where there is an appeal, after the appeal is
9	Last Date of Withdrawing Nominations	One Day before the Publication of Final List of contesting candidates.
10	Date of publication of final list of contesting candidates	the date next succeeding the last day for withdrawal of candidature
11	Date and time during which and the place/places at which the voting shall be taken.	Annual General Meeting
12	Date, time and place for counting of votes.	Annual General Meeting
13	Date of declaration of results of voting	In the Annual General Meeting Immediately after the counting of votes.

11. Nomination of candidates: -

(1) Any person may be nominated by a Producer Company as the candidate for election of the Board of Directors under the provision of the Act, these eligibility criteria mentioned in Point No. 7 in these rules and the bye-laws and if his representative Producer Company is entered in the list of Active Members.

Provided that, representatives of FPCs will be eligible as per eligibility criteria mentioned.

(2) No nomination shall be valid unless it is received with all connected documents complete in all respects and received at Head office of PRUTHASHAKTIFPC on and before the Date of date mentioned in the election schedule.

12. Deposit: -

A Candidate shall not be deemed to be duly nominated for election by a producer company unless Company deposits or causes to be Rs. Five Thousand rupee which shall be refunded to such Producer Company or, as the case may be, to the member, if the name of the Person is not proposed by Board or person proposed gets elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution

13. Scrutiny of nomination papers: -

(1) Election officer shall on receiving the nomination paper of the candidates, inform the person or persons delivering the same, of the day, time and place fixed for the scrutiny of nominations and shall enter on the nomination paper, its serial number and shall sign thereon a certificate stating the date on which and the hour at which the nomination paper has been delivered to him.

(2) The Nomination and remuneration committee shall then examine the nomination papers and shall decide all objections which may be made to any nomination and may, either on such objection or on his own motion, after such summary inquiry, if any, as he thinks necessary reject any nomination on any of the following ground, that is to say—

(a) that the candidate is disqualified for being chosen to fill the seat by or under the Act, these rules and bye-laws;

(b) that there has been a failure to comply with any of the provisions of Rule (7)

(c) that the signature of the candidate on the nomination paper is not genuine.

(d) Required documents as specified in the rules not attached / Incompletely attached.

(e) Any other ground as nomination and remuneration committee thinks fit and legible.

(3) Additional Qualification required to be elected as director of the company

(a) Have special knowledge about following matters namely- Agriculture or rural economy, Finance/ Law, Small scale industry, Represent interest of members, Farmers

(b) Has been Serving on the Member Institutions Board for minimum One Financial Year and exhibited his leadership in growth and performance.

(c) Individual shall have CIBIL Score as expected by the Financial Institutions good for the Credit worthiness.

(d) Individual /relatives of individual should not represent any federation/State level agency in the capacity of Director/Consultant/Advisor/Employee which has similar business activities of PRUTHASHAKTIFPC.

(4) Nomination and Remuneration committee shall affirm following criteria for scrutiny of Nomination of the member Institution and nominated candidate.

(a) Company has Filled all the applicable forms under companies act 2013 with ROC till the date;

(b) Company has not utilized amount of subsidy, grant, loan, any facility received from government/ Bank for any other purpose other than business purpose;

(c) No inquiry, technical scrutiny, inspection or investigation is ordered or pending against the company;

(d) No prosecution or any compounding application for any offence under the Act or under any of the other Acts is pending against the company or against the undersigned;

(e) The company does not have any management disputes or there is no litigation pending with regard to management or shareholding of the company;

(f) Company has not received any Notices from Government authorities/Registrar;

(g) As on date, the Company does not have any dues towards Income Tax/GST/Sales Tax/Central Excise/Banks and Financial Institutions; and other Central or State Government Departments/ Authorities or any Local Authorities

(h) The company is not in default of compliances with respect to PSS/PSF/Private business activity, farmer documentation, compliances, Pending recovery, dues etc.

(5) The Nomination and remuneration committee shall not reject any nomination paper on the ground of any defect which is not of a substantial character.

(6) The Nomination and remuneration committee shall endorse on each nomination paper his decision accepting or rejecting the same and, if the nomination paper is rejected, he shall record in writing.

14. Notice of the AGM and Publication of Names of candidates for Election

(1) Preparation of list of contesting candidates: - (1) On the day next succeeding the last date fixed for withdrawal of candidature, the Election officer shall prepare, a list of contesting candidates

which means the candidates whose names have been finally accepted and who has not withdrawn their candidatures within the prescribed time.

If any candidate desires to withdraw his nomination he would be entitled to do so at any 48 Hours before AGM by sending signed letter addressed to board of director or through authorised email of company.

(2) The names of candidates for election to the Board as recommended by the Board and a statement of their qualifications will be communicated to the Members through Notice of AGM.

15. Manner of voting at elections: -

(1) The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinisers, by use of ballot or show of hand or polling paper or by using an electronic voting system for all those members who are present at the general meeting.

(2) At the election of Directors, the shareholders shall vote for each individual candidate nominated for Directors, but not exceeding the number of Directors required for that election. The vote shall not be distributed.

(3) Every Member shall have one vote and in the case of equality of votes, the Chairman shall have a casting vote except in the case of election of the Chairman.

16. Closing of Voting: -

The Scrutiniser shall close a Voting at the hour fixed in that behalf and shall not thereafter admits any voter for voting:

17. Counting of votes: -

(1) At every election where a voting is taken, votes shall be counted by independent scrutinizers and each contesting candidate shall have a right to be present at the time of counting.

(2) The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as Directors in that order until all of the Director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of Directors to be exceeded, the remaining appointment shall be made by the chairman of the meeting who shall have casting vote in such case.

18. Declaration of result and publication of names of the members of Board of Director: -

The scrutinizer shall then declare the candidate to whom the highest number of valid votes-has been given as having been elected. On receipt of the declaration, the Election officer shall publish the names of all elected members by causing a list of such names together with their permanent addresses which are elected on the official website and shall send a copy thereof to the, registered address of the producer company concerned for affixing it on the notice board and also for its record.

19. Disputes: –

(1) If any dispute arises related to election, board of Directors will be final Authority.

(2) The decision of the Board shall be final and binding.

20. Documents Required: -

Members Shall send their nomination forms in (copy attached) with relevant documents as stated below on or before the date mentioned in the schedule at registered office of the company through physical mode:

1. Nomination form
2. Certificate from Practicing Chartered Accountant of the FPC company.
3. Brief resume of candidate
4. Notice of interest under section 184 (1) form MBP-1
5. Declaration under section 164 (2) in the form DIR-8
6. Consent in form DIR-2
7. Declaration of eligibility
8. Self-attested PAN Card & Aadhar Card
9. CIBIL Report of candidate downloaded from official website.
10. Declaration by Member FPC

20. Code of the Conduct

Candidates shall adhere to a code of conduct that ensures fair Practices and prohibits any form of misinformation or defamation. Violation of the code of conduct may result in disqualification or other penalties as determined by the Board.

21. Amendment

These rules may be amended by a two-thirds majority vote of the Board, subject to approval by the members at a general meeting.

22. Effective Date

(1) They shall become effective immediately upon approval by the Members in the Annual General Meeting.