

**Inazuma.co**

## **Companies Act, 2013 - Policy Document**

### **1. Introduction**

Inazuma.co is committed to conducting its business in a manner that is ethical, transparent, and in compliance with all applicable laws and regulations. This policy document outlines the framework for compliance with the Companies Act, 2013 ("the Act"), and its associated rules and regulations. It is designed to ensure that Inazuma.co adheres to the principles of corporate governance, maintains accurate records, and fulfills its obligations to its stakeholders, including shareholders, directors, employees, and the community.

This policy applies to all directors, officers, employees, and other related parties of Inazuma.co. It is the responsibility of every individual covered by this policy to understand and comply with its provisions. The Company Secretary shall be the primary point of contact for any queries or clarifications regarding this policy and the Act.

### **2. Company Formation and Structure**

- **2.1 Incorporation:**
  - 2.1.1 Inazuma.co is duly

incorporated under the provisions of the Companies Act, 2013. The company shall maintain its Memorandum of Association (MoA) and Articles of Association (AoA) in accordance with the Act.

- 2.1.2 The MoA shall contain the name of the company, the state in which the registered office is situated, the objects of the company, the liability of members, and the share capital of the company. The AoA shall contain the regulations for the management of the company.
- 2.1.3 Any alterations to the MoA or AoA shall be carried out in compliance with the procedures outlined in the Act, including obtaining the necessary approvals from shareholders and the relevant authorities. Specifically,
  - Special resolution is required for any alteration in MOA.
  - For alteration of Articles, Board resolution and special resolution is needed.
- 2.1.4 The company shall keep copies of the MoA and AoA, as amended from time to time, at its registered office and shall make them available for inspection by any member

upon request.

- **2.2 Registered Office:**

- 2.2.1 The registered office of Inazuma.co shall be maintained as per the requirements of the Act. The company shall ensure that all communications and notices are addressed to the registered office.
- 2.2.2 Any change in the registered office shall be notified to the Registrar of Companies (ROC) within the prescribed time frame, in the prescribed manner, and shall be recorded in the company's records.
- 2.2.3 The company shall display its name and the address of its registered office in a conspicuous position outside its registered office and every place at which its business is carried on.

- **2.3 Company Type:** Inazuma.co is a [*Specify Company Type, e.g., Private Limited Company*]. The company shall adhere to all the provisions of the Act applicable to its specific company type.

- 2.3.1 As a private limited company, Inazuma.co shall comply with the restrictions and privileges applicable to private companies, including those related to the transferability of shares and

the number of members.

- **2.4 Directors:**

- 2.4.1 Appointment:
  - The appointment of directors shall be made in accordance with the provisions of the Act. The Board of Directors shall ensure that directors meet the qualifications and do not suffer from any disqualifications as specified in the Act.
  - The process of appointment shall be transparent and shall involve the identification of suitable candidates, their evaluation, and formal appointment by the shareholders or the Board, as applicable.
  - The company shall obtain the consent of the person proposed to be appointed as a director before their appointment.
- 2.4.2 Number of Directors:
  - The company shall maintain the minimum and maximum number of directors as prescribed by the Act and its AoA.
  - Any change in the number of directors shall be approved by the shareholders in accordance

- with the Act and the AoA.
- 2.4.3 Duties of Directors:
    - Directors shall perform their duties in accordance with the provisions of the Act, including the duty of care, duty of good faith, and duty to avoid conflicts of interest.
    - **Duty of Care:** Directors shall exercise reasonable care, skill, and diligence in the performance of their duties.
    - **Duty of Good Faith:** Directors shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company.
    - **Duty to Avoid Conflicts of Interest:** Directors shall not involve themselves in situations where their personal interests conflict with the interests of the company. They shall disclose any personal interest in any contract or arrangement with the company.
    - The directors shall be responsible for the overall management of the company and shall ensure

that the company complies with all applicable laws and regulations.

- 2.4.4 Director Identification Number (DIN):
  - Every director shall obtain a DIN as required by the Act, and the company shall ensure compliance with the provisions related to DIN.
  - The company shall inform the ROC of the appointment of any director and the DIN of such director.

- **2.5 Key Managerial Personnel (KMP):**

- The company shall appoint the required KMPs, including but not limited to, the Managing Director, Company Secretary, and Chief Financial Officer, in accordance with the Act.
- The KMPs shall be responsible for the day-to-day management of the company and shall report to the Board of Directors.
- The appointment of KMPs shall be approved by the Board of Directors.
- The roles and responsibilities of each KMP shall be clearly defined.

### **3. Share Capital and Debentures**

- **3.1 Share Capital:**
  - 3.1.1 Authorized Capital:

- The authorized share capital of the company shall be as stated in the MoA.
- Any increase in the authorized share capital shall require an alteration of the MoA and approval by the shareholders.
- 3.1.2 Issued, Subscribed, and Paid-up Capital:
  - The company shall maintain records of issued, subscribed, and paid-up capital. Any changes in the share capital structure shall be made in compliance with the Act.
  - The company shall ensure that all shares are allotted and paid for in accordance with the Act.
- 3.1.3 Allotment of Shares:
  - The allotment of shares shall be done in accordance with the provisions of the Act and the AoA of the company.
  - The company shall issue share certificates to the allottees within the time prescribed by the Act.
- 3.1.4 Transfer of Shares:
  - The transfer of shares shall be governed by the provisions of the Act and the AoA. In the case of a private company, restrictions on the transferability of shares shall be strictly adhered to.
- The company shall maintain a register of members as required by the Act, containing details of the shareholders, their shareholding, and any transfers of shares.
- The company shall not register a transfer of shares unless a proper instrument of transfer has been delivered to the company.
- **3.2 Debentures:**
  - The issuance of debentures, if any, shall be in accordance with the provisions of the Act.
  - The company shall create and maintain a register of debenture holders.
  - The terms and conditions of the debentures, including the rate of interest and the redemption date, shall be clearly stated in the debenture certificate.
  - The company shall comply with the provisions of the Act regarding the creation of a charge on its assets to secure the debentures.

#### **4. Meetings of the Board and Shareholders**

##### **● 4.1 Board Meetings:**

- 4.1.1 Frequency: The Board of Directors shall meet at the frequency prescribed by the Act. Generally, a minimum of four board meetings every year with a maximum gap of 120 days between two meetings.
- 4.1.2 Notice and Agenda:
  - Proper notice and agenda shall be given for all board meetings, and minutes of the meetings shall be maintained as required by the Act.
  - The notice shall be sent to every director at his registered address.
  - The agenda shall contain the matters to be discussed at the meeting.
- 4.1.3 Quorum: The quorum for board meetings shall be as specified in the AoA and the Act. Section 174 of the Companies Act, 2013 defines the quorum for board meetings.
- 4.1.4 Conduct of Meetings: The meetings shall be conducted in accordance with the Act and the company's internal policies.
  - The Board shall ensure that the meetings are conducted in an orderly and efficient manner.
  - The minutes of the meetings shall be recorded accurately and shall be signed by the chairman of the meeting.
  - Directors shall be allowed to participate in meetings through electronic mode.
- **4.2 Shareholders' Meetings:**
  - 4.2.1 Annual General Meeting (AGM):
    - The company shall hold an AGM every year in accordance with the provisions of the Act.
    - The AGM shall be held within six months from the closure of the financial year.
    - The AGM shall be held for the purpose of:
      - Consideration of the financial statements
      - Declaration of dividend
      - Appointment of auditors
      - Appointment and re-appointment of directors
  - 4.2.2 Extraordinary General Meeting (EGM):
    - EGMs may be convened as and when necessary, in compliance with the Act.
    - An EGM can be called by the Board of Directors or by the shareholders.
  - 4.2.3 Notice and Agenda:
    - Proper notice and agenda

- The notice shall be sent to every shareholder at least 21 clear days before the meeting.
- The notice of the meeting shall specify the place, date and hour of the meeting and contain the agenda of the meeting.

- Voting at shareholders' meetings shall be conducted in accordance with the Act and the AoA, including provisions for voting by show of hands, poll, and electronic means.

- 4.2.5 Proxy:

- A proxy need not be a member of the company.

- **5.1 Books of Account:**

- **5.2 Financial Statements:**

- The financial statements shall be prepared in accordance with the applicable accounting standards.

- The financial statements shall be approved by the Board of Directors and signed by the required directors and the CFO.

- 5.3.1 Appointment of Auditors:

- The appointment of auditors shall be made in accordance with the



provisions of the Act.

- The first auditors shall be appointed by the Board of Directors within 30 days of the date of registration of the company.
- Subsequent auditors shall be appointed by the shareholders at the AGM.
- 5.3.2 Auditor's Report:
  - The auditors shall conduct the audit and provide an auditor's report as required by the Act.
  - The auditor's report shall contain their opinion on the financial statements and whether they give a true and fair view of the company's affairs.
- 5.3.3 Internal Audit:
  - The company may establish an internal audit function to ensure the effectiveness of internal controls and compliance with the Act.
  - The internal auditor shall report to the audit committee of the board.
  - The internal audit function shall conduct periodic audits of the company's operations and financial records.
- **5.4 Corporate Social Responsibility (CSR):**
  - If applicable, the company shall

comply with the CSR provisions of the Act, including the constitution of a CSR committee, formulation of a CSR policy, and spending on CSR activities.

- The CSR committee shall consist of directors, and shall formulate and recommend to the Board, a CSR policy.
- The CSR policy shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act.
- The company shall spend at least two percent of its average net profits of the three immediately preceding financial years on CSR activities.

## **6. Deposits**

### **6.1 Acceptance of Deposits:**

- The company shall not accept deposits from the public except in accordance with the provisions of the Act and the rules made thereunder.
- The company shall comply with the rules regarding the acceptance of deposits, including the limits on the amount of deposits, the rate of interest, and the repayment schedule.

### **6.2 Deposits from Members:**

- The acceptance of deposits from members shall also be

subject to the limits and conditions prescribed by the Act.

- **6.3 Register of Deposits:**

- The company shall maintain a register of deposits as required by the Act, containing details of the depositors, the amount of deposits, the rate of interest, and the repayment schedule.

## **7. Loans and Investments**

- **7.1 Loans to Directors:**

- The company shall comply with the restrictions on providing loans to directors and related parties as specified in the Act.
- Generally, a company cannot advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested.

- **7.2 Inter-Corporate Loans and Investments:**

- Any inter-corporate loans or investments made by the company shall be in accordance with the limits and conditions prescribed under the Act.
- The company shall obtain the necessary approvals before making any inter-corporate loans or investments.

## **8. Related Party Transactions**

- **8.1 Policy on Related Party Transactions:**

- The company shall formulate a policy on related party transactions, including the identification of related parties, approval process for such transactions, and disclosure requirements, in accordance with the Act.
- This policy shall ensure that related party transactions are conducted at arm's length and in the best interests of the company.

- **8.2 Approval of Related Party Transactions:**

- All related party transactions shall be subject to the approval of the Board of Directors or a committee thereof, as per the requirements of the Act and the company's policy.
- The Board or the committee shall consider all relevant factors, including the terms of the transaction, the value of the transaction, and the relationship of the related party to the company.

## **9. Compliance and Reporting**

- **9.1 Filing with the Registrar of Companies (ROC):**

- The company shall file all necessary documents, returns, and forms with the ROC within the time limits prescribed by



the Act.

- The Company Secretary shall be responsible for ensuring timely and accurate filing of all documents.

- **9.2 Maintenance of Registers:**

- The company shall maintain various registers as required by the Act, including but not limited to, the register of members, register of directors, and register of charges.
- These registers shall be kept at the registered office of the company and shall be open for inspection by the members, as per the provisions of the Act.

- **9.3 Annual Return:**

- The company shall prepare and file an annual return containing the particulars as specified in the Act.
- The annual return shall be filed with the ROC within 60 days of the date of the AGM.

- **9.4 Board's Report:**

- The Board of Directors shall prepare a Board's report containing the information required by the Act, including details of the company's performance, financial position, and other relevant matters.
- The Board's report shall be attached to the financial statements of the company.

- **9.5 Compliance Certificate:**

- The Company Secretary shall issue a compliance certificate, if applicable, as per the requirements of the Act.

## **10. Miscellaneous**

- **10.1 Indemnification of**

**Directors:** The company may indemnify its directors to the extent permitted by the Act.

- **10.2 Inspection of Documents:**

The company shall allow inspection of its documents by authorized persons as per the provisions of the Act.

- **10.3 Penalties for Non-**

**Compliance:** Any non-compliance with the provisions of this policy or the Companies Act, 2013, shall be subject to appropriate action, including penalties as prescribed by law and the company's internal disciplinary procedures.

- **10.4 Whistleblower Mechanism:**

The company shall establish a whistleblower mechanism to provide a channel for employees and directors to report any concerns about illegal or unethical practices.

- **10.5 Policy on Prevention of**

**Sexual Harassment:** The company shall have a policy in place for the prevention of sexual harassment, as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the

Companies Act, 2013.

## **11. Policy Review and Amendments**

This policy shall be reviewed periodically, and any amendments shall be approved by the Board of Directors to ensure its continued compliance with the Companies Act, 2013, and other applicable laws.

