



DEHRA DUN CLUB LTD.

15, RB UGRASEN ROAD, DEHRA DUN. 248 001

Phones : 0135 2656660, 7505775750

CIN - U91110UR1957NPL000040

www.dehradunclub.com, email: secretary@doonclub.com

EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ALTERATION OF ARTICLES OF ASSOCIATION (AOA) OF THE COMPANY THE DEHRADUN CLUB LIMITED.

It is proposed to alter some articles under the existing set of Articles of Association (AOA) of the Company, so as to align it with the provisions of the Companies Act, 2013 as applicable on Section 8 Companies. The Managing Committee of the Dehradun Club Limited in its meeting held on Friday, 3rd March, 2023 at 7.00 PM at 15, New Survey Road, Dehradun (The Club Premises) has approved the said proposal, subject to approval of the Members and Registrar of Companies (ROC). In terms of the provisions of Section 14 of the Companies Act, 2013, the Company is required to obtain approval of the members by way of Special Resolution and pursuant to provisions of Section 8 of the Companies Act, 2013, a Company registered under this Section shall obtain previous approval of the Central Government (Power delegated to ROC), for alteration of the Article of Association.

Accordingly, the resolution is being proposed as a **Special Resolution**.

The proposed amendments in articles are listed below, in brief and apart from the articles listed below the remaining articles are the same as mentioned in the previous articles of association.

Reason for alteration of the Articles of Association (AOA): The aim for the alteration of the Articles of Association (hereinafter referred to as 'AOA') is to align it with the provisions of the Companies Act, 2013 as applicable on Section 8 Companies. Erstwhile Articles were amended on the basis erstwhile Co.'s Act. The Articles are being altered to more clearly explain to the members their rights, responsibilities, liabilities and that of the Club as a whole vis-à-vis the outside world.

Article 1

Increase in cap on Club members as given in Article -1:

It is proposed to increase the limit of Club members from 2500 to 3500 to clear the long pending application of the waiting applicants. This enhancement in number of members will have positive effects on footfall in the club. As from last few years, no new members were inducted. This increase in Cap will, to a great extent make the club more vibrant and have positive impact on the club due to fresh participation in all areas of the Club activities.

The Ministry of Corporate Affairs, Government of India (MCA) has issued a written notice objecting to the General category applicants not having been inducted a permanent member since the year 2001 in spite of the Club having received large amount of security money.

Article 4

Applications of the Eligible Dependants and Regular Applicants in Article 4:

Since long, both the categories of Regular & Dependent members were in the waiting list and they have already deposited a security amount individually up-to Rs. 20,000/- which is lying with the Club since long. Hence, we propose to clear the waiting list for membership to the maximum extent possible, additionally as a onetime measure has been taken to clear all the pending applications upto 31st March, 2023 during the financial year 2023-24.

Article 9

Increase the limit of entrance fees for corporate category members in Article 9:

Keeping in view, the inflationary pressure, the managing committee has proposed to increase the entrance fee for Corporate Member from Rs. 5,00,000/-to Rs.10,00,000/- plus applicable taxes.

Article 10

No new members in Life member category as per Article 10:

As already discussed above, the club is running short of funds, due to which the club faces several issues in meeting its expenses. Due to which the managing committee of the club has discussed that the continuing the provision of Life time-membership by payment of a lump sum "one-time fee" of 50% of prevailing entrance fee of the respective class and also non-payment of any monthly subscription will put serious financial impacts on the funds of the club. So, it is proposed that no new members in Life member category as per Article 10 will be considered after the EGM date (i.e., 08.04.2023), however existing Life Members will continue for life.

Article 11

No new members under Life members (Sports Category) as per article 11:

The managing committee of the club has discussed that continuing the provision of Life time-membership under sports category on payment of "one-time fee" will put serious financial impacts on the funds of the club. It was also discussed by the managing committee that by not charging any monthly/daily subscription for the use of these facilities and by further allowing the dependent children of such life members to use these facilities up till he/she is granted Membership of the Club will definitely deteriorate the financial capabilities of the club. So, it is proposed that no new members under Life members (Sports Category) will be considered after the EGM date (i.e., 08.04.2023), however existing Life Members will continue for life.

Article 16

Cancellation of Selection on non-payment of entrance fees within one month after the selection as per article 16:

Since long back it was seen that when the fee is asked from the person after the selection, usually the selected candidate used to take a lot of time as a result of which there was a significant delay in paying the entrance fee to the club. Resultantly, the club suffered a lot of loss and financial strain. Moreover, on non-payment of entrance fees the proposer and seconder are also held responsible. For the recovery of which the club management has to send e-mails, letters to the selected respective person in which the club's staff has to spend a

lot of time, which is not in the interest of the club. Therefore, via this amendment, it is proposed that in case the full entrance fee is not paid within one month in single instalment from date of selection, the selection of such an applicant shall stand cancelled. The security amount deposited at the time of application (if any) will be refunded and the Managing Committee will call & select next candidate as per the seniority. Earlier there was an option for salaried employee to pay entrance fee in ten equal instalments and in case of any default in payment of any instalment then the previous amounts paid shall stand forfeited. The said provision has been removed looking to the practical aspect.

Article 17

Deletion of Article 17:

In this article the proposed amendment is to delete the entire article which is related to 'if the entrance fee is not paid within 30 days from the date of acceptance, the acceptance shall stand cancelled' and merged in Article 16.

Article 20

Increase in monthly subscription for temporary members in article 20:

By keeping in view, the inflationary pressure, the managing committee has proposed to increase the monthly subscription for Temporary Member from Rs. 2500/- per month to Rs. 4000/- per month plus applicable taxes and also proposed in the Article 20(1) to substitute the word 'cash only' with 'Club's prepaid cards which may be obtained from the Club office'.

Article 22

Voluntary- Exit Scheme in article 22:

It is being noticed that many elderly permanent members want to surrender their membership on payment of money. So, the managing committee of the club after the long serious discussions proposed the exit scheme namely "Voluntary Exit Scheme" wherein members desiring to surrender their membership may surrender the membership and will be paid 50% of prevailing entrance fees as per Article 29, in respective categories.

Article 28

Deletion of Article 28:

In this article the proposed amendment is to delete the term 'Re-acceptance shall not take place until all sums due from the candidate to the club have been paid' as it is already mentioned in Articles 23 to 27 itself.

Article 29

Increase in entrance fee for permanent and corporate members in article 29:

Keeping in view, the inflationary pressure, the managing committee has proposed to increase the entrance fee for Permanent Member from Rs. 2,00,000/- to Rs.5,00,000/- plus applicable taxes and for Corporate Member from Rs. 5,00,000/- to Rs.10,00,000/- plus applicable taxes.

Article 30

No collection of security deposit amount prior to induction of any member:

After long discussion the proposed amendment under this article is that all applicants will have to pay non-refundable application fees of Rs. 5,000/- plus applicable taxes. Moreover, the security amount, whatever applicable, has to be deposited by the applicant at the time of his induction as permanent member because as per company's act, 2013 amended till date, the Section 8 Company is not authorised to collect the security amount prior to induction of any member. However, we will collect the security amount at the time of induction of members in the Club.

Article 31

Increase in monthly subscription:

From last ten years the monthly subscription was Rs. 500/-. Considering the high inflation rate, it is proposed to increase the same to Rs. 600/- plus applicable taxes, which will be further increased by 15% in every three-year w.e.f. 1st April'2023 to meet the financial needs of the club in order to run the club in a smooth manner.

Article 32

In this article the proposed amendment is to substitute the word 'monthly subscription as per Article 21' with 'full monthly subscription as per Article 31'.

Article 33

Under article 33 clause of "minimum age of 40 year & above" is added in this category. Further the lady subscriber was paying Rs. 50000/- as security amount, this is being corrected that the lady member will pay one time entry fee of Rs. 50000/- plus applicable taxes and Rs. 20000/- as security which is similar to all other category members at the time of induction.

Article 35

Adding the payment option through digital mode for promoting cashless transactions:

Under this article, via amendment, the managing committee has only proposed to add the option for payment 'through digital payment' is added considering the practical aspects for promoting cashless transactions.

Article 37.

Updating the way of sending the reminders under article 37:

Under this article, via amendment, the managing committee has only proposed to change the language of the Article and offer the option of sending the reminder through Speed Post / Email and word 'Article 20 A' is corrected as 'Article 22 (5)'.

Article 38

Club smart card is substituting in the place of signing the vouchers or uses the debit cards for availing club facilities:

For the clarification there is no change under this article and the only proposal of the managing committee is to change the term 'club smart card' in the place of 'signing the vouchers or use the debit cards' for availing club facilities.

Article 39

Deletion of article 39:

It is proposed to delete this Article as it is irrelevant considering the practical aspects.

Article 43

Increase in the number of members in managing committee:

After long discussions the managing committee has proposed, vide this amendment, to make it compatible with the companies act provisions, wherein all managing committee members have to be compulsorily elected by the members in the Annual General Meeting. Further, as the Army members in the Managing committee are not elected members of the Managing Committee and during the course of inspection conducted by the Official of the Ministry of Corporate Affairs (MCA) this fact was pointed out. Hence, in future the Army nominated members will be the special invitees to the meetings of the Managing Committee.

It is also proposed to increase the elected Managing Committee members from 'one President & five Managing Committee members' to 'one President and six Managing Committee members', hence there will be total seven elected members of the Managing Committee including the President.

Further, procedure for Voting through electronic means / physical voting has been defined in detail under the **Article 43 (A)**.

Article 44

It is proposed that all the affairs of the Club shall be managed by the Committee of ten members (including three special invitees from Mess) in place of nine members. One of them is the President and six others are the Committee members, who shall be elected by a ballot (physical & E-voting) at the Annual General Meeting (AGM) of the Club.

Article 53

Substitution of term 'on or before 30th June' at the place of 'on or before the date prescribed under Article 41 (A)'.

Under this Article 53 (B) it is proposed to substitute the term "on or before the date prescribed under Article 41 (A)" with "on or before 30th June" for more clarification.

Article 61(6)

Under this Article, it is proposed to delete the word 'prepared under Article 47 A (5)' as the mentioned article is not relevant to this clause.

Article 66

It is proposed that the resolution for the adoption of the proposed amendments shall be passed by a three fourth majority of the total votes casted at the Extra ordinary General Meeting provided that at least one hundred members shall vote at the Extra ordinary General Meeting in place of earlier 'minimum twelve members vote' at the Extra ordinary General Meeting.

Article 69

Option of signing the vouchers is not in practice. Hence, via this proposed amendment it has been proposed to use Prepaid Debit Cards / Coupons duly provided by the Club in order to avail any service in the Club.

Article 70

It is proposed to delete this entire article by considering the fact that no such procedure mentioned therein is in practice.

Article 72

It is proposed to increase the Guest fee from Rs. 25 /- to Rs. 50/- plus taxes and for third visit infringement fee from Rs. 150/- to Rs. 300/- plus applicable taxes keeping in view the inflationary pressure.

Article 74

The managing committee, via this amendment, has proposed the responsibility of Club members & Lady subscriber for their guests in an elaborated form.

Article 90

Limit of capital expenditure:

The managing committee, via this amendment, has proposed to increase the limit of Capital expenditure from Rs. 5.00 lacs to Rs. 10.00 lacs keeping in view the inflationary pressure.

Article 91

To comply the provisions of company's act, 2013 and to curtail the related party transactions it is proposed that services of constructions and repair, legal services, chartered accountants' services, Messing, Tentage services and security services will not be contracted to any member of the Club or any firm or Company in which the Club member has interest.

Nature of concern or interest of Managing committee members: None of the Managing committee members, promoters and the relatives of the mentioned persons is concerned or interested, directly or indirectly, in the proposed resolution save and except to the extent of their membership in the Company.

Your Managing committee members recommend this resolution for the approval of members.

Place: Dehradun
Dated: 17.03.2023

For and on behalf of Managing Committee



Ajai Kumar Garg
Assistant Secretary
Dehradun Club Limited