



JSFB/SEC/2026-27/35

12th June 2026

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051.

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001.

Dear Sir/Madam,

Sub: Amendment to Articles of Association of the Bank

Ref: Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

We wish to inform that the Members of the Bank have approved amendment to the Articles of Association ("AOA") of the Bank by way of insertion of a new Article 7A relating to issuance of warrants and/or other convertible securities, subject to applicable laws and regulatory approvals.

The amendment has been carried out to expressly enable the Bank to issue warrants and/or other convertible securities, including on a preferential allotment/private placement basis and to provide flexibility regarding the terms of issuance, conversion, rights and privileges attached thereto, in accordance with applicable laws and regulations.

Details of amendment to the Articles of Association:

A new Article 7A has been inserted after Article 7 of the Articles of Association of the Bank, which reads as follows:

"7A Issuance of Warrants and/ or other Convertible Securities:

Subject to the provisions of applicable law the Company may issue warrants and/ or other convertible securities, to any person (whether or not such persons are the share/ security holders of the Company) which may entitle the holders thereof to subscribe to equity shares or such other securities with or without consideration, and with or without refundable/ forfeitable deposit, at premium or at par, and on such terms and conditions and with such rights and privileges as the Board (or any committee duly authorised by the Board) may deem fit, and as may be specified in the resolution issuing and allotting the warrants and/or other convertible securities, in any manner as permitted under the applicable law, including by way of preferential allotment/ private placement basis. Subject to applicable law, the Board (or a committee thereof duly authorized by the Board), may convert warrants and/ or convertible securities into equity shares at such rates (including premium), terms and conditions as may be determined by the Board (or a committee thereof duly authorized by the Board) and in accordance with the Applicable Law, either in a single tranche or in one or more tranches or otherwise as per the discretion of the Board (or a duly authorized committee of the Board), as specified in the resolution issuing and allotting the warrants and/ or other convertible securities."

A copy of the latest Memorandum of Association and Articles of Association is enclosed herewith. You are requested to kindly take the same on your record and oblige.

Thank you

Yours faithfully

For Jana Small Finance Bank Limited

Lakshmi R N
Company Secretary & Compliance Officer

JAMA KARO, JANA KARO

Registered Office:

Jana Small Finance Bank Limited
The Fairway Business Park, # 10/1, 11/2 & 12/2B, Off
Domlur, Koramangla Inner Ring Road, Next to Embassy Golf
Links, Challaghatta, Bengaluru -560071.

CIN No. L65923KA2006PLC040028

T +91 80 4602 0100
E info@janabank.com
W www.janabank.com

**COMPANY LIMITED BY SHARES
(THE COMPANIES ACT, 2013)
ARTICLES OF ASSOCIATION
OF
JANA SMALL FINANCE BANK LIMITED (THE “COMPANY”)**

These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

PRELIMINARY

1. The regulations contained in the Table marked ‘F’ in the First Schedule to the Companies Act, 2013, as amended from time to time, shall not apply to this Company except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act. The regulations for the management of the Company, and for the observance by the members of the Company and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of, or addition thereto, by Special Resolution, as prescribed by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

2. **DEFINITIONS AND INTERPRETATION**

In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

- 2.1 “Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.
- 2.2 “Applicable Law” or “Law” means all statutes, laws, ordinances, guidelines, rules and regulations applicable to the Company including but limited to the provisions of the Act, the Banking Act, RBI Act and Guidelines and any license, permit or other authorisations granted from or by the RBI.
- 2.3 “Articles” means the Articles of Association of the Company as originally framed or as altered from time to time or applied in pursuance of the Companies Act.
- 2.4 “Board of Directors” or “Board”, in relation to the Company, means the collective body of the Directors of the Company.
- 2.5 “Companies Act, 2013” means the Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder.
- 2.6 “Debenture” includes debenture-stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.

Certified True Copy

For Jana Small Finance Bank Limited



Company Secretary

- 2.7 **“Depository”** means a depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992
- 2.8 **“Director”** means a director of the Company including alternate directors and Independent Directors appointed in accordance with and the provisions of these Articles.
- 2.9 **“FEMA”** means Foreign Exchange Management Act, 1999, read with the rules and regulations prescribed thereunder and amended from time to time
- 2.10 **“Guidelines”** shall mean the ‘Guidelines for Licensing of Small Finance Banks in the Private Sector’ dated November 27, 2014, read with the clarifications to the queries on the Guidelines for Licensing of Small Finance Banks in the Private Sector dated January 1, 2015, issued by the RBI, Operating Guidelines for Small Finance Banks dated October 6, 2016 and Guidelines on Financial Inclusion and Development dated July 6, 2017, and such other relevant rules and regulations issued by RBI in relation to small finance banks including any statutory modifications or re-enactment thereof for the time being in force;
- 2.11 **“Key Managerial Personnel”** or **“KMP”**, means—
- i. the Managing Director and CEO;
 - ii. the company secretary;
 - iii. the whole-time director;
 - iv. the chief financial officer; and
 - v. such other officer as may be prescribed.
- 2.12 **“Member”** in relation to the Company means—
- (a) The subscriber to the Memorandum of the Company who shall be deemed to have agreed to become Member of the Company, and on its registration, shall be entered as Member in its register of members;
 - (b) Every other person who agrees in writing to become a Member of the Company and whose name is entered in the register of Members of the Company; and
 - (c) Every person holding Shares of the Company and whose name is entered as a beneficial owner in the records of a Depository.
- 2.13 **“Memorandum”** means the memorandum of association of the Company as originally framed or as altered from time to time in pursuance of the Companies Act.
- 2.14 **“Ordinary or Special Resolution”** means an ordinary resolution, or as the case may be, special resolution referred to in section 114 of the Companies Act, 2013.
- 2.15 **“Paid-up Share Capital”** or **“Share Capital Paid-up”** means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid-up in respect of shares issued and also includes

any amount credited as paid-up in respect of shares of the Company, but does not include any other amount received in respect of such shares, by whatever name called.

- 2.16 **“RBI Act”** means Reserve Bank of India Act, 1934, including any statutory modification or re-enactment thereof.
- 2.17 **“RBI”** or **“Reserve Bank of India”** means the Reserve Bank of India established under RBI Act.
- 2.18 **“Recognised Stock Exchange”** means a recognised stock exchange as defined in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- 2.19 **“Register”** or **“Register of Members”** means the register of Members required to be maintained pursuant to the Act and shall include the register of Beneficial Owner(s) maintained by a Depository in respect of the Company’s shares being held in dematerialized form.
- 2.20 **“Share”** means a share in the share capital of the Company and includes stock.
- 2.21 **“Subscribed Capital”** means such part of the capital which is for the time being subscribed by the Members of the Company.
- 2.22 **“The Act”** means the Companies Act, 2013, and includes any statutory modification or re-enactment thereof for the time being in force.
- 2.23 **“The Banking Act”** means the Banking Regulation Act, 1949 and would include any statutory modifications or re-enactment thereof for the time being in force.
- 2.24 **“The Company”** means **“JANA SMALL FINANCE BANK LIMITED”**.
- 2.25 **“The Seal”** means the common seal of the Company.
- 2.26 **“Tribunal”** means the National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013.
- 2.27 **“Voting Right”** means the right of a Member of the Company to vote in any Meeting of the Company or by means of Postal Ballot.

Words importing the masculine gender also include the feminine gender and words importing the singular number include where the context admits or requires the plural number and vice versa. Words importing persons shall include the Central or State Government, corporations, corporate bodies, firms, individuals, societies and other bodies whether incorporated or not. Subject as aforesaid, any words or expressions defined in the Act except where it is repugnant to the subject or context shall bear the same meaning in these Articles.

Words not defined in these Articles, but defined either in the Act, 1949 Act or RBI Act, shall have the meaning assigned to them, in such enactments, respectively, as the context may require.

Copies of the Memorandum and Articles shall be furnished by the Company to every Member at his request, within the period and on payment of such sum as may be prescribed by the Act

SHARE CAPITAL AND VARIATION OF RIGHTS

3. Capital

The Authorised Capital of the Company is or shall be such amount as stated in Clause V of the Memorandum of Association of the Company, for the time being or as may be varied, from time to time, under the provisions, if any, of the Banking Act, the Act and these Articles, and divided into such numbers, classes and descriptions of shares and into such denominations as stated therein. The Company has power, from time to time, to increase or reduce or cancel its capital and to attach thereto respectively such preferential, cumulative, convertible, guarantee, qualified or other special rights, privilege, condition or restriction, as may be determined by or in accordance with the Articles of Association of the Company or the legislative provisions, for the time being in force, in that behalf.

4. Shares in the capital of the Company shall be under the control of the Directors

Subject to the provisions of the Act, the Banking Act and these Articles, the Shares in the capital of the Company for the time being (including any shares forming a part of any increased capital of the Company) shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or subject to compliance with the provisions of the Act at a discount and at such time as they may from time to time think fit and proper, and with full power with the sanction of the Company in General Meeting, to give to any person or persons the option or right to call for or be allotted shares of any class of the Company either at par or at premium during such time and for such consideration as the directors think fit, and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partly paid up shares, as the case may be. Provided that the option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

5. Power of General Meeting to offer shares to such persons as the Company may resolve

The Company in a General Meeting may determine, in accordance with applicable law, to issue further shares of the authorised capital of the Company and may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and conditions either at a premium or at par or, subject to compliance with the provisions of the Act, at a discount, as such General Meeting shall determine and with full power to give to any person or persons (whether a member or holder of debentures of the Company or not) the option or right to call for or be allotted any shares of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of the Companies Act, 2013 and the applicable Rules thereof), during such time and for such consideration as the directors think fit.

6. Increase of Capital

Subject to the provisions of these Articles, the Act, the Banking Act, and the Guidelines, the Company may from time to time in a General Meeting alter the conditions of its Memorandum by increase of its share capital by the creation of new shares of such amount as it thinks expedient. In particular, such shares may be issued, subject to the 1949 Act and directions/circulars that may be issued by the RBI from time to time, with a special or qualified right to dividend and in the distribution of assets of the Company. Subject to the provisions of the Act and these Articles, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as directed by the General Meeting creating the same and if no direction be given as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company provided always that any preference shares may be issued on the terms that they are, or at the option of the Company, liable to be redeemed.

7. Further issue of shares

- (1)
 - (a) Where at any time the Company proposes to increase its Subscribed Capital by allotment of further Shares then such further Shares shall be offered:
 - (b) To the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid-up Share Capital by sending a letter of offer subject to the following conditions, namely:
 - (i) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 15 days and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
 - (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders of the Company.
 - (c) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or
 - (d) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Companies Act, 2013 and any other conditions as may be prescribed.
- (2) The notice referred to in Article 7(1)(a)(i) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders of the Company at least three days before the opening of the issue.
- (3) Nothing in Article 7 shall apply to the increase of the Subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company; or to subscribe for Shares in the Company in accordance with the provisions of the Banking Act and the Guidelines as issued by the RBI from time to time:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

- (4) Notwithstanding anything contained in Article 7(3), where any debentures have been issued, or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under Article 7(4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under Article 7(4), directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the Tribunal under Article 7(4) or where such appeal has been dismissed, the memorandum of such company shall, where such order has the effect of increasing the authorised share capital of the company, stand altered and the authorised share capital of such company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into

7A. Issuance of Warrants and/ or other Convertible Securities:*

Subject to the provisions of applicable law the Company may issue warrants and/ or other convertible securities, to any person (whether or not such persons are the share/ security holders of the Company) which may entitle the holders thereof to subscribe to equity shares or such other securities with or without consideration, and with or without refundable/ forfeitable deposit, at premium or at par, and on such terms and conditions and with such rights and privileges as the Board (or any committee duly authorised by the Board) may deem fit, and as may be specified in the resolution issuing and allotting the warrants and/or other convertible securities, in any manner as permitted under the applicable law, including by way of preferential allotment/ private placement basis. Subject to applicable law, the Board (or a committee thereof duly authorized by the Board), may convert warrants and/ or convertible securities into equity shares at such rates (including premium), terms and conditions as may be determined by the Board (or a committee thereof duly authorized by the Board) and in accordance with the Applicable Law, either in a single tranche or in one or more tranches or otherwise as per the discretion of the Board (or a duly authorized committee of the Board), as specified in the resolution issuing and allotting the warrants and/ or other convertible securities.

8. Share capital may be divided into different classes of Shares

If at any time the Share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class), if any, under the Banking Act and may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the Shares of that class.

To every such separate Meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

9. Creation or issue of further Shares ranking *pari passu*

The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

*Approved by Shareholders in their meeting held on 11th June 2026

10. Issuance of Preference Shares

Subject to the provisions of Section 55 of the Act, any Preference Shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed within a period not exceeding 20 years from the date of their issue on such other terms and in such manner as the Company before the issue of such Preference Shares may, by Special Resolution, determine.

DEMATERIALIZATION OF SECURITIES

(a) Dematerialization

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities, rematerialize its shares, offer its fresh shares, debentures and other securities, in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

(b) Re-materialization

Notwithstanding anything contained in these Articles, but subject to applicable law, the Company shall be entitled to rematerialize its shares, debentures and other securities held in dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

(c) Option for investors

Subject to the Company offering issuance of securities in dematerialized form, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold securities with a Depository. Such person who is the Beneficial Owner of the securities may at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.

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

(d) Securities in Depository to be in fungible form

All securities held by a Depository shall be dematerialized and be in a fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(e) Rights of Depositories

Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of security on behalf of the Beneficial Owner.

Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(f) Transfer of Securities

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

Distinctive numbers of Securities held in a Depository. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the dematerialized mode.

(g) Register of members

Any application signed by the applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of the shares within the meaning of these Articles and every Person who, thus or otherwise, accepts any shares and whose name is entered in the register of members, for the purposes of the Act and these Articles, be a member of the Company.

The Company shall cause to be kept a register of members, an index of members, a register of debenture holders and an index of debenture holders in accordance with Section 88 of the Act. The Company may exercise the powers conferred on it by Section 88 with regard to the keeping of a foreign register of members, and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit in respect of keeping of any such register.

(h) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(i) Register and Index of Beneficial Owners of these Articles

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state

or country outside India, a branch Register of Members, of members who are resident in that state or country.

(j) Shares to be numbered

Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no shares shall be subdivided. Every forfeited or surrendered share held in material form should continue to bear the number by which the same was originally distinguished.

(k) Issue of share certificates

No share certificate(s) shall be issued for the shares held in a dematerialized form.

(l) Voting Rights of Beneficial Owner

A Depository as a registered owner shall not have any voting right in respect shares held by it in a dematerialized form. However, the Beneficial Owner as per the register of Beneficial Owners maintained by the Depository shall be entitled to such rights in respect of the shares or securities held by him in the Depository. Any reference to the Member or joint Members in the Articles includes reference to Beneficial Owner or joint Beneficial Owner in respect of the shares held in Depository.

11. Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

12. Cumulative Convertible Preference Shares

The Company subject otherwise to the provisions of the Act and the guidelines of the Government of India in that behalf, shall have the power to issue Cumulative Convertible Preference Shares or any similar kind of Preference Shares as may be permitted by law.

The resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

13. Provisions to apply on issue of Redeemable Preference Shares

On the issue of the Redeemable Preference Shares under the provisions of these Articles hereof, the following provisions shall take effect

a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of redemption

b. no such shares shall be redeemed unless they are fully paid;

- c. the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
- d. where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company

14. Directors may allot shares as fully paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares, which may be so allotted, may be issued as fully paid up, otherwise than in cash, and if so issued, shall be deemed to be fully paid-up.

Provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a General Meeting.

15. Acceptance of shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is entered in the Register shall for the purpose of these Articles be a member.

16. Deposit and calls etc., to be a debt payable

The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

17. Instalments on Shares to be duly paid

If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person, who, for the time being and from time to time, shall be the registered holder of the share or his legal heir or representative.

18. Company not bound to recognise any interest in shares other than that of the registered holders

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way, to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, (or except only as by these Articles or as ordered by a Court of competent jurisdiction or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

19. Members shall be entitled to receive Share certificates

Every person whose name is entered as a Member in the register of Members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares or within such other period as the conditions of issue shall be provided,—

- a) One or more certificates in marketable lots for all the Shares of each class or denomination of registered in his name without payment of any charges; or
- b) several certificates if the Board so approves, each for one or more of his Shares, upon payment of such fee as the Board may prescribe for each certificate after the first and the Company shall have ready for delivery such certificates within two months from the date of allotment, unless the conditions of the issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

20. Share certificate shall be under the Seal of the Company

Every certificate shall be under the Seal, which shall be affixed in the presence of the persons required to sign the certificate and shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary and shall be in such form as the Board may prescribe and approve.

21. In case of joint shareholding one Share certificate shall be issued

In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all such holders.

22. Issuance of duplicate Share and Debenture certificates

If any Share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹20 for each certificate.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof.

The provisions of Articles 22 to 25 shall *mutatis mutandis* apply to Debentures of the Company.

Except as required by law, no person shall be recognized by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

23. Commission

The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Companies Act, 2013, *provided that* the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made there under.

The rate of commission paid or agreed to be paid shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act and the Banking Act.

The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.

LIEN

24. Fully paid Shares will be free from all liens

The fully paid Shares will be free from all liens, while in the case of partly paid Shares, the Company's lien, if any; will be restricted to moneys called or payable at a fixed time in respect of such Shares.

25. First and paramount lien

The Company shall have a first and paramount lien—

- (a) on every Share/Debenture (not being a fully paid-up Share/Debenture), registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share/debenture and no equitable interest in any share shall be created except on the footing that this Article shall have full effect; and
- (b) On all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such Shares.

Unless otherwise agreed, the registration of a transfer of Shares/debentures shall operate as a waiver of the Company's lien if any, on such Shares/debentures.

26. Powers of the Company to sell the Shares under lien

The Company may sell, in such manner as the Board of Directors thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) Unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board of Directors may authorise some person to transfer the Shares sold to the purchaser thereof.

- (a) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
- (b) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

The provisions contained hereinabove shall apply *mutatis mutandis* to debentures, if any, of the Company.

TERM OF ISSUE OF DEBENTURE

- 27. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall only be issued with the consent of the Company in the General Meeting accorded by a Special Resolution.

CALLS ON SHARES

- 28. The Board of Directors may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- 29. **Notice for payment of calls**

Each Member shall, subject to the provisions of the receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

- 30. **Board of Directors may revoke or postpone a call**

A call may be revoked or postponed at the discretion of the Board of Directors.

The option or right to call of Shares shall not be given to any person except with the sanction of the shareholders in a General Meeting.

- 31. **Call deemed to have been made**

A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising the call was passed and may be required to be paid by instalments.

32. Liability of joint holder to pay calls

The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

33. Interest payable on unpaid calls

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate, as the Board of Directors may determine.

The Board of Directors shall be at liberty to waive payment of any such interest wholly or in part.

Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

34. Forfeiture of Shares in case of non-payment of calls and interest

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

35. Powers of the Company to receive advance call

The Board of Directors —

- (a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and
- (b) any amount paid-up in advance of calls on any Share may carry interest but shall not entitle the holder of the Share to participate in respect thereof, in Dividend subsequently declared or to participate in profits.
- (c) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% per annum, or such rate as may be agreed upon between the Board and the Member paying the sum in advance.
- (d) The Company may accept from any Member, the whole or a part of the amount remaining unpaid on any Shares held by him, even if no part of that amount has been called up.

The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of this Article shall *mutatis mutandis* apply to the calls on debentures of the Company.

TRANSFER AND TRANSMISSION OF SECURITIES

36. TRANSFER OF SHARES

The Company shall use a common form of transfer and in writing, in all cases. The instrument of transfer of Shares of the Company shall be in such form as may be prescribed from time to time in accordance with the requirements of Section 56 of the Companies Act. The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever **Power of the Board of Directors to refuse registration of a transfer**

The Board of Directors may, subject to the right of appeal conferred under the provisions of the Act, refuse to register -

- a) the transfer of a Share or the transmission by the operation of law of the right to any shares or interest of a Member of the Company in debentures of the Company, not being a fully paid Share. The Company shall within one month from the date on which the instrument of transfer of intimation of such transmission, as the case may be was delivered to the Company, send notice of such refusal to the transferee and the transferor or to the person giving instructions of such transmission, as the case may be, giving reasons for such refusal; or
- b) any transfer of Shares over which the Company has a lien.

The Board of Directors may decline to recognise any instrument of transfer unless—

- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section(1) of Section 56 of the Companies Act, 2013;
- (b) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board of Directors may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of Shares.

37. Closure of registration of transfer

On giving not less than seven days' previous notice in accordance with Section 91 of the Companies Act, 2013 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board of Directors may from time to time determine:

Provided that such registration shall not be suspended for more than 30 days at any one time or for more than 45 days in the aggregate in any year.

38. TRANSMISSION OF SHARES

On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the Shares.

Nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

Any person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board of Directors and subject as hereinafter provided, elect, either--

- a. to be registered himself as holder of the Share; or
- b. to make such transfer of the Share as the deceased or insolvent Member could have made.

39. Power of the Board of Directors to suspend registration

The Board shall, in either case mentioned in Article 39, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.

40. Notice for transfer

- a. If the person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- b. If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
- c. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

41. Entitlement of the benefits

A person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to Meetings of the Company:

Provided that the Board of Directors may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board of Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

42. No fee for transfer or transmission

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

FORFEITURE OF SHARES

43. Forfeiture of shares

If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board of Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

44. Notice for forfeiture of Shares

The notice aforesaid shall—

- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board of Directors to that effect.

A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors thinks fit.

At any time before a sale or disposal as aforesaid, the Board of Directors may cancel the forfeiture on such terms as it thinks fit.

A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares.

The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

45. Declaration for forfeiture of Shares

A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

46. Consideration for re-issuance of forfeited Shares

The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of.

47. Registration of transferee as the holder

The transferee shall thereupon be registered as the holder of the Share.

48. Immunity of the transferee

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

SURRENDER OF SECURITIES

49. The Directors may accept on behalf or for the benefit of the Company surrender of any Securities liable to forfeiture so far as Applicable Law permits.

ALTERATION OF CAPITAL

50. The authorized capital of the Company shall be as per Clause V of the Memorandum of the Company. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

Subject to the provisions of the Act and the Banking Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting creating the same may direct and if no direction be given then as the Directors shall determine; and in particular such shares may be issued with a preferential or qualified right to dividends and in distribution of assets of the Company and any Preference shares may be issued on the terms that they are or at the option of the Company are to be liable to be redeemed.

51. Where it is proposed to increase the subscribed capital of the Company by allotment of further shares, then such further shares shall be offered to the persons who, at the date of the offer, are holders of the shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date, and such offer shall be made in accordance with the provisions of Section 62 of the Act.

Provided that notwithstanding anything hereinabove contained, the further shares aforesaid may be offered to any persons, whether or not those persons include the persons who, at the date of the offer, are holders of the shares of the Company in any manner in accordance with the provisions of the Act.

52. **Same as original capital**

Except so far as otherwise provided by the conditions of issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, voting and otherwise.

Subject to the provisions of Section 66 of the Act and confirmation by the Court/ Tribunal, the Company may by Special Resolution, reduce its share capital and/ or any capital redemption reserve account and/ or the securities premium account in any manner authorized under law and with, and subject to, any incidental authorization or consent required or such other steps that needs to be undertaken in accordance with law

53. **Issue of further *pari passu* shares not to affect the right of shares already issued.**

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of the issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

54. Power to consolidate, sub-divide, cancel Shares

Subject to the provisions of the Act and the Banking Act, the Company may, by Ordinary Resolution:

- (a) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
- (b) Convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
- (c) Sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum;
- (d) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
- (e) Classify the unclassified shares into equity or preference share capital, as may be decided by the Company
- (f) Reclassify the unissued equity share capital into preference share capital and viceversa

55. Where Shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board of Directors may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at Meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
- (c) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stockholder” respectively.

56. Reduction in authorized capital

The Company may, by Special Resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

- (a) its share capital;

- (b) any capital redemption reserve account; or
- (c) any share premium account.

BUY BACK

- 57.** Notwithstanding anything contained in these Articles but subject to the provisions of the Act, Banking Act and guidelines issued by the RBI from time to time, FEMA and or any other law for the time being in force, the Company may purchase its own Shares or other specified securities in such manner as may be prescribed.

BORROWING POWER

- 58.** The Board of Directors may, from time to time, by a resolution passed at a meeting of the Board borrow money for the purpose of the Company. Provided that the Board of Directors shall not borrow money except with the approval of the Company in General Meeting by Special Resolution, where money to be borrowed together with the money already borrowed by the Company, apart from temporary loans obtained in its ordinary course of business and except as otherwise provided hereafter, shall exceed the aggregate of the paid-up capital of the Company and its free reserves or limits as set under the Act.

Provided that nothing contained herein above shall apply to:-

- (i) any sums of money borrowed by the Company from any other banking companies or from the RBI, or any other scheduled banks established by or under any law for the time being in force; and
- (ii) acceptance by the Company in the ordinary course of business of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise

The expression “temporary loans” means loans repayable on demand or within 6 months from the date of the loan such as short-term, cash credit arrangements, the discounting of bills and the issue of other short-term loans of a seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature.

- 59.** Subject to the provisions of the Act, the Banking Act and guidelines issued by the RBI from time to time, and these Articles, the Board of Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds or redeemable debentures of debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future).
- 60.** Any bonds, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board of Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
- 61.** The Board of Directors shall cause a proper register to be kept in accordance with the provisions of Act of all mortgages and charges specifically affecting the property of the Company, and shall duly comply with requirements of the said Act in regard to registration of mortgages and charges and of copies of instruments creating charges. Such sum as may be prescribed by the Act shall be payable by any person other than a creditor or Member of the Company for each inspection of the register of charges.

NOMINEE DIRECTORS

62. Subject to provisions of the Act and the Banking Act, and notwithstanding anything to the contrary contained in these Articles, so long as any monies borrowed and remaining owing by the Company to any bank, financial institution, private equity fund, finance company, or any other body corporate or institution from whom the Company has borrowed (hereinafter referred as "**the Corporation**") or so long as the Corporation holds Securities or debentures or bonds in the Company as a result of underwriting or direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, and if the loan or other agreement with such Corporation so provides, then the Corporation may, subject to applicable law appoint, from time to time, any Person or Persons as Directors or whole time Directors (hereinafter referred to as "**Nominee Director(s)**") on the Board of the Company based on such agreement as may be entered into between such Corporation and the Company and to remove from such office any Person or Persons so appointed and to appoint any Person or Persons in his or their place.
63. The Nominee Directors(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings and of the Meetings of the Board and Committees of which the Nominee Directors(s) is/are members of.
64. The Company shall pay to the Nominee Director(s) sitting fees and re-imbusement of expenses which the other Directors of the Company are entitled to. Unless the Corporation otherwise communicates, if any other fees, commission, monies or remuneration in any form is payable to the Director(s) of the Company the fees, commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation on such Nominee Director(s) in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the corporation or as the case may be to such Nominee Director(s).
- Provided that* if any such Nominee Director(s) is an officer of the Corporation, the sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation unless otherwise communicated by the Corporation.
65. The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). At the option of the Corporation such Nominee Director(s) shall not be required to hold any qualification shares in the Company. Such Nominee Director(s) shall be liable to retirement by rotation if so required by the Act or any other statutory regulation, but eligible for re-election at every General Meeting of the Company. The Nominee Director(s) so appointed in exercise of the said powers shall *ipso facto* vacate such office immediately once the Corporation ceases to meet the conditions as required to be met by such Corporation for such Corporation to appoint a Nominee Director on the Board of the Company, either as per any shareholders' agreement that is then contractually in force or effect or any loan or other borrowing agreements and documents entered into between the Company and such Corporation.
66. In the event of Nominee Director(s) being appointed as whole-time Director(s) such Nominee Director(s), shall exercise such powers as are available to a whole time Director in the management of the affairs of the Company

GENERAL MEETINGS

67. **Power of the Board of Directors to call an Extra Ordinary General Meeting**
- (a) General Meetings other than annual General Meeting shall be called extraordinary General Meeting.
- (b) The Board of Directors may, whenever it thinks fit, call an extraordinary General Meeting.

- (c) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a Meeting may be called by the Board of Directors.

PROCEEDINGS AT GENERAL MEETINGS

68. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business.

Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Companies Act, 2013.

69. The chairperson, if any, of the Board of Directors shall preside as chairperson at every General Meeting of the Company.

70. If there is no such Chairperson, or if he is not present within 15 minutes after the time appointed for holding the Meeting, or is unwilling to act as chairperson of the Meeting, the Directors present shall elect one of their Members to be Chairperson of the Meeting.

71. If at any Meeting no Director is willing to act as Chairperson or if no Director is present within 15 minutes after the time appointed for holding the Meeting, the Members present shall choose one of their Members to be Chairperson of the Meeting.

72. The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of the requisition, not less than one-tenth of such of the paid-up Capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

73. The requisition shall set out the matters for the consideration of which the Meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

The requisition may consist of several documents in like form, each signed by one or more requisitionists.

Where two or more distinct matters are specified in the requisition, the provisions set forth above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub-clause is fulfilled.

74. If the Board of Directors do not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition the Meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid up share capital of the Company as is referred to in Article 75 above which ever is less.

75. A Meeting called under Article 77 above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which Meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.

76. Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a Meeting shall be repaid to the requisitionists by the Company and any sum so repaid shall be retained

by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

77. Adjournment of Meeting

The Chairperson may, with the consent of any Meeting at which a quorum is present, and shall, if so directed by the Meeting, adjourn the Meeting from time to time and from place to place.

No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.

When a Meeting is adjourned for 30 days or more, notice of the adjourned Meeting shall be given as in the case of an original Meeting.

Save as aforesaid, and as provided in Section 103 of the Companies Act, 2013, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

78. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares,—

- (a) on a show of hands, every Member present in person shall have one vote; and
- (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

79. Voting by electronic means

A Member may exercise his vote at a Meeting by electronic means in accordance with Section 108 of the Companies Act, 2013 and shall vote only once.

80. Voting by joint holders

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of Members.

81. Voting by a Member of unsound mind

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

82. Voting by poll

Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

83. Restrictions on voting rights on unpaid Shares

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

84. Objection for qualification on votes

No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such Meeting shall be valid for all purposes.

Any such objection made in due time shall be referred to the Chairperson of the Meeting, whose decision shall be final and conclusive.

85. Proxy

The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

86. Proxy form

An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Companies Act, 2013.

87. Validity of proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

DIRECTORS

88. The first directors of the Company shall be the following

- i) Mr. Ramesh Ramanathan
- ii) Mr. R Srinivasan
- a. The minimum number of Directors shall be three and the maximum number of Directors at any time shall not exceed fifteen.
- b. The Board shall have power at any time, from time to time, to appoint any person as additional Director provided the number of Directors and additional Directors and nominated Directors together shall not at any time exceed fifteen.
- c. It shall not be necessary for a Director to hold any Securities in the Company.
- (1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called the “**Original Director**”) during his absence for a period of not less than three months

from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act.

- (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
 - (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.
 - (4) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.
 - (5) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.
- 89.** The Board shall have power at any time and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Any additional Directors appointed by the Board shall be subject to reappointment in the next annual General Meeting of the Company in accordance with Applicable Law.

REMUNERATION OF DIRECTORS

- 90.** Subject to the provisions of the Act and Applicable Law, the remuneration and travelling and other expenses payable to the Directors of the Company may be hereinafter provided :-
- (a) Each Director shall be paid out of the funds of the Company a remuneration by way of fee, of such sum for each meeting of the Board of Directors or Committee of the Board attended by him as may be determined by the Board from time to time within the limits prescribed by the Act or Central Government from time to time and subject to the provisions of the Banking Act, as amended from time to time.
 - (b) In addition to the remuneration payable as above, the Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel, and other incidental expenses incurred by him in attending and returning from the meetings of the Board of Directors or any Committee thereof or General Meetings of the Company.
 - (c) In addition to above, a Director including a part time Chairman who is neither in the whole time employment of the Company nor a Managing Director, may be paid remuneration, as determined by the Board, subject to the provisions of the Act and the Banking Act.
 - (d) A Director including a part time Chairman who is neither in the whole time employment of the Company nor a Managing Director, if called upon and willing to render extra services whether of a professional or non-professional nature may be paid remuneration either by way of monthly, quarterly or annual payment or by way of commission, as may be determined by the Board, subject to the provisions of the Act and the Banking Act and such remuneration may be in addition to the remuneration payable under sub-clause(a) above.

- (e) In addition to the remuneration payable under sub-clause (c) above, any Director referred to therein shall be reimbursed such sum as the Board may consider fair compensation for travelling, hotel and other incidental expenses incurred by him in connection with the business of the Company.

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

PROCEEDINGS OF THE BOARD

- 91.** The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its Meetings, as it thinks fit.

92. Power to call Board Meetings

A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a Meeting of the Board of Directors.

93. Decision by vote of majority

Save as otherwise expressly provided in the Companies Act, questions arising at any Meeting of the Board of Directors shall be decided by a majority of votes.

In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

94. Status in case number of Directors reduced below the quorum

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

95. Quorum for the Board Meeting

The quorum for a Board Meeting shall be as provided in Section 174 of the Companies Act. Where a Meeting of the Board of Directors could not be held for want of quorum, then the Meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

96. Delegation of powers by the Board of Directors

The Board of Directors may, subject to the provisions of the Companies Act, delegate any of its powers to Committees consisting of such Member or Members of its body as it thinks fit or to the Managing Director or any other principal officer of the Company or in the case of a branch office of the Company, the principal officer of the branch office.

Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board of Directors.

97. Chairman of the Board Meeting

The Board of Directors may elect a Chairperson of its Meetings and determine the period for which he is to hold office. However, the Managing Director shall not act as a Chairperson of the Board of Directors of the Company.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Directors present may choose one of their numbers to be Chairperson of the Meeting.

98. Committee Meetings

A Committee may meet and adjourn as it thinks fit.

Questions arising at any Meeting of a Committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

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

Save as otherwise expressly provided in the Companies Act, a resolution in writing, signed by all the Members of the Board of Directors or of a Committee thereof, for the time being entitled to receive notice of a Meeting of the Board of Directors or Committee, shall be valid and effective as if it had been passed at a Meeting of the Board of Directors or Committee, duly convened and held.

Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose.

99. Chairman of the Committee of the Board of Directors

A Committee may elect a Chairperson of its Meetings.

If no such Chairperson is elected, or if at any Meeting the Chairperson is not present within five minutes after the time appointed for holding the Meeting, the Members present may choose one of their Members to be Chairperson of the Meeting.

POWERS AND DUTIES OF DIRECTORS

100. The business of the Company shall be managed by such Person or Persons appointed by the Board of Directors subject to the superintendence, control and direction of the Board. With the consent of the Board, such Person or Persons may pay all such expenses thereof and preliminary and incidental to the promotion, formation, establishment and registration of the Company and exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company as not by the statute or by these Articles required to be exercised or done by Company in General Meeting subject to nevertheless the regulations contained in these Articles, the provisions of the statute and to such regulations and provisions as may be prescribed by the Company in the General Meeting.

101. Subject to the provisions of the Act no Director shall be disqualified from his office by contracting with the Company or shall any contract entered into by or on behalf of the Company in shall any Director so contracting or being so interested be liable to account for the Company for any profit realized by any

such contract or arrangement by reason only of such director holding that office, or of the fiduciary relations thereby established, but it is necessary that the nature of interest must be disclosed by him at the Meeting of the Directors at which the contract is determined of his interest then exists, or in any other case, at the first Meeting of the Directors after the acquisition of his interest.

102. ¹MANAGING DIRECTOR, WHOLE TIME DIRECTOR & OTHER KEY MANAGERIAL PERSONNEL

The Board of Directors may, in accordance with the Act and subject to the provisions of the Banking Act and such guidelines as may be issued by the Reserve Bank of India from time to time appoint a Managing Director for a term of not more than five years at a time.

In addition to Managing Director, the Board may appoint Whole Time Director/s (either named as Executive Director/s or Deputy Managing Director/s or by whatever name called) ⁱon Board who shall be in whole time employment of the Bank and shall not be subject to retirement by rotation. Further, such appointee shall may be entrusted with such powers as the Board may deem fit from time to time and who shall exercise such powers subject to superintendence, control and direction of the Board of Directors and whose terms of appointment and remuneration structure shall be as defined by the Reserve Bank of India.

- (a) The Managing Director or the Whole Time Director/s (either named as Executive Director/s or Deputy Managing Director/s or by whatever name called) ⁱⁱas the case may be shall have the knowledge and experience as required under Section 10B (4) of the Banking Regulation Act, 1949. If a Managing Director/ a Whole Time Director ceases to hold office as Director he shall ipso facto and immediately cease to be a Managing Director/ Whole Time Director as the case may be.
- (b) In the event of any vacancy arising in the office of Managing Director/ Whole Time Director, the vacancy shall be filled by the Board of Directors and the Managing Director/ Whole Time Director so appointed shall hold the office for such period as the Board of Directors may fix.
- (c) When the Managing Director has been appointed and holding office as such, he/she shall have subject to the supervision, control and directions of the Board, the management of the whole of the business of the Company.

103. ²Remuneration of Managing Director and/ Whole Time Director/ s

The Managing Director and/ Whole Time Director/s shall, each of them, be paid for their respective services such remuneration on such terms as the Company may, by resolution of Shareholders, from time to time determine in accordance with the Act and the Banking Act and such guidelines as may be issued by the RBI or such other authority, from time to time.

104. Powers to be exercised severally

All powers and duties vested in the Managing Directors for the time being in accordance with the provisions of these presents or by a resolution of the Board of Directors may be exercised by any one of them.

¹ Amended vide Shareholders resolution dated 23rd June 2023

² Amended vide Shareholders resolution dated 23rd June 2023

105. ³Expenses to be charged to the Company

The Managing Directors and/ Whole Time Director/s shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. Further, Managing Director shall be entitled to appoint part-time employees in connection with management of the affairs of the Company and shall be entitled to be paid by the Company for any remuneration that they may pay to such part-time employees.

106. ⁴Power of Managing Director and/ Whole Time Director

The Managing Director and/ Whole Time Director, shall, subject to the supervision and control of the Directors have power to do all acts and things which the Managing Director and / Whole Time Director shall think usual necessary or desirable in the management of the affairs of the Company. Without prejudice to their general powers conferred hereby, they shall have the following powers subject to the supervision and control of the Directors:

- (a) to pay the costs, charges, and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company and subsequent to the registration fees and stamps paid in respect thereof and the costs of advertising, printing, stationery, brokerage, legal charges, furniture and fittings of office and such other costs.
- (b) to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company, or in which the Company is interested or over which the Company may have any such powers of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
- (c) to determine, from time to time who shall be entitled to sign on the Company's dividend warrants, releases, contracts, and documents and to give the necessary authority for such purposes.
- (d) to execute all deeds, agreements, contracts, receipt and other documents that may be necessary or expedient for the purposes of the Company and to make and give receipts, releases and other discharges for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and for the claims and demands of the Company.
- (e) to institute, conduct, defend, compound or abandon any actions, suits and legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions suits and legal proceedings.
- (f) to enter into, vary or cancel all manner of contracts on behalf of the Company.
- (g) to engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or vary description and to employ and remunerate such professional or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of

³ Amended vide Shareholders resolution dated 23rd June 2023

⁴ Amended vide Shareholders resolution dated 23rd June 2023

employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Directors think fit.

- (h) to acquire by purchase, lease, exchange, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office showrooms, godowns and other buildings in the State of Karnataka or elsewhere Machinery, Engine, Plant, Rolling Stock, Tools, Machine Tools, Outfits, Stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
- (i) to plant, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
- (j) to erect, maintain, repair, equip, alter and extend buildings and machinery in the State of Karnataka or in any other place.
- (k) 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 Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (l) to pay all moneys due by the Company and look after the finance of the Company.
- (m) to open current and time-deposit accounts or other accounts with banker or bankers at their choice, and to operate on such accounts and also when necessary to overdraw or take loans on such account on the security of the Company or of any of its assets.
- (n) to draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debentures or debenture-stocks of Corporation, local bodies, port trusts, improvement trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock certificates of the Government and other local or corporate bodies in connection with any business or any subject of the Company.
- (o) subject to Article 59 to borrow from time to time such sums of money for the purposes of the Company upon such terms as may be expedient and with or without security.
- (p) to receive and give effectual receipts and discharge on behalf of and against the Company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against and with or without security.
- (q) to make or receive advance of money, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposit or otherwise in such manner and on such terms as the Managing Director may deem fit.
- (r) to submit to arbitration and enforce the fulfillment of awards regarding any claims in which the Company may be interested, to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
- (s) to institute, appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pledging and other documents to engage and to instruct any advocates, solicitors and lawyers and to execute any vakalat or other authority in their favour and to compound and compromise any claim suit or proceedings.

- (t) to make all manner of insurances.
- (u) to delegate all or any of the powers, authorities and discretions for the time being vested in the Managing Director and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute, deliver register or causes to be registered all instruments, deeds, documents or writings, usually necessary or expedient for any of the purposes of the Company and not requiring the common seal of the Company.

Provided that the Board may from time to time revoke withdraw alter or vary all or any of the above powers.

107. Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Subject to the provisions of the Act, a Chief Executive Officer, Manager, Company Secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, manager, Company secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board. A director may also be appointed as a Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

A provision of the Companies Act or these Articles requiring or authorising a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

AUDITORS

- 108.** The Company shall comply with the provisions of Banking Act and the Act, in relation to the audit of the accounts of its branches whether in India or outside India and appointment of auditors.
- 109.** At least once in every year, the accounts of the Company shall be balanced audit of the accounts and audited and the correctness of financial statements, i.e. balance sheet and profit and loss account, etc. shall be ascertained by one or more auditor or auditors to be appointed as required under the Banking Act and the Act.

ACCOUNTS AND FINANCE

- 110.** The Company shall keep true and accurate accounting records of all operations and such records shall be kept at the registered office of the Company or at such other place in India as the Board thinks fit. The Board of Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board of Directors or by the Company in General Meeting.
- 111.** The Company shall comply with the provisions of the Banking Act and the Act, in regard to the inspection of the books of accounts and other books and papers of the Company, by the Registrar of Companies or by such officer of the Government as may be authorised by the Central Government in this behalf, or by the officers of the Reserve Bank of India, as the case may be.
- 112.** (a) Subject to the provisions of the Act, every balance sheet and profit and loss account of the Company, shall be in the form set out in the Third Schedule of the Banking Act, or as near

thereto as circumstances admit and the requirements of the Act, relating to the financial statements i.e. balance sheet and profit and loss account, cash flow statement, statement of changes in equity (if applicable), any explanatory note annexed to, or forming part of, any document referred to earlier, of the Company, shall in so far as they are not inconsistent with the provisions of the Banking Act, apply to the financial statements, i.e. balance sheet and profit and loss account, etc. as the case may be of the Company.

In case the Central Government by notification specifies some other form or forms in which the balance sheet and the profit and loss account of the Company shall be drawn, then the Company shall adopt such form of the balance sheet and the profit and loss account.

- (b) The financial statements, i.e. balance sheet and profit and loss account, etc. shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the Banking Act and the Act and Rules thereunder and before they are submitted to the auditors for their report thereon.

Financial statements, i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, if applicable, and any explanatory note annexed to, or forming part of any document referred to hereinbefore and consolidated financial statements, if any, shall be signed in accordance with the Banking Act and the Act and Rules thereunder

113. DIVIDEND AND RESERVES

- a. The Company in General Meeting may declare dividend and no dividend shall exceed the amount recommended by the Board.
- b. Subject to the provisions of the Act, the profits of the Company subject to any special rights relating to those to be created or authorized by these Articles and subject to the provisions herein shall be divisible among the shareholders in proportion to the amount of capital called upon the Securities held by them respectively.
- c. Subject to the provisions of the Act, the Board may from time to time pay to the Member such interim dividend as appear to it to be justified by the profits of the Company

114. The Board of Directors may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board of Directors, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for Meeting contingencies or for equalising Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board of Directors may, from time to time, think fit.

115. The Board of Directors may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

116. Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the Dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, Dividends may be declared and paid according to the amounts of the Shares.

117. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this regulation as paid on the Share.

118. All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

119. The Board of Directors may deduct from any Dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

120. Any Dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who, is first named on the register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

121. Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share.

Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Companies Act.

122. No Dividend shall bear interest against the Company.

123. **Unpaid or unclaimed Dividend**

There will be no forfeiture of unclaimed Dividend before the claim becomes barred by law. Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration, within seven days from the date of expiry of said period of 30 days, transfer the total amount of Dividend which remains unpaid or unclaimed to a special Account to be opened by the Company in that behalf in any scheduled bank, to be called “**Unpaid Dividend Account**”.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the applicable provisions of the Act.

No unclaimed or unpaid Dividend shall be forfeited by the Board of Directors.

The Company may, pay Dividends in proportion to the amount paid-up on each Share.

CAPITALISATION OF PROFITS

124. The Company in General Meeting may, upon the recommendation of the Board of Directors, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions.

- 125.** The sum aforesaid shall not be paid in cash but shall be applied, subject to the applicable provisions contained in this Article, either in or towards—
- (a) Paying up any amounts for the time being unpaid on any Shares held by such Members respectively;
 - (b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
 - (c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - (d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;
 - (e) The Board of Directors shall give effect to the resolution passed by the Company in pursuance of this Article.

126. Issuance of bonus Shares

Whenever such a resolution as specified in Article 127 shall have been passed, the Board of Directors shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and
- (b) generally do all acts and things required to give effect thereto.

127. The Board of Directors shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;
- (c) Any agreement made under such authority shall be effective and binding on such Members.

PERMITTED DONATIONS OR CONTRIBUTIONS MADE BY THE COMPANY

- 128.** Subject to the provisions of the Act, the Company may contribute up to five per cent. (5%) of their profits after tax in each Financial Year for such social/ corporate social responsibility activities as may be appropriate from time to time and which would be beneficial to these companies.

THE SEAL

- 129.** The Company shall have a Common Seal and the Board of Directors or a Committee of Directors shall provide for the safe custody thereof. The seal can be made of either metal or rubber stamp as the Directors may decide. The Seal shall not be affixed to any instrument except by the authority or resolution of the

Board of Directors or of a Committee thereof and in the presence of at least two Directors and of the Company Secretary or such other Person as the Board or a Committee thereof may appoint for the purpose and such Directors and Company Secretary or other person as aforesaid shall sign every instrument to which the seal shall be affixed. Such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

WINDING UP

- 130.** For winding up of the Company the provisions contained in the Banking Act, shall apply and those contained in the Act, shall apply to the extent to which they are not inconsistent with the Banking Act.
- 131.** Subject to the applicable provisions of the Act, the Banking Act and the Rules made thereunder –
- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
 - (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
 - (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

SECRECY

- 132.** No Member or person shall be entitled to visit or inspect the Company's properties without the consent of the Board or the Managing Director, or to require or discover any information respecting any details of the Company's working trading and on such other matters or in the nature of trade secrets which in the opinion of the Board may be inexpedient in the interest of the Member or of the Company to communicate to the public.

INDEMNITY AND RESPONSIBILITY

- 133.** Subject to the provision of the Act, the Directors, Company Secretary and other officers, for the time being of the Company and their heirs, executors and administrators respectively shall be indemnified out of the assets of the Company from and against all suits, proceedings, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by the reason of any act done or omitted to be done in or about the Company and affairs of the Company except such (if any) as they shall incur or sustain by or through their own wilful neglect or default and the indemnity shall extend to any neglect or default of any other Director, secretary or other officer. The Directors, Company Secretary and other officers shall not be held liable for joining in any receipts for the sake of conformity or for the solvency or honesty of any bankers or other Persons with whom any money effect, custody or for any insufficiency or deficiency of any Security upon which any monies of the Company shall be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his office, unless the same shall happen through the wilful neglect or default of such officer or Director.

GENERAL POWER

- 134.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles,

then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

FCPA

- (1) The Company will (a) not knowingly act in violation of any laws and regulations as applicable to them and make improper payments to public officials in order to secure a business advance, (b) continue to have, in place anti-money laundering practices that are compliant with all applicable laws, and (c) follow, highest standards of ethical business practices.
- (2) The Company while obtaining for any governmental approvals, consents, concessions or licenses required in the operation of the Company's business, will neither itself nor through any person acting on its behalf, commit any violation of the United States Foreign Corrupt Practices Act ("FCPA").
- (3) The Company will not make any offer, payment, promise to pay or authorisation of the payment of any money, or other property, gift, promise to give, or authorisation of the giving of anything of value to any employee or official of a governmental authority (Indian or any relevant foreign equivalent), to any statutory or regulatory authority, arbitration tribunal, or political party, domestic or foreign (or official thereof) or candidate for political office or to any other person who was or is in a position to help or hinder the Company: (a) with the intent or purpose of inducing such official, political party or candidate, or other person, to do or omit to do any act in violation of the lawful duty of such person/official; or (b) that would cause the Company to violate or be in violation of any applicable law and/or the FCPA (as if it were applicable to them) or subject itself to any damages or penalties in a civil or criminal proceeding.
- (4) The Company, in the course of its actions, will not:
 - (a) violate any provision of FCPA, or any other applicable anti-bribery or anti-corruption laws; or
 - (b) offer, pay, promise to pay, or authorise the payment of any money, or offer, give, promise to give, or authorise the giving of anything of value, to any governmental authority (Indian or any relevant foreign equivalent) or to any person under circumstances where the relevant person knows that all or a portion of such money or thing of value shall be offered, given or promised to any governmental authority (Indian or any relevant foreign equivalent), for the purpose of:
 - (a) influencing any act or decision of such governmental authority (Indian or any relevant foreign equivalent) in their official capacity; or
 - (b) inducing such governmental authority (Indian or any relevant foreign equivalent) to do or omit to do any act in relation to their lawful duty; or
 - (c) securing any improper advantage; or
 - (d) inducing such governmental authority (Indian or any relevant foreign equivalent) to influence or affect any act or decision of any governmental authority (Indian or any relevant foreign equivalent); or
 - (e) assisting the Company in obtaining or retaining business for or with, or directing business to the Company.

Sl. No.	Names, Address, Description & Occupation of the Subscribers	Number of Equity shares taken by each Subscriber	Signature of the Subscribers	Signature of witness with Name, Address, Occupation and Description
1.	Janalakshmi Social Services Represented by Ramesh Ramanathan S/o T.S.Ramanathan, 565, 3 rd Block, RMV 2 nd Stage, Bangalore-560 094 Occupation - Social Work	9,990 (Nine Thousand Nine Hundred Ninety Only)	Sd/-	Sd/-
2.	Raghunath Srinivasan S/o E.K.Srinivasan Regal Manor 2/1, Bride Street, Lang Ford Town, Bangalore-560 025 Occupation – Service	10 (TEN)	Sd/-	Cecil Lazarus S/o Cyril Lazarus #15, Campbell Road Austin Town Bangalore-560047 Occupation - Service

Dated 13th day of July 2006 at Bangalore

Certified True Copy

For Jana Small Finance Bank Limited

Kalish R M



Company Secretary
