

(THE COMPANIES ACT 1956)

ARTICLES OF ASSOCIATION

OF

SWEETEN INDIA MICRO FINANCE

A company limited by shares not for profit u/s 25 of the Companies Act, 1956

PRELIMINARY

- Application of Table A*
1. The regulations contained in the First Schedule to the Companies Act, 1956 shall apply to the company except in so far as the same are expressly or implicitly excluded or inapplicable to the company by the regulations contained herein or otherwise.

INTERPRETATION

- Interpretation Clause:*
2. In the interpretation of these Articles, unless repugnant to the subject or context inconsistent therewith, the following words or expressions shall have the following meanings :

“The Company” or “This Company”

“The Company” or “This Company” means **SWEETEN INDIA MICRO FINANCE** a Public limited Company

“The Act”

“The Act” means “the Companies Act, 1956”, and includes any statutory modification or re-enactment thereof, for the time being in force in India.

“Auditors”

“Auditors” means and includes those persons appointed as such for the time being by the Company under Section 224 of the Act.

“BPL”

“BPL” means a household with an income below the official poverty line for rural U.P.

“Board” or “Board of Directors” or “Directors”

“Board” or “Board of Directors” or “Directors” includes a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board or the Directors of the Company collectively or the requisite number of directors entitled to pass a resolution by circulation.

“Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

“Gender”

Words importing the masculine gender also include the feminine gender.

“In Writing” and “Written”	“In writing” and “written” include printing, lithography and other modes of representing or reproducing words in a visible form.
“Member”	“Member” means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum and Articles of Association.
“Meeting” or “General Meeting”	“Meeting” or “General Meeting” means a general meeting of the members
“Annual General Meeting”	“Annual General Meeting” means General Meeting of the members held in accordance with the provisions of Section 166 of the Act.
“Extraordinary General Meeting”	“Extraordinary General Meeting” means an extraordinary general meeting of the members duly called and constituted and any adjourned holding thereof.
“Micro finance Services”	“Micro Finance Services” means small loans, savings facilities and insurance cover and other financial services provided to BPL households.
“Month” and “Calendar Month”	“Month” means a period of thirty days and “Calendar Month” means an English Calendar Month.
“Non-retiring Director”	“Non-retiring Director” means a Director not subject to retirement by rotation.
“Office”	“Office” means the Registered Office for the time being of the Company.
“Persons”	Persons include corporate bodies, corporations, firms, individuals, societies, and other bodies whether incorporated or not.

“Register of Members”	“Register of Members” means the Register of Members to be kept pursuant to Section 150 of the Act.
“The Registrar”	“The Registrar” means the Registrar of Companies of the state in which the office of the Company is for the time being situated.
“Secretary”	“Secretary means the Company Secretary appointed in pursuance of section 383A of the Act.
“Seal”	“Seal” means the common seal for the time being of the Company.
“Special Resolution” and “Ordinary Resolution”	“Special Resolution” and “Ordinary resolution” shall have the meanings assigned thereto by section 189 of the Act.
“Small Share Holders ”	“Small share holders” means a share-holder holding shares of nominal value of twenty thousand rupees or less.
“Singular Number”	Words importing the singular number include where the context admits or requires the plural number and vice versa.
“These Presents”	“These Presents” means these articles of association as originally framed or as altered from time to time by special resolution.
”Year” and “Financial Year”	“Year” means the English Calendar year and “Financial Year” shall have the meaning assigned thereto by section 2 (17) of the Act.

Words and expressions not defined in articles

Any word or expression contained in these articles not defined in the Articles shall, except where the subject or context forbids, bear the same meaning as contained in the Companies Act, 1956 or rules or regulations made thereunder.

The Marginal notes used in these articles shall not affect the constructions hereof.

COPIES OF MEMORANDUM AND ARTICLES, ETC. OF THE COMPANY TO BE GIVEN TO MEMBERS

- Copy of MOA & AOA to be given to members* 3. Copies of Memorandum and Articles of Association and every other agreement and every resolution referred to in section 192 of the act if and in so far as they have not been in the memorandum or 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.

CAPITAL AND INCREASE IN CAPITAL

- Amount of Capital* 4. *Authorized Capital:* The authorized share capital of the Company is and shall be determined by clause VIII of the Memorandum of association of the company with power to increase or reduce the share capital of the Company and to divide the shares in the capital for the time being into

several classes as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association.

Increase in capital by the Company, and how carried into effect 5.

(a) The Company may from time to time in general meeting increase its share capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

(b) Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon issuing the same shall direct, and if no such direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right of voting at general meeting of the Company in conformity with section 86 and 87 of the act or rules issued there under.

Capital same as existing Capital 6.

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

(b) The rights or privileges conferred upon the holders of the shares of any class issued with preference 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 or modified or affected by the creation or issue of further shares, ranking pari passu therewith.

DIVISION, SUB-DIVISION, CONSOLIDATION, CONVERSION AND CANCELLATION OF SHARES

Sub-division, consolidation and cancellation of shares 7.

Subject to the provisions of section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may: -

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum and so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that as between the holders of the shares resulting from such sub-division one or more of such share may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.

Cancel, shares which at the date of such general meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

SHARES

- Register and Index of Member*
8. The Company shall cause to be kept a register and index of members, in accordance with section 150, 151, 152 and 158 of the Act. The Company may keep and maintain register and index of members in electronic form if and when permitted by the approving authorities under the act or rules or regulations made there under.
- Inspection of registers*
9. The register and index of members, and copies of all annual returns prepared under section 159 of the Act together with copies of certificates and documents required to be annexed thereto under section 161 of the Act, shall, except when the register of Members is closed under the provisions of the Act or these presents, be open to inspection, on any working day between 10.30 a.m. and 1.30 p. m. or such other time as the Board may determine, from time to time, for any member without any charges and to inspection of any other person on payment of such sum as may be prescribed by the act. Any such member, or other person may take extracts therefrom without fee or additional fee as the case may be or require a copy of such register, index or copy of any part thereof on payment of such sum as may be prescribed by the act. The directors may at their discretion reduce or waive the sums payable for each inspection or extract.
- Further Issue of Capital*
10. (a) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un - issued share capital or out of the increased share capital, subject to the resolution or direction to the contrary which may be given by the Company in general meeting;
- (i) any further share shall be offered to the persons who at the date of offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit to the capital paid up on these shares at that date. The offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 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 not be deemed to include a right exercisable by the person concerned to renounce the shares/securities offered to him or any of them in favor of any other person unless the terms of the issue so provide and the notice aforesaid above contains 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 may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceding clause, the Company may, in the manner provided by section 81(1A) of the Act, offer further shares to any other person or persons, and such person or persons may or may not include the person/s who at the date of the offer, are the holders of the equity shares of the Company.

- Shares under control of Directors*
11. Subject to the provisions of these Articles and of the Act, the shares (including Shares under any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportions and on such terms and conditions and at such times as the Board may think fit and proper, and subject to the sanction of the Company in General Meeting
- Acceptance of Shares*
12. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares 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 on the register shall, for the purposes of these Articles, be a member.
- Deposit and call etc. to be a debt payable immediately*
13. The money (if any) which the Board of Directors shall, on the allotment of any shares in the Company, 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 inscription of the name of the allottee in the register as the holder of such shares, become a debt due to and recoverable by the Company from allottee thereof, and shall be paid by them accordingly.
- Liability of Members*
14. Every member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may for the time being remain unpaid, in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with these articles, require or fix for the payment thereof.

SHARE CERTIFICATES

- Share Certificates*
15. (a) The certificates of title to shares shall be issued under the Common Seal of the Company, which shall be affixed in the presence of and shall be signed by
- (i) two directors or persons acting on behalf of the directors under a duly registered power of attorney, and
 - (ii) the secretary or some other person appointed by the Board for the purpose; provided that at least one of the aforesaid two directors shall be a person other than a Managing or whole time director. A director may sign a share certificate by affixing his signature thereon by means of machine, equipment or other mechanical means such as engraving in metal or lithography but not by means of rubber stamp.
- Provided always that notwithstanding any thing contained in this article, the certificate of title to shares may be executed and issued in accordance with such other provisions of the act or the rules made thereunder as may be in force for the time being and from time to time.
- (b) The issue of certificates of shares or of duplicate or renewal of certificates of shares shall be governed by the provisions of section 84 and other provisions of the Act, as may be applicable and by the rules or notifications or orders, if any, which may be prescribed or made by any competent authority under the Act or rules or any other law for the time being in force.

- Members right to certificates* 16. (i) Every member shall be entitled, without payment, to one certificate each for all the shares of such class or denomination registered in his name, or if the Directors so approve, (upon paying such fee as the Directors may from time to time determine), to several certificates, each for one or more of such shares.
- (ii) Share certificates shall be generally issued in transferable lots and where share certificates are issued in lots other than transferable lots, subdivision / consolidation of share certificates in to transferable lots shall be done by the Company free of charge.
- Contents of Certificate* 17. Every certificate of shares shall specify the name of the person in whose favour it is issued, and shares to which it relates and the amount paid up on the shares covered thereby and shall be in such form as the directors shall prescribe or approve. Every share shall be distinguished by its appropriate number.
- Time and delivery of Share Certificates* 18. Unless the conditions of issue of shares provide otherwise, such certificates shall be delivered to the shareholders, with in three months after the allotment of any shares, and with in two months after the application for registration of the transfer of any such shares has been lodged with the Company.
- Certificate to be delivered to first holder* 19. The certificate of shares registered or allotted in the names of one or more persons shall be delivered to the person first named in the register.
- The first named of joint holders deemed to be sole holder* 20. If any shares stand in the names of two or more persons, the person first named in the register of members shall, as regards receipts of service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally and jointly liable for the payment of all installments and calls due in respect of such shares and for all incidents thereof according to the Company's regulations.
- Company not bound to recognize any interest in share other than that of registered holder* 21. Except as ordered by court of competent jurisdiction or as may be required by law, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these articles expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these articles, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- Notice of change of name of or of marriage of member* 22. No member, who shall change his name, or who being a female shall marry, shall be entitled to vote in the name other than the one registered with the Company, until notice of the change of name or of marriage, as the case may be, is given to the Company in order that the same be registered after production of satisfactory evidence.
- Shares to be numbered progressively and no share to be sub-divided* 23. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein above mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue and no share to bear the number by which the same

was originally distinguished.

- | | | |
|------------------------------------|--------------|--|
| <i>Replacement of Certificates</i> | <i>Share</i> | 24. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then only upon production and surrender thereof, a new certificate may be issued in lieu thereof, in accordance with the applicable rules prescribed under the act. If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with prior consent of the Board or a Committee constituted by the Board in this respect and on such terms, if any, as to evidence and indemnity and as to the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board or committee thinks fit and as provided in the Companies (Issue of Share certificate) Rules 1960 or any modifications thereof for the time being in force and from time to time. |
|------------------------------------|--------------|--|

CALLS

- | | |
|--|---|
| <i>Directors may make calls</i> | 25. The Board may, from time to time, subject to the terms on which any shares may have been issued, and subject to the provision of Section 91 of the Act, by a resolution passed at a meeting of the Board (and not by circular resolution), make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. A call may be made payable by installment. |
| <i>Notice of Calls</i> | 26. No call shall exceed one-half of the nominal amount of share or be made payable within one month after the last preceding call was payable. Not less than one month notice in writing of any call shall be given specifying the time and place of payment and the person or persons to whom such call shall be paid. |
| <i>Calls to date from resolution</i> | 27. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board. |
| <i>Calls may be revoked or postponed</i> | 28. A call may be revoked or postponed at the discretion of the Board. |
| <i>Directors may extend time</i> | 29. The Board may from time to time at its discretion, extend the time fixed for payment of any call, for all or such members for such cause as the directors may deem fit, but no member shall be entitled to such extension save as a matter of grace or favour. |
| <i>Calls to carry interest</i> | 30. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof or any such extension thereof as aforesaid, the holder for the time being in respect of the share for which the calls have been made or the installment are due shall pay interest on the same at the rate of 18 percent per annum, from the day appointed for payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine. The Board shall be |

at liberty to waive payment of any such interest either wholly or in part.

Sums deemed to be calls

31. If any sum, by the terms of issue of any share or otherwise, becomes payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the nominal value of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

Calls in advance

32. The Board may, if it thinks fit, receive from any member willing to advance all or any part of the money due upon the share held by him beyond the sums actually called for and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, 6 percent per annum as the member paying such sum in advance and the Board agrees upon. The Board may at any time repay the amount so advanced upon giving such member not less than three month's notice in writing.

FORFEITURE AND LIEN

If money payable on share not paid, notice to be given to member

33. If any member fails to pay any call or installment of a call, on or before the day appointed for the payment of the same or any extension thereof as aforementioned, the Board may, at any time, thereafter during such time as the call or installments remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of Notice

34. The notice shall name a day (not being less than one month from the date of notice), and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

In default of payment, shares to be forfeited

35. If the requirement of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or installment, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect.

Notice of Forfeiture

36. When any share has been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner, invalidated, by any omission or neglect to give notice or to make such entry as aforesaid.

- Forfeited Share to be property of the Company* 37. Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner, as it thinks fit.
- Power to annul forfeiture* 38. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise dispose of, annul the forfeiture thereof upon such conditions, as it thinks fit.
- Member still liable to pay money owing at time of forfeiture and interest* 39. A person whose share has been forfeited shall cease to be a member in respect of the share, but shall, notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon from the time of forfeiture, at 18 percent interest per annum and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
- Evidence of forfeiture* 40. Subject to the provisions of law of evidence and procedure, a duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the Company and has been authorised by a Board Resolution to act as declarant and that certain shares in the Company have 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 shares and such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof, shall constitute a good title to such shares, and the person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of purchase money; nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
- Application of articles relating to forfeiture on non-payment of calls also to apply to non-payment of fixed installments payable in respect of shares* 41. The provisions of Articles relating to forfeiture on non-payment of calls shall also 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 a share or by way of premium, as if the same had been payable by virtue of call duly made and notified.
- Effect of Forfeiture* 42. The forfeiture of a share shall involve extinction, at the time of forfeiture, of all interests in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these presents are expressly saved.
- Company's right to have first Lien on shares* 43. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of 'each member (whether held singly or jointly with others) in respect of all moneys whether presently payable or not. Unless otherwise agreed, the registration of transfer of shares shall operate as waiver of Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part exempt from the provision of this Article.

- Enforcement of lien by sale of shares* 44. For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as it shall think it, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their member or appoint any officer or agent to execute a transfer thereof, on behalf of and in the name of such member. No sale shall be made until notice in writing of the intention to sell shall have been served on such member or his legal representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagement for thirty days after such notice.
- Application of proceeds of sale* 45. (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the shares at the date of the sale.
- (b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as required by statute) be bound to recognize any equitable or other claim to, or interest in such shares on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.
- (c) Where any share under the power in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue new certificate for such share distinguishing it in such manner, as it may think fit, from the certificate not so delivered.

TRANSFER AND TRANSMISSION OF SHARES

- Register of transfer of shares* 46. The Board shall keep a book to be called the "Register of transfers" and therein fairly and distinctly enter the particulars of every transfer or transmission of any share.
- Execution and registration of transfer, etc.* 47. In the case of transfer of shares where the Company has issued share certificates, no transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. Every such instrument of transfer shall be duly stamped and executed both by transferor and transferee, duly attested and shall be delivered to the Company in accordance with the provisions of the act. The transferor shall be deemed to remain as the holder of such share until the name of the transferee shall have been entered in the register of member in respect thereof. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. Before registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

- Form of Transfer* 48. The instrument or form of transfer shall be in writing and in the form prescribed under the act or as near thereto as the circumstances may admit and transfer shall be in accordance with the provisions of section 108 of the act.
- Closure of Transfer Books and register of Members* 49. The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated or by personal notice in the group meetings of the shareholders, to close the transfer books, the register of members at such time or times for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty five days for shares in each accounting year as it may deem fit.
- Directors' right to decline to register transfer* 50. Subject to the provisions of section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares whether fully paid or not and this right of refusal shall not be affected by the circumstances that the proposed transferee is already a member of the Company, but in such cases it shall, within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that the registration of a transfer shall not be refused on the ground that the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares. Nothing in section 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of shares and the transmission by law of the rights to any shares or interest of a member in the Company.
- Transfer of partly paid shares* 51. No registration of shares shall be effected in the case of partly paid shares except in accordance with the provisions of section 110 of the Act.
- Death of one or more joint holders of shares* 52. In the case of death of one or more of the persons named in the register of members/debenture holders as the joint holders of any shares or debentures, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share/debenture, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares/debentures held by him jointly with any other person.
- Shares of deceased member* 53. The executor or administrator or holder of a such succession certificate to or the legal representative of a deceased member / (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such person unless such person shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted / competent court in the union of India, provided that in case where the Board in its discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under the articles register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased share member/debenture

holder, as a member.

Transfer to minors, etc.

54. Only fully paid shares shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shall any shares be transferred to any insolvent or a person of unsound mind.

Registration of persons as members entitled to shares otherwise than by transfer

55. (a) Subject to the provisions of the Act, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which proposes to act under this article or of his title, as the Board shall think sufficient, either be registered himself as a member in respect of such shares or elect to have / some person nominated by him and approved by the directors registered as a member in respect of such shares.

Provided, nevertheless, that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Directors may require evidence of transmission

56. Every transmission of a share shall be verified in such manner as the Board may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such transmission which the directors at their discretion shall consider sufficient, provided, nevertheless, that there shall not be any obligation on the Company or the directors to accept any indemnity.

Fees on transfer or transmission

57. There shall be paid to the Company, in respect of the transfer or transmission of any number of shares, such sum as may be required by the Board. The Board may, however, at its absolute discretion wholly or partly waive payment of the fee aforesaid generally or in the specific case or cases, as it may deem fit.

Company not liable for disregard of a notice, prohibiting registration of a transfer

58. The Company or its directors or its officers shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting such transfer, and may have entered such notice, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company, but the Company shall nevertheless be at liberty to regard and attend to any

such notice, and give effect thereto if the Board shall so think fit.

SHARE WARRANTS

- Power to issue share warrants* 59. The Company may issue share warrant subject to and in accordance with the provisions of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid up, upon application in writing, signed by the person, registered as holder of the said shares and authenticated by such evidence (if any) as the Board may, from time to time require, as to the identity of the person signing the application, and on receiving the certificate (if any) of the shares, and the amount of stamp duty on the warrants and such fee as the Board may, from time to time, require, issue a Share Warrant.
- Deposit of Share Warrants* 60. (a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of sending a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the date of deposit as if his name was inserted in the register of members as holder of the shares included in the deposited warrant;
- (b) Not more than one person shall be recognised as the depositor of the share warrant;
- (c) The Company shall, on two days' written notice, return the deposited share warrants to the depositor.
- Privileges and disabilities of the holder of share warrant* 61. (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notices from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the warrant, and he shall be a member of the Company.
- Issue of new share warrant or coupon* 62. The Board may, from time to time, make rules as to the term on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

BORROWINGS BY COMPANY

- Board's powers to borrow and conditions* 63. Subject to the provisions of sections 58A, 292 and 293 of the Act and rules and regulations made thereunder and directions issued by Reserve Bank of India, The Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow any sum 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.

Indemnity to Board

64. If the directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or effecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

Register of Charges to be maintained

65. The Board shall cause a proper Register to be kept in accordance with the provisions of section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of section 113, 125 and 127 to 144 (both inclusive) of the act in that behalf to be duly complied with, so far as they fall to be complied with by the Board.

MEETING OF MEMBERS

General Meetings

66. (a) The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year. All general meeting other than annual general meetings shall be called extraordinary general meetings.
- (b) If for any reason beyond the control of the Board, the general meeting (including an annual general meeting) cannot be held on the appointed day, the Board shall have power to postpone the general meeting of which a notice shall be given to the members through advertisement in at least two newspapers, of which one shall be in the language of the region in which the Registered office of the Company is situated.
- (c) Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting, which he attends on any part of the business, which concerns him as Auditor.
- (d) Section 171 to 186 of the Act with such adaptation and modifications, if any, as may be prescribed, shall apply with respect to meeting of any class of members or debenture holders of the Company in like manner as they with respect to general meetings of the Company.

Extra-ordinary Meetings

General

67. (a) The Board may, whenever it thinks fit, call an extraordinary general meeting and it shall do so including upon a requisition in writing by any member or members holding in the aggregate not less than the amount prescribed under the Act out of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
- (b) No decision in respect of the following matters should be valid and effectual unless passed as special resolution as defined under section 189(2) of the Act in a general meeting.
- (i) Any change in the Memorandum of Association of the Company.
- (ii) Any increase in Authorized capital of the Company
- (iv) Any amalgamation or merger of the Company with another Company.

- Quorum*
68. Two members personally (either by themselves or through a proxy) present shall be the quorum for a general meeting of the Company. A body corporate being a member shall be deemed to be personally present if it is represented by a resolution in accordance with section 187 of the Act.
- Absence of quorum and its consequences*
69. (a) If within half an hour from time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.
 (b) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.
 (c) If at the adjourned general meeting, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall form the new quorum.
 (d) Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
 (e) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.
- Chairman of General Meetings*
70. (a) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.
 (b) The Chairman of the Board of Directors shall be entitled to take the Chair at every general meeting.
 (c) In the absence of the Chairman the Vice-Chairman of the Board shall preside.
 (d) If there be no Chairman/Vice-Chairman or if at any meeting he shall not be present within 15(fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be the Chairman and if no Directors be present or be willing to take the chair, the members present shall choose one of themselves to be the Chairman.
 (e) The Chairman may with the consent of a meeting at which a quorum is present and shall, if so directed by the meeting, may adjourn any meeting from time to time and from place to place.
- Chairman's Power to adjourn meetings in the event of disorders in meetings*
71. Notwithstanding the provision as above, in the event of disorder at a validly convened meeting the Chairman may adjourn the meeting provided that such an adjournment shall not be for a longer period than the Chairman considers necessary to bring order at the meeting and Chairman communicates his decision to those present in so far as it is possible.
- Transaction at adjourned General Meeting and notice of adjourned meeting in special cases*
72. (a) No business shall be transacted at any adjourned meeting other than the business, which might have been transacted at the meeting from which the adjournment took place.
 (b) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting.

VOTES OF MEMBERS

- | | |
|---|--|
| <i>Members in arrears not entitled to vote</i> | 73. No member shall be entitled to vote either personally or by proxy at any general meeting or meetings of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name in which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien. |
| <i>Appointment of proxy</i> | 74. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint any other persons (whether a member or not) as his proxy to vote and attend instead of himself in accordance with the provisions of the Companies Act and upon filing of a proxy in the usual common form provided in Schedule-IX of the Act or authorization in the event of a body corporate as provided under the Act. |
| <i>Every member is entitled to be present, speak and vote</i> | 75. Subject to the provisions for exercise of any voting right when there are calls in arrears and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares forming part of the capital of the Company, every member not disqualified shall be entitled to be present and to speak and vote at such meeting. |
| <i>Proxy for specified meeting or for a period</i> | 76. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting to be held before a date specified in the Instrument, and every adjournment of any such meeting. |
| <i>Proxy to vote only on a poll</i> | 77. A member present by proxy shall be entitled to vote only on a poll. |
| <i>Deposit of instruments of appointment</i> | 78. The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the Instrument of proxy shall not be valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. |
| <i>Validity of votes given by proxy not withstanding death or insanity of members</i> | 79. 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 share in respect of which the proxy is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the meeting/adjourned meeting as the case may be. |
| <i>Right of a member to use his vote differently</i> | 80. On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way, all the votes he uses. |

Special notice

81. Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

Minutes of the proceedings of meetings

82. The Company shall cause minutes of all proceedings of general meeting and of all proceedings of every meeting of its Board of Directors or of every committee of the Board to be kept in accordance with the provisions of Section 193 of the Companies Act and they shall constitute evidence of the proceedings recorded therein.

DIRECTORS

First Directors

83. The first directors of the Company shall be
1. Mr. UPENDRA KUMAR
 2. Mr. RAJESH KUMAR
 3. Mr. Awanish Kumar Mishra

Number of Directors

84. (a) Unless otherwise determined by the Company in general meeting the number of directors shall not be less than two or more than Seven directors.
- (b) A director shall not be required to hold any qualification shares.
- (c) Where the number of small share holders in the Company exceeds one thousand or more and paid up capital of the Company equals or exceeds Rupees fifty million, it shall have a director elected by such small shareholder in the manner as may be prescribed any rules issued under the Act.

Nominee Directors by Institutions, DFIs - appointment, rights and liabilities

85. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Development Finance Institution or banks or any other financial institution or company, hereinafter in these Articles referred to as "the DFI", the DFI shall have a right to appoint from time to time any person or persons as a director or directors whole time or non-whole time which director or director is/are hereinafter referred to as "nominee director/s" on the Board of 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/s.
- (b) The Board of Directors of the Company shall have no power to remove from office the nominee director/s. Nominee directors are ex-officio and do not have voting power on the Board. At the option of the DFI such nominee director/s shall not be required to hold any share qualification in the Company. Also at the option of the DFI

such nominee director/s shall not be liable to retirement by rotation of directors. Subject as aforesaid, the nominee director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

- (c) The nominee director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the DFI or so long as the DFI holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the nominee director/ so appointed in exercise of the said power shall *ipso facto* vacate such office immediately the moneys owing by the Company to the DFI is paid off or on the DFI ceasing to hold shares in the Company as aforesaid or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the DFI.
- (d) The nominee director/s so appointed under this Article shall be entitled to receive all notices of and attend all general meetings, Board meetings and of the meetings of the committee of which the nominee directors is/ are member/s as also the minutes of such meetings. The DFI shall also be entitled to receive all such notices and minutes.
- (e) Any expenses that may be incurred by the DFI or by such nominee director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the DFI or as the case may be to such nominee director/s.
- (f) Provided also that in the event of the nominee director/s being appointed as whole time Director/s which may be exercised only in case of a default, such nominee director/s shall exercise such power and duties as may be approved by the DFI and have such rights as are usually exercised or available to a whole-time director/ shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the DFI.

Appointment of Alternate Directors 86. The Board may appoint an alternate director to act for a director hereinafter called “the Original Director”) during his absence for a period of not less than three months from the country. An alternate Director appointed under this Article 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 office if and when the Original Director returns to the country. If the term of office of the Original Director is determined before he so returns to the country any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director in default of another appointment shall apply to the Original Director and not to the alternate director.

Additional Directors 87. Subject to the provisions of section 260 and 264 of the Act the Board shall have power at any time and from time to time to appoint any other person to be an additional director, but so that the total number of directors shall not at any time exceed the maximum fixed under Articles. Any such additional director shall hold office only upto the date of the next annual general meeting.

Board's power to fill casual vacancies 88. Subject to the provisions of section 262 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any person otherwise eligible to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date upto, which the director in whose place he is appointed would have held office if he had

not vacated it.

- Fees for attending Board meetings* 89. Subject to the provisions of Companies Act, 1956 and Rules framed therein, a Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board, a fee prescribed under the provisions of the act, per meeting of the Board or a Committee of the Board, attended by him as may from time to time be determined by the Board.
- Payment of travelling and other Expenses* 90. The Directors shall be entitled to be paid their reasonable traveling and hotel and other expenses incurred in consequence of their attending the Board and Committee meeting or otherwise incurred in the execution of their duties as Directors.
- Remuneration of Directors* 91. (a) Subject to the provisions of the act, the Board shall have power to pay remuneration to managing director or a director (not being a member) for his services, whole time or part time, to the Company or services of professional or other nature rendered by him as may be determined by the Board. If any director being willing, shall be called upon to perform extra services or to make any special exertion for the purposes of the Company or as a member of a Committee of the Board, the Board shall have power to pay such remuneration to such directors as may be determined by the Board.
- (b) Subject to the provisions of the act, a managing director or director (not being a member) in whole time employment or part time employment of the Company may be paid remuneration by way of monthly payment.
- Directors not to act when numbers falls below minimum* 92. When the number of directors in office falls below the minimum fixed by these Articles, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company or for complying with any provision of law and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.
- Directors may be director of companies promoted by the Company* 93. A director may be or become a director of any Company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such Company except in so far as may be required under the Act.
- Retirement and rotation of directors* 94. Two third of the total number of directors on the Board shall be persons whose period of office shall be liable to be determination by retirement by rotation. At every annual general meeting of the Company, one-third of such of the directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the Number nearest to one-third shall retire from office. The nominee directors as may be designated by DFI shall not be subject to retirement under, this clause.
- Ascertainment of directors retiring by rotation* 95. Subject to section 256(2) of the Act, the directors to retire by rotation under Article 119 at every annual general meeting shall be those who have been longest in office since their last appointment, but as between

persons who became directors on the same day, those who are to retire, shall be-determined by the alphabetical order of surnames and in default thereof and subject to any agreement among themselves, be determined by draw of lots.

- Filling of Vacancies at annual general meeting* 96. At the annual general meeting at which directors retire as aforementioned in the preceding article, the Company may fill up the vacancy by appointing the retiring director or some other person thereto in accordance with provisions of the section 256 (3) & 256 (4) of the Act.
- Eligibility for re-election* 97. A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which he retires.
- Consent of candidate* 98. Every person other than a retiring director who is proposed as a candidate for the office of director of the Company shall sign and file with the Company his consent in writing to act as a director and also file with the registrar his consent in writing to act as such in accordance with the provisions of section 264 of the act in so far as they may be applicable.
- Company may increase or reduce the number of directors or remove any director* 99. Subject to the provisions of section 252, 255 and 259 of the Act, and these articles, the Company may, by ordinary resolution, from time to time, increase or reduce number of its directors so as not to exceed twelve, and may prescribe or alter qualifications and remove any of its directors.
- Chairman* 100. (a) The First Chairman of the Board of Directors of the Company shall be Mr. Hira Lal Prasad appointed by these articles from among the directors appointed by these articles and such Chairman of the Board shall hold office until the period of office is determined by the Board.
- (b) If at any meeting of the Board, the Chairman as provided in clause (a) above is not present within fifteen minutes from the time appointed for holding the meeting, the remaining directors may elect any one of themselves who shall preside as Chairman of the meeting. Subject to the above, the Directors present may, from time to time, elect one from amongst their numbers to Act as the Chairman for that meeting.
- (c) The Chairman of a meeting of the Board or a general meeting shall have a casting vote at the Board meeting and general meeting in the event of an equality of the votes.
- Questions at Board meeting how to be decided?* 101. Questions arising at a meeting of the Board of Directors or a Committee thereof shall be decided by a simple majority.
- Appointment of Managing Director or Whole time director* 102. (a) The Board may from time to time appoint one or more managing / whole-time directors for such terms, with such powers and on such remuneration as the Board may determine.
- (b) A Managing Director so appointed shall, subject to the superintendence, direction and control of the chairman of the Board, be entitled to look after and manage the day to day affairs of the Company

and to exercise all of or any of such powers as the Board is entitled to exercise as may be delegated to the managing director by specific resolutions of the Board subject to the provisions of the Act and these Articles.

- Restriction on the powers of Managing / whole-time Directors* 103. Managing / whole-time Directors shall not exercise the power to -
- (a) make calls on shareholders in respect of money unpaid on the shares in the Company.
- (b) and except to the extent mentioned in a resolution passed by the Board under Section 292 of the Act, shall not exercise the power to;
- a. borrow moneys,
- b. invest the funds of the Company
- Special position of Managing Director* 104. A Managing Director shall not while he continues to hold that office be subject to retirement by rotation, in accordance with these Articles. If he ceases to hold the office of Director, he shall *ipso facto* and immediately cease to hold the office of Managing Director.
- Meetings of Board of Directors* 105. The Directors may meet for transaction of business from time to time and shall so meet at least once in every six months and at least two such meetings shall be held in every year and they may adjourn and otherwise regulate their meetings and proceedings, as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the Board, which had been called in compliance with the terms herein mentioned, could not be held for want of quorum. The notice of the meeting of the board shall be issued by the chairman of the board or by any other director or managing director or secretary or any other person duly authorized by chairman in writing.
- When the meeting to be convened?* 106. Any chairman of the Board may and the Secretary or other officer authorized by the Board shall, on the request of any director or on the order of chairman of the Board at any time, summon a meeting of the Board.
- Director entitled to notice* 107. Notice of every meeting of the Board shall be given in writing to every director for the time being in India and at his usual address in India. Such notice may be given by Registered Post / Courier / telegram / cable / telex / fax / email to any director. In case of directors living outside India, an email notice is sufficient.
- Quorum at Board Meeting* 108. The quorum for the meeting of the Board shall be in accordance with Section 287 of the Act, provided that at least two directors are required to be present for forming quorum.
- Adjournment for want of quorum* 109. If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand, adjourned in the manner prescribed by the Act unless adjourned to some other date and time, if any, as may be fixed by the Chairman.
- Director may appoint* 110. Subject to the restrictions contained in section 292 of the Companies

- committees*
- Act, the Board may delegate any of their powers to the Committees of the Board consisting of two or more members of its body as it thinks fit, and the Board may from time to time, reconstitute, revoke and or discharge such Committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of its appointment-but not otherwise, shall have the like force and effect as if done by the Board.
- Meetings of the Committee, its governance*
111. The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
- Resolutions by Circulation*
112. Resolutions of the Board or a Committee may be passed by circulation in compliance with the provisions of the Act. However such resolution shall be placed in the next meeting of the Board or Committee and shall be confirmed by the Board or Committee.
- Acts of Board or Committee valid notwithstanding defect in appointment*
113. All acts done by the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were disqualified or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a director and had not vacated his office or his appointment had not been terminated, provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.
- General Powers of the Company vested in Directors*
114. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorized to exercise and do not hereby or by the statute or otherwise-directed or required to be exercised or done by the Company, in general meeting, but subject nevertheless to the provisions of the Act and the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
- Express powers of the Board*
115. Without prejudice to the general power conferred by the Articles and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that these shall include the Board's powers to borrow and the following powers;

- (i) to pay all preliminary costs, charges and expenses incidental to the promotion, formation, establishment and registration of the Company;
- (ii) to acquire and pay for any properties, rights or privileges subject to the provisions of the Act and to accept such title as the Board may believe or may be advised to be reasonably satisfactory;
- (iii) Subject to the provisions of section 293 of the Act, to let, mortgage, charge, sell, or otherwise dispose of any property of the Company either absolutely or conditionally.
- (iv) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and to allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company,
- (v) to refer, any claim or demand or dispute for adjudication to arbitration and to observe and perform the awards or seek the setting aside thereof.
- (vi) to act on behalf of the Company in all matters relating to bankruptcy or insolvency.
- (vii) to execute in the name and on behalf of the Company in favor of any director or other person, who may incur or be about to incur any personal liability for the benefit of the Company in securities, mortgages of the Company's property as thought fit.
- (viii) to provide for the welfare of employees or ex-employees of the Company.
- (ix) to subscribe or contribute or otherwise assist charitable, benevolent, religious, scientific, national, public or any other institutions and to make donations from time to time.
- (x) to maintain Pension Funds, Superannuation Funds and to give, gratuities, pensions, allowances or emoluments for that purpose.

Delegation of Powers of the Board 116. Subject to the provisions of the Act, the Board may authorize or empower any director or directors, managing directors, manager or secretary of the Company either by name, in virtue of office or otherwise, or any other person or persons, either singly or jointly, to exercise or perform all or any of the powers, including the power to sub-delegate, authorities and duties conferred or imposed on the directors by law or Articles of Association, subject to such restrictions and conditions, if any, and either generally or in specific cases, as the Board may think proper.

Appointment of officers and Employees 117. The Board may appoint and, at their discretion, remove or suspend such officers, by whatever designation called, including a secretary to perform the duties under the Act, managers, engineers, experts, legal advisers, solicitors, clerks, agents, salesmen, workmen, and other servants or professionals, not being members, for permanent, temporary or special services, as the Board may from time to time think fit and determine their duties, fix either salaries or emoluments and delegate to or confer upon them such powers, including the power to sub delegate, authorities and discretion as the Board may think fit.

MANAGEMENT

Management of Affairs of offices in abroad & local offices 118. Subject to the provisions of the Act the following regulations shall have effect: -

- (a) The Board may, from time to time, provide for the management of the affairs of the Company outside India (or in any specified locality in India) in such manner as it shall think fit and the provisions contained in the next following paragraphs shall be applicable without prejudice to the general powers conferred by this paragraph.
- (b) The Board may from time to time and at any time, establish any local Directorates or Agencies for managing any of the office of the Company outside India, or in any unspecified locality in India. The Board may appoint any person to be members of any such local Directorate or Managers or Agents and may fix their remuneration and; save as provided in Section 292 of the Act, the Board from time to time and at any time may delegate to any person so appointed, any of the powers, authorities and discretion for the time being of any such local Directorate or any of them to fill up any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and may annul or vary any such delegations.

Power of Attorney

119. (a) The Board may, at any time and from time to time, by Power-of-Attorney under Seal, appoint any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretion (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit; and any such appointments, may, if the Board thinks fit, be made in favour of any of the members of any local Directorate established as aforesaid, or in favour of the Company or of the members, directors; nominees, or officers of any Company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such Power-of-Attorney may contain such provisions for the protection or convenience of persons dealing with such Attorneys as the Board thinks fit.
- (b) Any such delegate or Attorney as aforesaid may be authorised by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being, vested in him.

SECRETARY

Appointment of Secretary

120. Subject to the provisions of Section 388A of the Act, the directors, shall from time to time appoint a Secretary, and at their discretion, remove any person to be the secretary of the Company upon such terms, conditions and remuneration as it thinks fit, to perform any functions which by the Act or Articles for the time being of the

Company are to be performed by the Secretary and to execute any other ministerial or administrative duties, which may from time to time be assigned to the Secretary by the Directors. The directors may also appoint at any time any person or persons (who need not be the secretary) to keep the Registers required to be kept by the Company.

Director may be appointed as Secretary 121. Subject to the provisions of the Act, a director may be appointed as Secretary.

AUTHENTICATION OF DOCUMENTS

Authentication of Records 122. (a) Any Director or the Secretary or any officer as may be appointed by the Board for the purpose shall have power to authenticate any document affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies of extracts: and where any books, records, documents or accounts are elsewhere than at the registered office, the local manager or other officer of the Company, having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.

(b) A document purporting to be a copy of a resolution of the Board, or an extract from the minutes of a meeting of the Board which is certified as such in accordance with the provisions of the preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

ANNUAL RETURN

Annual Return 123. The Company shall comply with the provisions of Section 159 and 161 of the Act as to the making of Annual Returns.

SEAL

Common seal of the Company 124. a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

b) The Company shall also be at liberty to have an Official Seal in accordance with section 50 of the Act, for use in any territory, district or place, outside India.

Execution of deeds with Common seal 125. The Common Seal of the Company shall be used by or under the authority of the Directors or a Committee of the Board of Directors authorized by it in that behalf in the presence of at least one director or a constituted attorney of the Company or the secretary or any other person or persons authorized by the Board or a Committee thereof who

shall sign every instrument to which the seal is affixed

RESERVES

- Creation of Reserve and its utilization* 126. (a) The Board may, from time to time, set apart any and such portion of the surpluses of the Company as it thinks fit as Reserves to meet contingencies or debts or other liabilities of the Company, for repairing, improving or maintaining any of the properties of the Company and such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company; and may invest the several sums so set aside upon such investments as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserve into such special funds as the Board thinks fit, with full power to employ the Reserve or any parts thereof in the activities of the Company, and that without being bound to keep the same separate from other assets.
- (b) All money carried to the Reserves not immediately required for the purpose of the Company may, be invested by the Board in or upon such investments or securities as it may select of may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time thinks proper.

BOOKS OF ACCOUNTS AND DOCUMENTS

- Books of accounts to be kept* 127. (a) The Board shall cause to be kept in accordance with section 209 of the Act, proper books of account with respect to:
- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place.
 - (ii) all lending (including micro lending to members of self-help groups consisting of poor women) & savings (including savings of members of self help groups consisting of poor women) effected by the Company
 - (iii) All interest income earned from lending to members of self-help groups consisting of poor women and interest paid on savings from members of self help groups consisting of poor women, interest paid to DFIs and lending institutions, banks, etc.
 - (iv) the assets and liabilities of the Company, and any other particulars as may required by the Central Government.
- (b) The Board may also keep all the books in electronic form, in the media and method suggested or authorised by the relevant laws in the country.
- Where the books to be kept* 128. The books of accounts shall be kept at the registered office or at such other place in India as the Board may decide including in web servers. Whenever the Boards so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
- Inspection* 129. (a) The books of account and other books and papers shall be open to inspection during business hours by any Director, Registrar or other Officer authorized by the Central Government or such officer of the

Securities and Exchange Board of India as may be authorised or such officers of Reserve Bank of India as may be authorised by it or, such officers of lending institutions including DFIs as may be authorised by them and approved by the Board of the Company in this behalf.

- (b) The Board shall, from time to time, determine whether and to what extent, and what times and places, and under what conditions or regulations, the books of account and books and documents of the Company, shall be open to the inspection of the members not being Directors and no member (not being Director) shall have any right of inspecting any books of account or books or document of the Company except conferred by law or authorized by the Board or by Company in general meeting.

Period up to, which books, should be preserved 130. The books of account (including vouchers relating to any entry in the books of account) of the Company relating to a period of not less than eight years immediately preceding the current year shall be preserved in good order. The Books of account and other books may be preserved on any electronic media in such form and using such software as the Board may decide from time to time in accordance with the provisions of applicable laws of the country.

Statement of accounts and copies to members 131. (a) The directors shall from time to time in accordance with section 210, 211, 212, 215 and 271 of the Act cause to be prepared and to be laid before the Company in General Meeting such Balance Sheet, Profit & Loss Account and reports as are referred to in those sections. A copy of every such Profit & Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet) shall at least twenty one days before the meeting at which the same are to be laid before the Members be sent to the members of the Company, and to all persons entitled to receive notices of General Meetings of the Company.

(b) These documents may be provided to the members in electronic form subject to the appropriate laws of the country and the same may be provided in CD-ROM or Disks or in any other electronic media.

Conclusiveness of Balance Sheet & Profit & Loss Account 132. Every Balance Sheet and Profit & Loss Account of the Company when dated and adopted by the Company in General Meeting shall be conclusive.

AUDIT

Accounts to be audited by auditors 133. Once at least in every year the books of account of the Company shall be examined by one or more Auditor or Auditors.

Appointment of auditors 134. The first auditors of the Company shall be appointed by the Board of Directors who shall hold office till the conclusion of first Annual General Meeting. All matters of Appointment, powers, rights remuneration and duties of the Auditors shall be regulated by section 224 to 233 of the Act.

SERVICE OF DOCUMENTS AND NOTICES

- Service of document and notices on members by Company* 135. A documents or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by email if provided and agreed by the member.
- Service by post* 136. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the documents or notice
- Specific mode of service if required by the members, and when it is deemed to have been served* 137. Where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with the acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and, such service shall be deemed to have been effected in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
- Notice by advertisement* 138. A document or notice advertised in a newspaper circulating in the neighborhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him. The notice may also be posted on the web site of the Company and when posted shall be deemed to have been issued by advertisement.
- Service on Joint holders* 139. A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the share.
- Service on personal representatives, etc* 140. A document or notice may be served or given by the Company to, the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post as a pre-paid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document of notice in any manner in which the same might have been given if the death or insolvency had not occurred.
- Who are entitled to receive notices in the case of general meetings* 141. Documents or notices of every general meeting shall be served or given in same manner hereinafter authorized on or to-
- (a) every member,
 - (b) every person entitled to a share in consequence of the death or insolvency of member,

- (c) every director, and
- (d) the Auditor or Auditors for the time being of the Company.

- Members bound by document or notices served on or given to previous holders* 142. Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such share which, previous to his name & address being entered on the register of members, shall have duly served on or given to the person from whom he derives his title to such shares.
- Signing of documents or notices* 143. Any document or notice to be served or given by the Company may be signed by a director or by secretary or by any other officer or person duly authorized by the Board for such purpose and the signature thereto may be written, printed or lithographed.
- Service on the Company* 144. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer at the office by post under a certificate of posting or by registered post, or by leaving it at the office.
- Accidental omission not to invalidate the meeting* 145. Any accidental omission to give notice to, or the non-receipt of notice by any member or other persons to whom it should be given shall not invalidate the proceedings at the meeting.

WINDING UP

- Distribution of assets on winding up* 146. If upon winding up or dissolution of the company, there remains, after the satisfaction of all debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the company but shall be given or transferred to such other company or institution having objects similar to the objects of this company, to be determined by the members of the company at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

SECRECY CLAUSE

- Secrecy* 147. Every director, manager, auditor, treasurer, trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of that provisions in these presents contained.
- Members not to visit without permission of directors* 148. No member shall be entitled to visit or inspect any work of the Company without the permission of the Directors or to require discovery of any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the

opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

SOCIAL OBJECTIVES:

149. The Company shall have among its objectives social and economic upliftment of poor, eradication of poverty from rural and semi urban India, the promotion and growth of the national economy through effective utilization of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations and the Company shall be mindful of its social and moral responsibilities to the employees, shareholders, the local community, lenders and society in general.

Name, description, occupation and address of each of subscribers	Number and type of shares subscribed	Signature of Subscribers	Signature of witness with address and occupation

Place:

Date:

