

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HDFC BANK LIMITED**

CERTIFIED TRUE COPY  
HDFC BANK LIMITED



S. B. Dongre  
Vice President (Legal) &  
Company Secretary



सत्यमेव जयते

प्रारूप ० आई० आर०  
Form I. R.

निगमन का प्रमाण-पत्र

**CERTIFICATE OF INCORPORATION**

ता०.....का सं०.....  
No. 11-80618.....of 1994.....

मैं एतद्वारा प्रमाणित करता हूँ कि आज.....

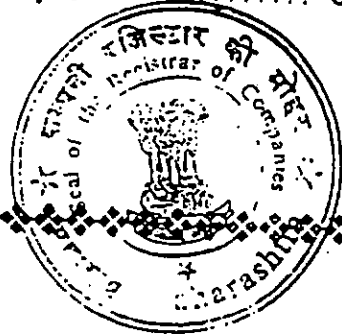
कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that **HDFC BANK LIMITED**

is this day incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is limited.

मेरे हस्ताक्षर से आज ता०.....को दिया गया।

Given under my hand at **BOMBAY** this **THIRTIETH**.....  
day of **AUGUST**.... One thousand nine hundred and **NINETYFOUR**



(S.R.V.V. SATYANARAYANA)

कम्पनियों का रजिस्ट्रार

Adtl. Registrar of Companies  
Maharashtra

Co.No.11-80618



कारबार प्रारम्भ करने के लिए प्रमाण-पत्र  
Certificate for Commencement of Business

कम्पनी अधिनियम, 1956 की धारा 149(3) के अनुसार  
Pursuant of Section 149(3) of the Companies Act, 1956

मैं एतद्वारा प्रमाणित करता हूँ कि .....

जो कम्पनी अधिनियम, 1956 के अधीन तारीख ..... को नियमित की गई थी और जिसने आज विहित प्ररूप में सम्यक रूप से सत्यापित घोषणा फाइल कर दी है कि उक्त अधिनियम की धारा 149(1) (क) से लेकर (घ) तक/149(2) (क) से लेकर (ग) तक की शर्तों का अनुपालन किया गया है, कारबार प्रारम्भ करने की हकदार है।

I hereby certify that the.. **HDFC BANK LIMITED** .....

which was incorporated under the Companies Act, 1956, on the **THIRTIETH** day of..... **AUGUST**..... 19**94**, and which has this day filed a duly verified declaration in this prescribed form that the conditions of Section 149(1)(a) to (d)/149(2)(a) to (c) of the said Act, have been complied with is entitled to commence business.

मेरे हस्ताक्षर से यह तारीख ..... को  
में दिया गया।

Given under my hand at..... **BOMBAY**.....  
this.. **TENTH**..... day of... **OCTOBER**..... one thousand nine hundred  
and... **NINETY FOUR**.....

(**S.R.V.V. SATYANARAYANA**)  
कम्पनियों का रजिस्ट्रार  
ADDL. Registrar of Companies

सं० एस० सी०-10  
J.S.C-10

प्रभा सं० 230-सिविल/85-86-भासक-क-(सी-71)-14-7-89-5,000:  
MGIPTC-230.Civil/85-86-GIPTC-(C-71)-14-7-89-5,000.

MEMORANDUM OF ASSOCIATION  
OF  
**HDFC BANK LIMITED**

(Incorporated under the Companies Act, 1956)  
(Company limited by shares)

- I) The name of the Company is HDFC BANK LIMITED.
- II) The Registered Office of the Company will be situated in the State of Maharashtra.
- III) The objects for which the Company is established are :

**A. MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY  
THE COMPANY ON ITS INCORPORATION.**

1. To carry on the business of banking that is to say to accept, for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise.
2. In addition to the business of banking, to carry on the business of -
  - (a) borrowing, raising or taking up of money;
  - (b) lending or advancing of money by way of a loan, overdraft or on cash credit or other accounts or in any other manner whether without or on the security of movable or immovable properties, bills of exchange, hundies, promissory notes, bills of lading, railway receipts, debentures, share warrants and other instruments whether transferable or not;
  - (c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments and securities whether transferable or negotiable or not;
  - (d) granting and issuing of letters of credits, travellers' cheques and circulars notes;
  - (e) buying, selling and dealing in bullion and specie;
  - (f) buying and selling of and dealing in foreign exchange including foreign bank notes;
  - (g) acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;
  - (h) purchasing and selling of bonds, scrips or other forms of securities on behalf of itself, its constituents or others;
  - (i) negotiating of loans and advances;
  - (j) receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise;
  - (k) providing of safe deposit vaults;

- (l) collecting and transmitting of money and all kinds of securities;
  - (m) issuing credit cards, meal vouchers and extending any other credits;
  - (n) carrying on any other business specified in clause (b) to clause (n) of sub-section (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949), and such other forms of business which the Central Government has pursuant to clause (o) of sub-section (1) of Section 6 of that Act, specified or may from time to time specify by notification in the Official Gazette as a form of business in which it would be lawful for a banking company to engage;
3. To carry on the business of merchant banking, investment banking, portfolio investment management, and corporate consultants and advisors.
  4. To carry on the business of mutual fund management, equipment leasing and hire purchase, manage investment pools, syndicate in shares and other securities and act as Share and Stock brokers.
  5. To carry on the business of factoring by purchasing and selling debts receivables and claims including invoice discounting and rendering bill collection, debt collection and other factoring services.
  6. To carry on and transact the business of giving guarantees and counter guarantees and indemnities whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property or assets of the Company, both present and future wherever situate or in any other manner and in particular to guarantee the payment of any principal moneys, interest or other moneys secured by or payable under debentures, bonds, debenture-stock, mortgages, charges, contracts, obligations and securities, and the repayment of the capital moneys and the payment of dividends in respect of stocks and shares or the performance of any such other obligations.

#### B. OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS

- 1 To borrow or raise moneys or secure loans or credits for the purpose of the Company under contracts, or under promissory notes, bills of exchange, hundies and other negotiable or transferable instruments, or issue convertible or non-convertible, secured or unsecured debentures, debenture-stock, bonds and alternative to "secured" obligations and securities of all kinds and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise, and to charge or secure the same by trust deed or otherwise on the whole or any part of the undertaking of the Company or upon any specific property, movable and immovable, and rights, both present and future, of the Company including, uncalled capital as may be authorised by law or otherwise howsoever.
- 2 To carry on the activities of bill discounting, re-discounting, dealing in commercial paper, treasury bills, certificate of deposits and other financial instruments.
- 3 To promote, effect, insure, guarantee, underwrite, participate in, manage, and carry out any issue whether, public or private, of company, corporation, association or Central or State Governments, municipality or of the other loans or of shares, stock, debentures or debenture stock and to lend monies for the purpose of any such issue and to act as an Issue House, Share Registrars, Share Transfer Agent, Investment and Share Consultant, Share Depository Agent and as Manager to any such Issue.

- 4 To acquire by purchase, lease, exchange, hire, concession, grant or otherwise, either absolutely or conditionally and either alone or jointly with others, any movable or immovable property of any description, any patents, trade marks, concessions, privileges and any other rights for the objects and business of the Company or which the Company may think necessary or convenient to acquire or the acquisition of which in the opinion of the Company is likely to facilitate the realisation of any securities held by the Company or to prevent or diminish any apprehended loss or liability or which may come into the possession of the Company in satisfaction or part satisfaction of any of its claims and to pay for all such property and rights purchased or acquired by the Company in any manner including by shares, debentures, debenture stock or bonds or other securities held by or of the Company or otherwise and to manage, sell, develop, improve, exchanges let on lease, or otherwise dispose of or turn to account all such property and rights purchased or acquired by the Company and to acquire and hold and generally deal with in any manner whatsoever all or any property and rights, movable and immovable and any right, title or interest therein which may form part of the security for any loans or advances made by the Company or which may be connected with any such security and all at such time or times and in such manner and for such consideration as may be deemed proper or expedient.
- 5 To acquire and undertake the whole or any part of the business of any person or any company with all or some of the assets and liabilities and to hold and purchase shares, stocks, debentures or other rights of any company carrying on business which this Company is authorised to carry on or which is incidental or ancillary to it or which may conveniently be carried on by the Company or to manage the same on special contract or as mortgagee or in any manner whatsoever.
- 6 To deposit money with other banks by way of current deposits, fixed deposits and otherwise with or without interest, to accept bills of exchange, hundies and other negotiable instruments and to endorse the same to bankers and to do all such banking business as are generally done by bankers with bankers and others.
- 7 To undertake the agency of other Indian banks and of foreign banks and other financial institutions and to manage the issue of a loan for a corporation or company, firm or association whether incorporated or not, or of foreign Government.
- 8 To acquire, receive, hold, hold in trust as trustee, agent or nominee of any person, corporation, company, any real or personal property, rights or interest acquired by or belonging to the Company or on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- 9 To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, acquire, turn to account, purchase or otherwise deal with all and hold, use, deal or trade in, whether with a view to profit or otherwise and by any means whatsoever property and rights of all kinds whether movable or immovable, legal or equitable and wheresoever situate, including but without prejudice to the generality of the foregoing, lands, buildings, easements, mortgages, product, plant, machinery, stock-in-trade tools, vehicles, aircraft, vessels, chattels, materials, concessions, options, contracts, book debts, business concerns and undertakings, claims, privileges and choses in action of all kinds to carry on and promote such business or activity and either to retain the property acquired or to turn to account for the Company's business as it may seem expedient, subject to the provisions of any applicable law.
- 10 To act as foreign exchange dealer and to buy, sell or otherwise deal in all kinds

of foreign currencies, foreign currency options, forward covers, swaps of all kinds and to transact for itself or on behalf of any persons, body corporate, company, corporation, society, firm or association of persons whether incorporated or not, all kinds of transactions in foreign currencies.

- 11 To establish or support or aid in the establishment and support of associations, institutions, funds, trusts, and conveniences for the benefit of past or present employees or Directors of the Company or the dependents of such persons; and to grant pensions, gratuities and allowances and superannuation and other benefits or ensure payment of any of them by taking insurance or any other promises and assurances as the Company may undertake, and to subscribe or guarantee money for charitable or benevolent object or useful objects for general public.
- 12 To form, establish or promote any other company, body corporate or any other entity either as subsidiary of this Company or otherwise for the purpose of carrying on any of the business or activities of the Company or for the purpose of acquiring or taking over all or any of the property, rights and liabilities of such company, body corporate, or any other entity or for any other purpose which may directly or indirectly benefit the Company.
- 13 To purchase or import, take on lease or in exchange, hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easement, machinery, plant or any other property or assets;
- 14 To invest and deal with money in such manner as may, from time to time, be thought fit subject to the provisions of the Companies Act, 1956.
- 15 To remunerate any person for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares, debenture or bonds in the Company's capital or any debentures or other securities issued by the Company.
- 16 To draw, make, accept, endorse, discount, execute, and issue certificates of deposits, promissory notes, bills of exchange, and other negotiable or transferable instruments.
- 17 To adopt such means of making known and advertising the business and productions and services of the Company as may be expedient.
- 18 To apply for, promote, and obtain any order, regulation, or other authorisation or enactment which may directly or indirectly benefit the Company.
- 19 To procure recognition of the Company in any country or place outside India.
- 20 To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
- 21 To take or hold mortgages, liens, and charges to secure payment of the purchase price, or any unpaid balance of the purchase price, or any part of the Company's property of any kind sold by the Company, or any money due to the Company from buyer or any other person.
- 22 To pay out of the funds of the Company all or any expenses which the Company may lawfully pay for the services rendered for the formation and registration of this Company and for the promotion of any other company by it subject to the provisions of the Companies Act, 1956 and the Banking Regulation Act, 1949.

- 23 To insure any of the properties, undertakings contracts, risks or obligations of the Company in any manner whatsoever.
- 24 To make donations either in cash or in kind for such objects or causes as may be directly or indirectly conducive to any of the Company's objects or otherwise expedient.
- 25 To aid and support, any person, association, body or movement, whose object is solution, settlement or surmounting an industrial or labour problems or the promotion of trade or business of the Company or for the promotion of science and technology, cultural activities, sports, environment, rural development and other social and welfare activities.
- 26 To establish or support associations, institutions, schools, hospitals, guest houses, clubs, funds, and trusts which may be considered beneficial to any employees or ex-employees and to officers and ex-officers of the Company or the dependents of any such person.
- 27 To refer any questions, disputes or differences arising between the Company and any other person (other than a Director of the Company) in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon each case and to institute legal proceedings or defend any proceedings and to appoint advocates, consultants or advisors in this behalf.
- 28 To enter into negotiations or collaborations, technical, financial or otherwise with any person or government for obtaining any grant, license or on other terms, formulae and other rights and benefits, and to obtain technical information, know-how and expert advice for providing or rendering services which the Company is authorised to provide or render.
- 29 To arrange for in India and abroad for providing services of the Company and purchase or otherwise acquire services as are necessary for carrying on the business of the Company and, for that purpose, either to establish its own branches, offices, agencies, or to appoint representatives or employees or both (whether individuals, firms or bodies corporate) in any place in or outside areas of operation and fix the terms and conditions of their appointment and pay fees or remuneration to such representatives and employees by way of commission or in such other manner as the Company may deem fit.
- 30 To create any depreciation fund, reserve fund, sinking fund, redemption fund, insurance fund, or any special or other reserve or fund, whether for redemption of debentures or debenture-stock, for dividends, for equalizing dividends, or for repairing, improving, extending and maintaining any part of the property of the Company.
- 31 To open and operate any type of bank accounts with any bank or financial institution in India or abroad and obtain credit facilities with or without securities for its business.
- 32 To train or pay for training in India or abroad of any of the Company's employees or officers or any candidate in the interest of or furtherance of the Company's objects.
- 33 To establish research and development centers for the business of the Company.
- 34 To engage in acquiring and undertaking whole or any part of the business of any person or Company carrying business which this Company is authorised to carry on.
- 35 To take or otherwise acquire and hold shares in any other Company as may be authorised.



- 36 To promote or finance or assist in promoting or financing any business, undertaking or industry either existing or new and associate with them either through the instrumentality of syndicates or otherwise in conformity with the relevant laws governing banks.
- 37 To undertake the administration of estates as executors, trustees or otherwise.
- 38 To open, establish, maintain and operate currency chests and small coin depots on such terms and conditions as may be required by the Reserve Bank of India established under the Reserve Bank of India Act, 1934 and subject to the Companies Act, 1956 to enter into all administrative or other arrangements for undertaking such functions with the Reserve Bank of India.
- 39 To carry on the business of giving services to industrial enterprises for transfer of shares, debentures, bonds, stocks and various financial instruments and any other kind of securities issued by such enterprises in general by acting as registrars to the Issue and Registrars for issue of shares, debentures, bonds, stock and all kinds of securities and instruments and for fixed deposits and encouraging and promoting the participation of private capital, both internal and external, in such enterprises and private ownership of industrial investments and the expansion of investment markets and to render custodial and depository services in respect of any type of securities and to do all such things as may be advised, remitted and required for related activities.
- 40 To amalgamate with any company or companies having objects altogether or in part similar to those of this Company, or to sell, exchange, lease, underlease, surrender, abandon, amalgamate, sub-divide, mortgage or otherwise deal with either absolutely, conditionally, or for any limited interest, all or any part of the undertaking, property rights or privileges of the Company, as a going concern or otherwise, with any public body, corporation, company, society, or association, or to any person or persons, for such consideration as the Company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debenture-stock, securities or property of any other company.
- 41 (a) To apply for, provide information and guidance on governmental policies, directives, instructions, regulations, ordinances or other authorisations or enactments of the Central or any State Government or any other similar semi-Government authorities or agencies which may be required for enabling the Company to establish an undertaking or to bring into effect any modification/ diversification in any of the Company's business or constitution and to challenge any of the governmental bills, statutes, rules, regulations, guidelines, proceedings or applications which are likely to prejudice the Company's business or interests;
- (b) To study such Governmental policies, regulations, ordinances and advise the governmental authorities in formulating incentives schemes to attract industries and investments;
- 42 To establish and maintain agencies at any place or places in India or other parts of the world for the conduct of the business of the Company or for the purpose of enabling the Company to carry on its business more efficiently; and to discontinue and reconstitute any such branches or agencies.
- 43 To exercise all or any of its corporate powers, rights and privileges and to conduct its business in all or any of its branches in the Union of India and in any or all states, territories, possessions, colonies and dependencies thereby and in any or all foreign countries, and for this purpose to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.

- 44 To assist in undertaking activities pertaining to leasing or hire-purchase asset credit, installment sale or/ and deferred sale.
- 45 To open, maintain, operate, and close account or accounts with any bank or banks or other financial Institutions in India or abroad and to pay or earn interest and to withdraw money from such account or accounts and to make, draw, co-accept, endorse, execute, discount or negotiate and issue cheques, promissory notes, hundies, bills of exchange, bills of lading, railway receipts, warrants, debentures and other negotiable or transferable instruments.
- 46 To indemnify officers, Directors, promoters and servants of the Company against, proceedings, costs, damages, claims and demands in respect of anything done, or ordered to be done, for and in the interests of the Company or for any loss or damages or misfortune whatever which happens in execution of the duties of their office or in relation thereto.

### C. OTHER OBJECTS

1. to carry on the business of finance broking and other financial services.
2. to carry on the business of providing and managing venture capital , seed capital and risk capital.

And it is hereby declared that :-

- (i) The word "Company" save when used in reference to this Company in this Clause shall be deemed to refer and include any partnership or other body of persons whether incorporated or not incorporated whether domiciled in India or elsewhere;
  - (ii) The several sub-clauses of this clause and all the powers thereof are to be cumulative and in no case is the generality of any one sub-clause to be narrowed or restricted by any particularity of any sub-clause nor is any general expression in sub-clause to be narrowed or restricted by any particularity of expression in the same sub-clause or by the application of any rule of construction ejusdem generis or otherwise;
  - (iii) The term 'India' when used (in this Clause) unless repugnant to the context shall include all territories from time to time comprised in the Union of India;
  - (iv) The Liability of the Members is limited;
- 
- (v) The Capital of the Company is Rs. 450,00,00,000 (Rupees Four Hundred Fifty Crores only) divided into 45,00,00,000 (Forty Five Crores) Equity Shares of Rs. 10 each with a power to increase or reduce the share capital.

We, the several persons, whose names and addresses and description are hereunder subscribed are desirous of being formed into a Company in pursuance of these Articles of Association, and we respectively agree to take the numbers of shares in the capital of the Company set opposite our respective names.

Sr. No.	Names, addresses, descriptions & occupations of the subscribers with their Signatures	Number of Equity Shares taken by each subscriber	Names, addresses and description of witness with their Signatures
	S/d.		
1.	Mr. Deepak Shantilal Parekh S/O. Late Mr. Shantilal T Parekh. 3, Bhaveshwar Sagar 20, Nepean Sea Road Bombay : 400 036 - Service -	10 (Ten)	
	S/d.		
2.	Mr. Deepak Madhav Satwalekar S/O. Mr. Madhav S. Satwalekar 9, Nutan Alka Coop Hsg. Society Relief Road, Santacruz (West) Bombay : 400 025 - Service -	10 (Ten)	
	S/d.		S/d.
3.	Mr. Shobha Singh Thakur S/O. Late Mr. Rajaran S. Thakur A/62, Ocean Gold Twin Tower Lane, Prabhadevi Bombay : 400025 - Service -	10 (Ten)	Susir Kumar M. S/o. Late Mr. K. S. Rao B-2/10, Runwal Nagar Thane (W)- 400 0602 -Service-
	S/d.		
4.	Mr. Suryakant Nanalal Shroff S/O. Late Mr. Nanalal K. Shroff Victor Villa, 1st floor 5, Babulnath Road Bombay : 400 007 - Service -	10 (Ten)	
	S/d.		
5.	Mr. Satish Gordnandas Mehta S/O. Late Mr. Gordnandas Mehta 39/4, Walchand Terraces Opp. Airconditioned Market Tardeo, Bombay : 400.025 - Service -	10 (Ten)	
	S/d.		
6.	Mr. Milind Gajanan Barve S/O. Mr. Gajanan D. Barve 604, Udyan Warshan Prabhadevi Bombay : 400 025 - Service -	10 (Ten)	
	S/d.		
7.	Mr. Joseph Conrad D'Souza S/O. Mr. Diago Cajetan D'Souza 17/23, MHB Colony Bandra Reclamation Bombay : 400 050 - Service -	10 (Ten)	

(70) (Seventy)

Bombay, Dated 9th August, 1994.

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ARTICLES OF ASSOCIATION  
OF  
**HDFC BANK LIMITED**

COMPANY LIMITED BY SHARES

TABLE A NOT TO APPLY

1. The regulations contained in Table A, in the First Schedule to the Companies Act, 1956, shall not apply to the Company, but the regulations for the management of the Company and for the observance of the Members thereof and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alterations of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 1956, be such as are contained in these Articles. Table A not to apply

DEFINITIONS

2. In these Articles unless there be something in the subject or context inconsistent therewith :- Interpretation

- (i) The marginal notes hereto shall not affect the construction hereof.
- (ii) The "Act" means "The Companies Act, 1956" and includes any statutory modification or re-enactment thereof for the time being in force in India.
- (iii) The Banking Regulation Act, 1949 would include statutory modifications or re-enactment thereof for the time being in force.
- (iv) "Board", "Board of Directors" or "The Directors" means 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.
- (v) "The Company" or "This Company" means HDFC BANK LIMITED.
- (vi) "HDFC" means HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED, a public company incorporated under the Act.
- (vii) "Member" means the duly registered holder, from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association but does not include a bearer of a share warrant.
- (viii) "Office" means the Registered Office for the time being of the Company.
- (ix) "These presents" means these Articles of Association as originally framed or as altered from time to time by Special Resolution.
- (x) "Proxy" means an instrument whereby any person is authorised to vote for a member at a general meeting on a poll.
- (xi) "The Register" means the Register of Members to be kept pursuant to the Act.

- (xii) "Seal" means the Common Seal for the time being of the Company.
- (xiii) "Special Resolution" and "Ordinary Resolution" shall have the meanings assigned thereto respectively by Section 189 of the Act.
- (xiv) "In writing" or "written" include words printed, lithographed, typewritten, represented or reproduced in any mode in visible form.
- (xv) 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.

Copies of Memorandum and Articles of Assn. to be given to members.

3. Copies of the Memorandum and Articles of Association of the Company 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

Capital

4. The Authorised Capital of the Company will be as stated in Clause C 2 (v) of the Memorandum of Association from time to time with power to increase or reduce the said Capital and to issue any part of its Capital original or increased with or without any priority or special privilege subject to the restrictions, if any, under the Banking Regulation Act, 1949 or subject to any postponement of rights or to any conditions or restrictions so that unless the conditions of issue otherwise prescribe such issue shall be subject to the provisions herein contained.

(This article has been inserted vide special resolution passed at the Annual General Meeting held 1st June, 2001)

Power to increase capital

5. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares of such amount as may be deemed expedient.

Conditions regarding issue of new shares

6. Subject to the provisions of Section 86 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges as the Company in General Meeting shall prescribe, and in particular, such shares may be issued, subject to the Banking Regulation Act, 1949, with a special or qualified right to dividend and in the distribution of assets of the Company.

New shares to rank pari passu with shares in existing capital

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

Reduction of capital

8. Subject to the provisions of Sections 100 to 105 of the Act and to confirmation by the Court the Company may by Special Resolution, reduce its Share Capital and/or any Capital Redemption Reserve Account and/or the Share Premium Account in any manner and with, and subject to, any incident authorised and consent required by law.

Subdivision and consolidation of capital

9. The Company in General Meeting may by Ordinary Resolution :-

- (i) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
- (ii) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;

- (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, 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;
- (iv) cancel shares which, at the date of the passing of the resolution in that behalf, 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.

### MODIFICATION OF CLASS RIGHTS

10. If at any time the Share Capital by any reason is divided into different classes of shares, all or any of the rights and privileges attached to each class will be effective and binding after approvals, if any, under the Banking Regulation Act, 1949 and may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied, modified, abrogated or dealt with, with the consent in writing of the holders of not less than 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 issued shares of that class and all the provisions contained in the Articles as to General Meetings (including the provisions relating to quorum at such meetings) shall *mutatis mutandis* apply to every such meeting. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly prohibited 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.

Class Rights

### SHARES

11. The shares in the capital shall be numbered progressively according to their several denominations, and, except in the manner hereinbefore mentioned, no share shall be sub-divided.

Shares to be numbered progressively and no shares to be subdivided

12. (1) When at any time subsequent to the first allotment of shares in the Company it is proposed to increase the subscribed capital of the Company by the issue of new shares, then, subject to any directions to the contrary which may be given by the Company in General Meeting and subject only to those directions, such new shares shall be offered to the persons who at the date of the offer are holders of the equity shares in 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 by a notice specifying the number of shares offered and limiting a time, not being less than 15 days from the date of the offer, within which the offer, if not accepted, will be deemed to have been declined. 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 hereinabove shall contain a statement of this right. 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 as they think most beneficial to the Company.

(2) Notwithstanding anything herein contained, the new 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 equity shares of the Company, in any manner whatsoever :-

- (a) if a Special Resolution to that effect is passed by the Company in General Meeting; or
- (b) where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the Resolution moved at the General Meeting sanctioning the issue of such shares (including the casting vote, if any, of the Chairman) by

members, who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in that behalf that the proposal is most beneficial to the Company.

New Shares to be offered to existing members

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company -

- (i) to convert such debentures or loans into shares of the Company, or
- (ii) to subscribe for shares in the Company; PROVIDED that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term :
  - (a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans, or is in conformity with the rules, if any, made by that Government in this behalf; and
  - (b) in the case of debentures or loans other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans.

Power to issue shares at a premium or discount

13. The Company in General Meeting 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 not) in such proportion and on such terms and conditions and (subject to compliance with the provisions of Section 78 and 79 of the Act) either at a premium or at par or at discount, as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at discount (subject to compliance with the provisions of Section 78 and 79 of the Act), such option being exercisable at such times and for such consideration as may be directed by such General Meeting; or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

Shares under the control of the Director

14. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming 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 Section 79 of the Act) at discount and at such times 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 the option to call for or be allotted shares of any class of the Company either at par or at premium or subject to as aforesaid, at discount, such option being exercisable at such time and for such consideration as the Directors think fit.

Acceptance of shares

15. Any application signed by the applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of the shares by him 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 the Act and these Articles, be a Member of the Company.

Deposit and call etc. to be a debt payable immediately

16. The money (if any) which the Board of 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 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 the allottee thereof, and shall be paid by them accordingly.

17. 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 thereof, 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.

Liability of Members

18. The Company shall cause to be kept a Register of Members, an Index of Members, a Register of Debentureholders and an Index of Debentureholders in accordance with Sections 150, 151, 152 and 158 of the Act. The Company may exercise the powers conferred on it by Sections 157 and 158 with regard to the keeping of a Foreign Register; 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.

19. The Register of Members, the Index of Members, the Register and Index of Debentureholders and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act shall, except when the Register of Members or Debentureholders is closed under the provisions of the Act or these presents, be open to inspection, on any working day between 11.00 a.m. to 1.00 p.m. or such other time as the Board may determine, from time to time, for any Member or Debentureholder 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, Debentureholder 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 or 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.

20. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

### SHARE CERTIFICATES

21. 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 :

Certificates of shares

- (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 Wholetime Director. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography. PROVIDED ALWAYS that notwithstanding anything contained in this article the certificates 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.

22. Every member or allottee of shares shall be entitled, without payment, to receive one Certificate for all the shares of each class or denomination registered in his name or, if the Directors may from time to time determine, to several such Certificates each for one or more such shares.

Members right to certificates

23 Share certificates shall be generally issued in marketable lots and where share certificates are issued in lots other than marketable lots, subdivision/consolidation of share certificates into marketable lots shall be done by the Company free of charge.

**Fractional Certificates** 24. The Company may issue such fractional certificates as the Board of Directors may approve in respect of any of the shares of the Company on such terms as the Board of Directors think fit including the term relating to the period within which the fractional certificates are to be converted into share certificates.

**Contents of Share Certificate** 25. Every certificate shall specify the name of the person in whose favour it is issued, and shares to which it relates and the amount paid up thereon. Every share shall be distinguished by its appropriate number.

**Time for Delivery of Share Certificates** 26. Unless the conditions of issue of the shares otherwise provide, such certificates shall be delivered to the shareholders, within three months after the allotment of any shares, and within one month after the application for the registration of the transfer of any such shares has been lodged with the Company.

This Article has been amended vide special resolution passed at 2nd Annual General Meeting held on 14th August, 1996.

**Replacement of Certificate** 27. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, old, decrepit, worn out or where the pages on the reverse for recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.

(b) Duplicate share certificates shall be issued in lieu of those that are lost or destroyed with the prior consent of the Board or such authority as the Board may direct, and on such reasonable terms, if any, as to evidence and indemnify the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board may think fit.

The Company shall in all respects comply with the provisions of the Companies (Issue of Share Certificates) Rules, 1960 or any modifications thereof for the time being in force and from time to time.

**The first named of joint holders deemed sole holder** 28. If any share stands in the names of two or more persons, the person first named in the Register shall, as regards receipt of dividends, or cash bonus, or service of notice, or any other matter connected with the Company except voting at meetings and transfer of the shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the repayment of all instalments or calls and other payments due in respect of such shares.

**Certificate to be delivered to first named of joint holder** 29. The certificate of shares registered in the names of two or more persons shall be delivered to the person first named in the Register.

**Trust not recognized** 30. Save as herein or in the Act otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly, shall not, except as ordered by a Court of competent jurisdiction, or by statute, or the Act, be bound to recognise any equitable, beneficial or other claim to or interest in such share on the part of any other person.

**Notice of change of name or of marriage of member** 31. No member, who shall change his name, or who being a female shall marry, shall be entitled to receive any dividend or 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.

**Funds of company may not be applied for purchase of shares in the Company** 32. Save as otherwise provided by Section 77 of the Act, none of the funds of the Company shall be applied for the purchase of any share in the Company.

## UNDERWRITING AND BROKERAGE

33. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or other securities of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares, debentures or other securities of the Company but so that if the commission in respect of the shares, debentures or other securities shall be paid or payable out of capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed the rates prescribed by the Act and the Banking Regulation Act, 1949. The commission may be paid or satisfied in cash or in shares, debentures or other securities of the Company or partly in one way and partly in the other. The Company may also, on any issue of Shares, Debentures or other securities pay such brokerage as may be lawful.

Commission may be paid

## CALLS

34. The Board of Directors may from time to time by a Resolution passed at a meeting of the Board make such calls as they think 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 place appointed by the Board of Directors. A call may be made payable by instalments. A call may be revoked or postponed at the discretion of the Board.

Calls

35. A call shall be deemed to have been made at the time when the Resolution of the Directors authorising such call was passed and may be made payable by Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.

Calls to date from resolution

36. (a) Not less than 14 days' notice of every call shall be given specifying the time and place of payment provided that before the time for payment of such call the Directors may by notice in writing to the Members revoke or postpone the same.

(b) The Directors may from time to time, at their discretion extend the time fixed for the payment of any call by such Member(s) for such cause as the Directors may deem fit, but no Member shall be entitled to such extension save as a matter of grace and favour.

(c) If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the amount of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

(d) If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due shall pay interest on the same at such rate as the Directors shall fix from time to time from the last day appointed for the payment thereof to the date of actual payment, but the Directors may in their absolute discretion waive payment of such interest wholly or in part.

(e) No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him whether alone or jointly with any person, together with interest and expenses, if any.

37. Subject to the provisions of Section 58A of the Act and Rules made thereunder, the Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of their respective shares beyond the sum actually called up; and upon the moneys so paid in advance or upon so much thereof from

Payment in anticipation of calls may carry interest

time to time and at any time thereafter, as exceeds the amount of the calls then made and due in respect of the shares on account of which such advances are made, the Board of Directors may pay or allow interest, at such rate as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may at their absolute discretion repay at any time any amount so advanced. Provided that moneys paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in the profits of the Company.

## FORFEITURE AND LIEN

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

38. If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter while the call or instalment remains unpaid, give notice to him 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.

Terms of Notice

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

In default of payment shares to be forfeited

40. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may, at any time thereafter and before payment of all calls or instalments, interest and expenses due in respect thereof be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of forfeiture to a member

41. When any share shall have been so forfeited notice of the forfeiture 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.

42. Any share so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors may think fit.

Power to annul forfeiture

43. The Board of Directors may, at any time before any share so forfeited shall have been sold, reallotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Member liable to pay money owing at time of forfeiture and interest

44. Any Member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with further interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine and the Directors may enforce the payment of the whole or a portion thereof if they think fit but shall not be under any obligation to do so.

Effect of forfeiture

45. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest 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 lien on shares

46. The Company shall have no lien on its fully paid-up shares. In the case of partly paid-up shares, the Company shall have a lien only to the extent of all moneys called or payable at a fixed time in respect of such shares. Otherwise such partly paid-up shares shall

be free from any lien of the Company. Any lien on shares shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.

47. For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intention to sell, shall have been served on such member, or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment of the sum payable as aforesaid for fourteen days after such notice.

Enforcement of  
lien by sale

48. The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards satisfaction of all moneys called and payable in respect of such shares and the residue (if any) paid to such member or the person (if any) entitled by transmission to the shares so sold. Provided that the amount so paid to such member or person shall not exceed the amount received by the Company from such Member or person towards such shares.

Application of  
proceeds of sale

49. Upon any sale after forfeiture or enforcing a lien in purported exercise of the powers hereinbefore given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares so sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy (if any) of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Validity of sale under  
Articles 42 and 47

50. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.

51. A certificate in writing under the hand of any Director or the Secretary or such other person as may be authorised, from time to time that the call in respect of a share was made and that the forfeiture of the share was made by a Resolution of the Directors to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such share.

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

Application of  
forfeiture

#### TRANSFER AND TRANSMISSION OF SHARES

53. 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 the transferor and transferee and duly attested. 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 in respect thereof.

Execution and  
Registration of  
transfer, etc.

54. The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 108 of the Act.

Form of transfer

Provided that where on an application in writing made to the Company by the

transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

Directors' right to decline to register transfer

55. Notwithstanding anything contained herein, but subject to the provisions of Section 111 of the Act and subject to the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules and Regulations made thereunder and other applicable laws, the Directors may at their absolute and uncontrolled discretion decline to register or acknowledge any transfer of shares and shall not be bound to give any reason for such refusal and in particular may so decline in respect of the shares upon which the Company has a lien or whilst any monies in respect of the shares desired to be transferred or any of them remain unpaid and such refusal shall not be affected by the fact that the proposed transferee is already a Member. Provided that registration of any 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.

(Article 55(b) and Article 55(c) deleted and Article 55(a) renumbered as Article 55 vide special resolution passed at the Extraordinary General Meeting held on October 24, 1994).

55(A) No person / group of persons shall acquire any shares of the Company which would take his/her/its holding to a level of 5% or more (or any such percentage imposed by Reserve Bank of India from time to time) of the total issued capital of the Company unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons.

(This article has been inserted vide special resolution passed at the Annual General Meeting held 1st June, 2001)

~~of a group, body corporate or bodies corporate under the same management or otherwise will exceed 1% of the paid-up Equity Share Capital of the Company or, if the Board of Directors is satisfied that as a result of the proposed transfer of any shares or securities or block of shares or securities of the Company, a change in the composition of the Board of Directors or a change in the controlling interest of the Company is likely to take place and that such change would be prejudicial to its interest or to the public interest. For the purpose of this Article, the Board of Directors shall be entitled, inter alia, to rely upon this Article to form its own opinion as to whether such registration of transfer of any of its shares or other securities exceeding 1% of the paid up Equity Share Capital of the Company should be refused or not.~~

(c) Notwithstanding anything to the contrary, the restrictive provisions contained in the preceding sub-clause (b) shall not apply to the transfer of any shares or other securities made to and representing the own investment of any of the following:-

- (i) Public Financial Institutions within the meaning of Section 4A of the Act;
- (ii) Public Sector Banks;
- (iii) Multilateral Agencies, Foreign Banks and Lending Institutions;
- (iv) Public Sector Mutual Funds being Mutual Funds sponsored, promoted or

56. If the Board of Directors refuse to register a transfer of any shares, they shall, within one month from the date on which the transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal.

This Article has been amended vide special resolution passed at 2nd Annual General Meeting held on 14th August, 1996.

57. Subject to the provisions of the Act and other applicable laws, the Directors may at their absolute discretion approve a minor, an insolvent or a person of unsound mind becoming a Member of the Company on such terms as the Directors may stipulate.

Transfer to be presented with evidence of title

58. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the shares to be

transferred and such other evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such condition and regulation as the Board of Directors shall from time to time prescribe; and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register shall be returned to the person lodging the same.

59. No fee shall be charged for registration of transfer or for effecting transmission or for registering any probates, letters of administration and other similar documents.

No fee on transfer, transmission etc.

60. The Board of Directors shall have power on giving not less than twenty one days previous notice by advertisement in some newspaper circulating in the district in which the Company's Registered Office is situated, to close the transfer books, the Register of Members and/or the Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as the Board may deem expedient.

Transfer Books when closed

61. The executors or administrators of a deceased member shall be the only persons recognised by the Company as having any title to his share except in cases of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to be so recognised; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him. The Company shall not be bound to recognise such executor or administrator, unless he shall have obtained probate or letters of administration or other legal representation, as the case may be, from a competent court in India.

Share of deceased member

Provided nevertheless that in cases, which the Board in its discretion considers to be special cases and in such cases only, it shall be lawful for the Board to dispense with the production of probates or letters of administration or such other legal representations upon such terms as to indemnity, publication of notice or otherwise as the Board may deem fit.

62. 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 Board (which the Board shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article, or of his title, as the Board of Directors think sufficient, be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinabove contained, transfer such shares. This clause is hereinafter referred to as "the transmission clause".

Registration of person entitled to shares otherwise than by transfer (transmission clause)

63. Every transmission of a share shall be verified in such manner as the Directors 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 registration 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.

Board may require evidence of transmission

64. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving any 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) to the prejudice of a person 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 registration of such transfer and may have entered such notice referred hereto in any book or record of the Company, and the Company shall not be bound or required to regard or to 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, notwithstanding that the notice may have been entered in or

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

referred to in some book or record 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 of Directors shall so think fit.

65. The Board may in its absolute discretion refuse applications for the sub-division of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law.

Transfer of  
Debentures

66. The provisions of these articles shall mutatis mutandis apply to the transfer of debentures and other securities of the Company or transmission thereof by operation of law.

### CONVERSION OF SHARES INTO STOCK

67. a) The Company may, by ordinary resolution :-

(i) convert any paid-up shares into stock; and

(ii) reconvert any stock into paid-up shares of any denomination.

b) 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 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.

c) 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.

d) Such of the Regulations of the Company (other than those relating to share warrants), 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.

### JOINT HOLDERS

68. (a) Where two or more persons are registered as the holders of any shares they shall be deemed to hold the same as joint tenants with benefits of survivorship.

(b) The Company shall be entitled to decline to register more than 3 persons as the joint holders of any share.

(c) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(d) On the death of any such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing therein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

(e) Any one of such joint holders may give effectual receipts for any dividends or other moneys payable in respect of such shares.

(f) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notice (which expression shall be deemed to include all documents



mentioned in Article 193) from the Company and any notice given to such person shall be deemed notice to all the joint holders.

(g) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney, then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting personally and shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares. Several executors or administrators of deceased Member in whose (deceased member's) sole name any share stands shall for the purpose of this Clause be deemed joint holders.

### BORROWING POWERS

69. The Directors may, from time to time, by a resolution passed at a meeting of the Board and not by circulation, borrow moneys for the purposes of the Company. Provided that the Directors shall not borrow moneys except with the approval of the Company in General Meeting, where moneys to be borrowed together with the moneys 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, that is to say, reserves not set apart for any specific purpose. Provided however that :-

Power to Borrow

- (i) nothing contained hereinabove shall apply to any sums of moneys borrowed by the Company from any other banking companies or from the Reserve Bank, State Bank of India or any other 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 moneys shall not be deemed to be borrowing of moneys by the Company for the purpose aforesaid.
- (iii) The expression "temporary loans" means loans repayable within six months from the date of the loan

70. Subject to the provisions of the Act and the Banking Regulation Act, 1949, and these Articles the 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 or 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).

Provided however that the Company shall not create :

- (a) charge upon any unpaid capital of the Company;
- (b) a floating charge on the undertaking or any property of the Company or any part thereof unless the creation of such floating charge is certified in writing by the Reserve Bank as provided in the Banking Regulation Act, 1949.

71. Any debenture, 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 and attending general meetings of the Company and the right to appoint Directors and others. Debentures carrying the right of conversion into or allotment of shares may be issued to the Public Financial Institutions, specified by the Central Government in the Rules framed pursuant to clause (a) of the proviso to sub-clause (3) of Section 81 of the Act provided that the terms of issue of such debentures is in the said rules. Provided however that Debentures carrying the right of conversion into or allotment of shares shall not be issued to anyone except with the consent accorded by the Bank in General Meeting.

Terms of  
issue of  
debentures

This Article has been amended vide special resolution passed at 2nd Annual General Meeting held on 14th August, 1996.