

NOTICE FOR PASSING OF RESOLUTION BY POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 and applicable Rules made thereunder)

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 ('the Act') read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ('the Rules'), other applicable provisions of the Act and Reg.44 of SEBI (LODR) Regulations, 2015 (including any statutory modification or re-enactment thereof for the time being in force) to the members of Can Fin Homes Limited ('the Company') to transact the following special business(es) by passing resolutions through Postal Ballot or Electronic voting (e-voting).

The explanatory statement pertaining to all the resolutions setting out the material facts and reasons therefor is annexed to this Notice, pursuant to Section 102 of the Act together with Postal Ballot Form, e-voting instructions and self-addressed envelope.

The Board of Directors of the Company has appointed Shri K N Nagesha Rao, Practising Company Secretary, as the scrutinizor to conduct the Postal Ballot Voting process in a fair and transparent manner.

The members may opt to vote through Postal Ballot or by e-voting. Members desiring to exercise their votes by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed, indicating their assent (FOR) / dissent (AGAINST) for each resolution in the attached (postage prepaid) self-addressed envelope, so as **to reach the Scrutinizer not later than 6:00 p.m. on August 22, 2017 (Tuesday)**, failing which, it will be strictly considered that no reply has been received from the Member.

The Company has engaged the services of NSDL to provide e-Voting facilities to its members. Members may choose to vote using the e-Voting facility, the details whereof are specified under instructions to the Postal Ballot Form, which is forming part of this notice. e-Voting will be open from **9:00 a.m. of July 24, 2017 (Monday) till 6:00 p.m. of August 22, 2017 (Tuesday)**.

For detailed instructions on Postal Ballot/ E-voting, please refer to the notes appended to the Postal Ballot Form forming part of this Notice.

Resolutions:

Item No.1- Alteration in Objects Clause of the Memorandum of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions of the Companies Act, 2013 ('the Act') and Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to such amendments, modifications, terms and conditions as may be suggested or required by such appropriate authority(ies), which the Board of Directors is authorised to accept, as it may deem fit, the approval of the Company be and is hereby accorded for alteration/modification, substitution, addition and deletion in the Objects Clause (Clause III) of the Memorandum of Association of the Company as follows:

A. The existing Clause III and III(A) (Main objects Clause) of the Memorandum of Association of the Company be altered as new Clause III(a) as under:

III (a) The objects to be pursued by the Company on its incorporation are:-

1. To carry on the business of providing long term finance on such terms and conditions as the company may deem fit, to individuals, Co-operative Societies, Association of Persons, Companies or Corporations, or such other persons or entities for purchase of plots, houses, flats, apartments and/or construction, repair, renovation and/or up-gradation of houses, flats or apartments for residential purpose.
2. To carry on the business of providing loans to persons and other entities engaged in the business of construction of houses or flats for residential or non-residential/ commercial purpose upon such terms and conditions as the Company may think fit and proper.
3. To carry on the business of providing loan to individuals, Co-operative Societies, Association of Persons, Companies or Corporations or such other persons or entities for any purpose, upon such securities and on such other terms and conditions as the Company may think fit and proper.

4. To carry on the business of acting as Corporate Agent and/or Sub-Agent in respect of life, health and non-life insurance of any kind/description and collect agency commission/ remuneration/ fee thereon.

B. The title of the existing Clause III(B) to be modified as under:

III (b) Matters which are necessary for furtherance of the objects specified in Clause III (a) are:

C. The modifications/additions in existing Part III (B) are as under:

31. To carry out in any part of India all or any part of the Company's objects as principal agents, *capital contributors, commercial agents, mortgage brokers, financial agents, advisors, factor, trustee, contractor or otherwise*, either along or in conjunction with any other person, firm, association, corporate body, municipality, province, State Body or Government or colony or dependency thereof.

50. *To finance project for urban development including any programme for social and economic upliftment in any urban area either alone or in consortium with banks, other housing finance companies, financial institutions or other authorities on such terms and on such security as may be determined by the Company. Without prejudice to the foregoing the urban development programme shall mean and include among financing projects for land development, provisions of roads, water supply, sanitation and electricity.*

51. *To finance for the constructions and maintenance of any projects of township development, expressway roads, inland water transport, bridges, water supply, sewerage and sanitation and electricity on such terms and on such security as may be determined by the Company.*

52. *To borrow in foreign currency from any bank or financial institutions or any foreign authority in India or in any foreign country subject to the provisions of Foreign Exchange Management Act and such other Regulations as may be applicable.*

53. *To do everything consistent with the powers granted above in the furtherance and implementation of the National Housing Policy approved by the Government of India from time to time.*

54. *To provide necessary financial assistance for comprehensive preliminary investigations, innovations and research of housing, industrial, and commercial proposals and requisite working capital when these investigations, innovation and research eventuate in the establishment of housing, industrial, and commercial organisations on a commercial basis.*

55. *To manage land, buildings and other property, not belonging to the Company and to collect rents and income and to supply to tenants and occupiers and others all kinds of services, conveniences, privileges, benefits, advantages and amenities, attendance, messenger, light, waiting rooms, reading rooms, meeting rooms, toilet rooms, toilet, laundry conveniences, electric conveniences, stables, garages and other advantages.*

56. *To engage in research into all problems relating to personnel, industrial and business management, distribution, marketing and selling and to collect, prepare and distribute information and statistics relating to any type of business related to housing/ construction industry for the purpose of financing or otherwise.*

57. *To provide information and guidance on government policies and regulations and to assist in obtaining various consents, approvals, from Government or other authorities or agencies which may be required for housing establishments and undertakings or in its diversification/ expansion.*

58. *To study and advice Government in formulating incentive schemes to attract investments in housing industry.*

59. *To advice Government or any other body or person for setting up of residential /industrial complex /estates.*

60. *To undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers or for organising lectures, conferences or seminars, workshops, training programmes, for giving merit awards, scholarships, loans or any other assistance to institutes, deserving students or academic pursuits or researchers and for establishing assistance to any institution, fund, trust.*

61. *To carry on the business of leasing and hire purchase finance and to provide on lease and/or on hire purchase, all types of houses, sites, flats, office and other plants, construction equipment and machinery, computers, electronic data processors, tabulators, air conditioners, domestic equipment and appliances and for the purpose to purchase or otherwise acquire dominion over the same whether new or used or acquired by the Company in the course of recovery under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).*

D. Wherever required, to replace the reference to various sections of the Companies Act, 1956 with the reference to the corresponding sections of the Companies Act, 2013 in Part B of the Objects Clause of the Memorandum of Association of the Company and make changes.

E. The existing Part C titled `OTHER OBJECTS NOT INCLUDED IN "A" AND "B" ABOVE' of the Objects Clause in the Memorandum of Association of the Company be deleted.

RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, and to settle any queries, difficulties or doubt that may arise in this regard, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things and to execute all such applications, affidavits, undertakings, documents, deeds and writings as they may in their absolute discretion deem fit, necessary, desirable or expedient, including but not limited to accept any modification or alteration suggested by the competent authorities.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to delegate all or any of the powers conferred on it by or under these resolutions to any Committee of Directors or to the Managing Director or any other Officer(s) of the Company as it may consider appropriate in order to give effect to these resolutions."

Item No.2- Alteration in Liability Clause of the Memorandum of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a Special Resolution:-

"RESOLVED THAT pursuant to provisions of Section 4, Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded for substitution of the existing Clause IV of the Memorandum of Association of the Company with the following new Clause IV:

IV. The liability of members is limited and this liability is limited to the amount unpaid, if any, on Shares held by them.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution(s)."

Item No.3 – Adoption of new set of Articles of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 5, 14 and all other applicable provisions of the Companies Act, 2013 (the Act), the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company and for adoption of new set of Articles of Association, a copy of the same is sent to members with this notice.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or pertinent to give effect to the aforesaid resolution(s)."

Item No. 4 - Sub-Division of Equity Shares of the Company

To consider and if thought fit, to pass with or without modification(s) the following resolution(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61(1)(d), 64 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the concerned authorities or bodies, each of the Equity Shares of the Company having a face value of Rs.10/- (Rupees Ten only) each in the Authorized Share Capital of the Company be sub-divided into 5 (Five) Equity Shares having a face value of Rs.2/- (Rupees Two only) each, fully paid-up with effect from the Record Date and shall rank pari passu in all respects with and carry the same rights as the existing fully paid-up Equity shares of Rs.10/- (Rupees Ten only) each of the Company.

RESOLVED FURTHER THAT upon sub-division of the Equity Shares as aforesaid, the existing Share Certificate(s) of the face value of Rs.10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date and the Company may without requiring the surrender of the

existing Share Certificate(s) directly issue and dispatch the new Share Certificate(s) of the Company, in lieu of such existing issued Share Certificate(s) and in the case of the Equity Shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the Shareholders with the Depository Participants, in lieu of the existing credits representing the Equity Shares of the Company before sub-division.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), be and is hereby authorized to fix the Record Date for the purpose of the Sub-division and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to these resolutions."

Item No.5 – Alteration in Capital Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, the existing Clause V of the Memorandum of Association of the Company relating to Share Capital, be and is hereby altered by deleting the same and substituting in its place and stead, the following as new Clause V:

V. The authorized Share Capital of the Company is Rs.70,00,00,000/- (Rupees Seventy Crore only) divided into 35,00,00,000 (Thirty Five Crore only) equity shares of Rs.2/- (Rupees Two only) each.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution), be and is hereby authorized to take such steps as may be necessary and to execute all deeds, applications, documents and writings that may be required and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the above resolution(s), on behalf of the Company."

By Order of the Board of Directors
For Can Fin Homes Ltd.

Place: Bengaluru
Date: June 23, 2017
Registered Office:
No.29/1, I Floor,
Sir M N Krishna Rao Road
Basavanagudi, Bengaluru – 560 004
CIN: L85110KA1987PLC008699

Sd/-
Veena G Kamath
Company Secretary

NOTES

1. The explanatory statement, pursuant to Section 102 of the Act stating all material facts and the reasons of the proposals, is annexed hereto.
2. Pursuant to the provisions of Section 110 of the Act read with Rule 22(16) of the Companies (Management and Administration) Rules 2014, a Company is mandatorily required to, in case of certain prescribed items of special business and has an option to, in case of other items of special business, seek the approval of the shareholders to certain resolution(s) through Postal Ballot, instead of having it passed at a General Meeting. Accordingly, your approval is sought for the resolutions contained in this Notice through Postal Ballot.
3. Shri K N Nagesha Rao, FCS, Practicing Company Secretary, FCS No.3000, CP No. 12861 having professional address at "Sumukha" 22, 5th Cross I Stage, Grihalakshmi Colony, Basaveshwaranagar, Bengaluru - 560079, has been appointed as the Scrutinizer for conducting the postal ballot voting process in a fair and transparent manner and in accordance with the Act and the Rules made there under.
4. As per section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of the Postal Ballot may be served on the members through electronic means. Members who have registered their e-mail IDs with depositories or with the Company are being sent this Notice of Postal Ballot by e-mail and the members who have not registered their e-mail IDs will receive Notice of Postal Ballot along with the Postal Ballot Form by permitted mode (i.e. by registered post/speed post or through courier).
5. The Postal Ballot Notice is being sent to the members, whose names appear on the Register of Members, List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the close of business hours on July 07, 2017. A member cannot exercise votes by proxy. **The Postal Ballot period commences on July 24, 2017 (Monday) 9:00 a.m. and ends on August 22, 2017 (Tuesday) 6:00 p.m.**
6. In case a member wishes to obtain a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to ravi@csl.co.in or naidu@csl.co.in. The RTA, Canbank Computer Services Ltd., will send the same with postage-prepaid self-addressed Business Reply envelope to the member.
7. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the relevant date, i.e. July 07, 2017.
8. The members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and record their assent (for) or dissent (against) to the items so listed, by returning the same duly completed and signed in the attached postage pre-paid self- addressed envelope. However, Postal Ballot Form(s), if sent by courier or by registered post at the expense of the Shareholder(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given thereon. **The duly completed Postal Ballot Form(s) should reach the Scrutinizer not later than 6:00 p.m. on August 22, 2017 to be eligible for being considered**, failing which, it will be strictly treated as if no reply has been received from the Shareholder(s). Unsigned Postal Ballot Form/s will be rejected.
9. The Scrutinizer will submit the final report to the Chairman or any other Director authorized by the Chairman after completion of scrutiny and the result of voting by Postal Ballot will be announced by the Chairman or any Director of the Company duly authorized, on or before August 24, 2017 and will also be displayed on the website of the Company www.canfinhomes.com and website of the NSDL and will be communicated to the Stock Exchanges where the shares of the Company are listed, depository and RTA on the said date.
10. The resolutions passed by the members with requisite majority by means of postal ballot including voting by electronic means shall be deemed to have been duly passed at a General Meeting of members convened in that behalf.
11. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on August 22, 2017 (Tuesday), the last date specified for receipt of duly completed postal ballot forms or e-voting.
12. **The proposed amended Memorandum of Association and Articles of Association of the Company are enclosed with this Notice and are also made available on the website of the Company at www.canfinhomes.com**
13. The Notice of Postal Ballot is placed on the website of the Company www.canfinhomes.com and also on the website of NSDL www.evoting.nsdl.com.
14. Copies of all the material documents referred to in the Notice and explanatory statement annexed thereto are available for inspection at the Registered Office of the Company during Business Hours (10:00 a.m. to 5:00 p.m.) on all working days from the date of dispatch until the last date for receipt of votes by postal ballot/ e-voting.

Annexure to the Notice

[Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act")]

In respect of Item No.1 - Alteration in Objects Clause of the Memorandum of Association

Your Company, being a housing finance company, has proposed to amend Objects Clause of the Memorandum of Association (MOA) of the Company in order to;

- 1) align the existing objects clauses with the provisions of Companies Act, 2013 and accordingly, classify the Objects Clause under the following two heads namely:
 - a. The objects to be pursued by the company on its incorporation and
 - b. Matters which are necessary for furtherance of the objects specified in para (a) above;
- 2) bring clarity in the existing Clause III(A)(1) and to specifically cover the businesses/ activities permissible under the Housing Finance Companies (NHB) Directions, 2010. The said directions were not in existence at the time of incorporation of the Company/ registration of the existing MOA of the Company;
- 3) include another main Object i.e., to carry on the business of acting as Corporate Agent and/or Sub-Agent in respect of the insurance products and to collect agency commission/remuneration/fee thereon, as the same is permitted as per the guidelines issued by the National Housing Bank, the regulator of the Company, vide Circular No. NHB(ND)/DRS/Policy Circular No.71/2014-15 dated April 22, 2015. After approval by the members and registration of MOA & AOA with the Registrar of Companies, the said business activity can be commenced subject to registration with Insurance Regulatory and Development Authority(IRDA), in terms of the provisions of IRDA Act, 1999;
- 4) modify/ add the matters which are necessary for furtherance of the main objects (modified Para 31 and added paragraphs 50 to 61);
- 5) to delete the remaining Part (C) 'Other objects not included in 'A' and 'B' above' of the existing MOA.

As per the provisions of Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules 2014, the alteration /modification in the main object clause of the Memorandum of Association of the Company is required to be approved by the members of the Company through Postal Ballot Process. The Board of Directors of the Company at their meeting held on June 23, 2017 has approved the above alterations/modifications in the Objects Clause of the Memorandum of Association of the Company and recommended the same to the members of the Company for approval through Postal ballot.

The revised set of draft Memorandum of Association after incorporating the alterations/amendment/modifications/substitutions as approved by the Board of Directors of the Company is available for inspection at the Registered Office of the Company on all working days between 10.00 a.m. and 5.00 p.m. For the convenience of Shareholders, the Company has also posted the same in the Company's website www.canfinhomes.com

The above proposal is in the best interest of the Company. The Board of Directors of the Company has recommended the resolution(s) at Item No. 1 of the Postal Ballot Notice for approval of Members of the Company as a Special Resolution through Postal Ballot Process.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution as set out at item No. 1 of this Notice.

In respect of Item No.2 - Alteration in Liability Clause of the Memorandum of Association

The existing Clause IV of the Memorandum of Association (MOA) of the Company i.e., '*The liability of the members is limited*' is in line with the requirement under the Companies Act, 1956.

As per section 4(1)(d)(i) and Table-A of Schedule-I of the Companies Act, 2013, the liability clause reads as '*IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.*' Hence, it is proposed to modify the liability clause as required under the provisions of Companies Act, 2013 cited above.

The above proposal is in the best interest of the Company. The Board of Directors of the Company has recommended the resolution(s) at Item No. 2 of the Postal Ballot Notice for approval of Members of the Company as a Special Resolution through Postal Ballot Process.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution as set out at item No. 2 of this Notice.

In respect of Item No.3 - Adoption of new set of Articles of Association of the Company

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956.

Members are aware that the Ministry of Corporate Affairs (MCA) has notified most of the sections of Companies Act, 2013 (the Act), which replace the provisions of the Companies Act, 1956. The MCA has also notified the Rules pertaining to the notified sections.

In order to bring the existing AOA of the Company in line with the provisions of the Act, the Company will have to make numerous changes in the existing AOA. It is therefore considered desirable to adopt a comprehensive new set of Articles of Association of the Company (new Articles) in substitution of and to the exclusion of the existing AOA. In the new Articles, the Company has provided definitions of terminologies used, simplified certain articles by providing reference to the Act and the Rules framed thereunder to avoid repetition in its entirety, retained certain articles which were applicable to the Company specifically as a sponsored entity of Canara Bank under the existing AOA of the Company.

The above proposal is in the best interest of the Company. The Board of Directors of the Company has recommended the resolution(s) at Item No.3 of the Postal Ballot Notice for approval of Members of the Company as a Special Resolution through Postal Ballot Process.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the Special Resolution as set out at Item No.3 of this Notice.

In respect of Item Nos.4 and 5 – Sub-Division of Equity Shares of the Company and Alteration in Capital Clause of the Memorandum of Association of the Company

The market price of the Equity Shares of the Company has witnessed a significant rise over a period of time. On June 22, 2017, it reached an all-time high of Rs.3,330/- (NSE). High price of the Equity Shares of the Company has kept the small retail investors away from trading in the Company's Equity Shares. Further, the shareholders have been requesting for split at the Annual General meetings of the company held in recent years.

In order to improve the liquidity of the Company's equity shares in the Stock Market with higher floating stock in absolute numbers and to encourage the participation of small investors by making the equity shares of the Company affordable, the Board of Directors of the Company has approved the proposal for sub-division/ split of equity shares of the Company from its present face value of Rs.10/- to Rs.2/-, subject to approval by the members by way of ordinary resolution through postal ballot.

Further, the existing Clause V of the Memorandum of Association (MOA) of the Company is in line with the Companies Act, 1956. In order to bring the existing Clause V i.e., Capital Clause of the MOA of the Company in line with new Clause V of Table-A of Schedule I of the Companies Act, 2013, and in view of the above proposal of sub-division of shares, it is proposed to substitute the existing Capital Clause (Clause V), subject to approval by the members by Special Resolution:

To substitute the existing Clause V:

"V. The authorised share capital of the Company is Rs.70 Crore divided into 7 Crore Equity shares of Rs.10 each. The Company has power from time to time to increase or reduce its capital and divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special right, privileges, conditions, or restriction, as may be determined by, or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provision for the time being in force in that behalf."

with New Clause V:

"V. The authorized Share Capital of the Company is Rs.70,00,00,000/- (Rupees Seventy Crore only) divided into 35,00,00,000 (Thirty Five crore only) equity shares of Rs.2/- (Rupees Two only) each."

The above proposal is in the best interest of the Company. The Board of Directors of the Company has recommended the resolution(s) at Item No.4 of the Postal Ballot Notice as an Ordinary resolution and Item No.5 of the Postal Ballot Notice as a Special Resolution, for approval of Members of the Company through Postal Ballot Process.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the Ordinary/Special Resolutions as set out at items Nos.4 and 5 of this Notice.

By Order of the Board of Directors
For Can Fin Homes Limited

Place: Bengaluru
Date: 23/06/2017

Registered Office:
No.29/1, I Floor,
Sir M N Krishna Rao Road
Basavanagudi, Bengaluru – 560 004
CIN: L85110KA1987PLC008699

Sd/-
Veena G Kamath
Company Secretary

MEMORANDUM OF ASSOCIATION OF CAN FIN HOMES LIMITED COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 1956)

I. The name of the Company is CAN FIN HOMES LIMITED

II. The registered office of the Company will be situated in the State of Karnataka.

III(a) The objects to be pursued by the Company on its incorporation are:

1. To carry on the business of providing long term finance on such terms and conditions as the Company may deem fit, to individuals, Co-operative Societies, Association of Persons, Companies or Corporations, or such other persons or entities for purchase of plots, houses, flats, apartments and/or construction, repair, renovation and/or up-gradation of houses, flats or apartments for residential purpose.

2. To carry on the business of providing loans to persons and other entities engaged in the business of construction of houses or flats for residential or non-residential/ commercial purpose upon such terms and conditions as the Company may think fit and proper.

3. To carry on the business of providing loan to individuals, Co-operative Societies, Association of Persons, Companies or Corporations or such other persons or entities for any purpose, upon such securities and on such other terms and conditions as the Company may think fit and proper.

4. To carry on the business of acting as Corporate Agent and/or Sub-Agent in respect of life, health and non-life insurance of any kind/description and collect agency commission/ remuneration/ fee thereon.

(b). The matters which are necessary for furtherance of objects specified in Clause III (a) are:

1. To sell, lease, let, hire or otherwise deal with or dispose of the lands, houses, buildings and other property or any part or portions thereof belonging to the Company or in which the Company is in any way interested or concerned.

2. To purchase and sell for any persons any property or house, buildings or lands or any part or portions thereof, or any share or shares, interest or interests therein and to transact on commission or otherwise the general business of a Land and Property Agent.

3. To borrow or to raise money with or without security or to receive money on deposit at interest or otherwise in such manner as the Company may think fit and in particular by the issue of loan stocks, debenture or debentures convertible into shares of this or any other Company and in security of any such money so borrowed, raised or received to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital and to purchase, redeem or pay off any such securities but shall not do banking as defined by the Banking Regulation Act, 1949. The acceptance of deposit shall be subject to the provisions of Section 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder, to the extent applicable, if any.

4. To undertake or direct the management of the property, buildings, land and estates (of any tenure or kind) of any persons, whether members of the Company or not, in the capacity of managers or receivers or otherwise.

5. To promote or assist in promoting or contract with any person or Company for the promotion of any other Company or business whatsoever and to subscribe for and hold the shares or stock or debentures or securities of any other Company or any part thereof and to take or underwrite or guarantee the issue or subscription of any shares or obligations of such Company or any other Company and to guarantee the payment of any dividend or interest on such shares or obligations and to assist any such Company by advances of money or otherwise.

6. To enter into any arrangement with any person, association of persons, firm, company, corporation, Union or State Government, Municipal or any Local or Public Authority, that may be conducive to the Company's objects or any of them and to obtain from any such person or association of persons, firms, company, corporation, government, municipal or local or public authority any right, privileges or concessions which the Company may think fit desirable to obtain and carry out, exercise and comply with any such arrangement, right, privileges or concessions.

7. To undertake, form and/or execute any trust, the undertaking of which may seem to the Company desirable or conducive to all or any of the objects of the Company.

8. To aid any Government, State or any Municipal Corporation or Company or Association or individuals with capital, credit, means or resources for the prosecution of any works, undertaking, projects or enterprises which are conducive to all or any of the objects of the Company.

9. To prosecute and execute directly or by contribution or other assistance, any such or any other works, undertakings, projects, enterprises, in which, or in the prosecution whereof or on the security whereof or of any profits or emoluments derivable therefrom, the Company shall have invested money, embarked capital or engaged its credits.

10. To establish companies and associations for the prosecution or execution of undertakings, works, projects or enterprises whether of private or public character in India and to acquire, underwrite and dispose of shares and interest in such companies or association or in any other company or association or in the undertakings thereof.

11. To invest the moneys not immediately required for the business in and to hold, sell and deal with the shares, bonds, debentures, obligations, notes and securities of any Government, State, Company, Corporation, Municipal or Local or other Body or Authority.

12. To vary the investments of the Company.

13. To mortgage or charge all or any part of the property and rights of the Company including its uncalled capital.

14. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose business or undertakings the Company is interested, whether directly or indirectly.

15. To provide for the welfare of the employees or ex-employees of the Company and the wives, widows and the children or the dependents of such persons in such manner as the Company deems fit and proper.

16. To remunerate any person or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures or other securities of the Company or in or about the organisation, formation or promotion of the Company or the conduct of its business.
17. To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments.
18. To effect and maintain insurance against loss of or injury to any property of or any persons employed by the Company or against any other loss to the Company.
19. To pay for any property or rights acquired by the Company, either in cash or fully or partly paid up shares, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.
20. To enter into any contract or arrangement for more efficient conduct of the business of the Company or any part thereof and to sub-contract any such contract or arrangement.
21. To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid up shares of any company or corporation, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or in debentures, or mortgage debentures, mortgage or other securities of any company or corporation or partly in one mode and partly in another and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any shares, stocks or securities so acquired.
22. To enter into partnership or any arrangement for sharing profits or for union of interest, co-operation, reciprocal concession or otherwise with any person, firm, association, company or corporation carrying or engaged in or about to carry on or engage in any activity or transaction which the Company is authorised to carry on or engage in any activity or transaction capable of being conducted so as to directly or indirectly enhance the value of or render more profitable any of the Company's properties and assets or otherwise to benefit the Company and to give or accept by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, securities that may be agreed upon and to hold and retain, or sell, mortgage and deal with any shares, debentures or securities so received.
23. To promote, form, establish or aid in the promotion, formation or establishment of any company or companies, association or associations, subsidiary to this Company or otherwise, for the purpose of acquiring or purchasing or taking over the entire undertakings of this Company or any of its subsidiary undertakings or any property or rights of this Company or any of its contracts, options or liabilities or for any other purpose which the Company or its Directors may deem directly or indirectly calculated to benefit this Company or any land or estate in which it is interested or to assist in the attainment or promotion of its objects and to subscribe for, place, guarantee the placing of, underwrite or pay commissions to secure the subscription of the capital or securities of or loans to any such company.
24. To let on lease or on hire-purchase system or to lend or otherwise dispose of any property belonging to the Company and to finance purchase of any article or articles whether made by the Company or not, by way of loans or by the purchase of any such article or articles and the letting thereof on the hire-purchase system or otherwise howsoever and to act as financiers generally.
25. To sell, lease, grant licences, easements and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the Company, or any part thereof, for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company.
26. To apply for, promote and obtain any Act, charter, privilege, concession, licence, authorisation from any Government or State or Municipality, provisional order or licence of any authority for enabling the Company to carry any of its objects into effect, or for extending any of the powers of the Company, or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly to prejudice the Company's interest.
27. To guarantee or become liable for the payment of money, debentures, bonds or securities or for the performance of any obligation.
28. To apply for, purchase or otherwise acquire and protect and renew in any part of the work any patents, patent rights, brevets d' invention, trade marks, designs, copyrights, knowhow, licences, concessions, industrial or commercial property and the like conferring any exclusive or non-exclusive or limited right to their use, application or exploitation or any secret or other information to any invention or otherwise which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly, to benefit the Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property, rights, or information so acquired and to expand money in experimenting upon, testing or improving any such patents, inventions or rights.
29. To grant licences or concession over or in respect of any property or rights of the Company.
30. To adopt such means of making known the business of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art of interest, by publication of books and periodicals and by granting prizes, rewards and donations.
31. To carry out in any part of India all or any part of the Company's objects as principal agents, capital contributors, commercial agents, mortgage brokers, financial agents, and advisors, factor, trustee, contractor or otherwise, either along or in conjunction with any other person, firm, association, corporate body, municipality, province, State Body or Government or colony or dependency thereof.
32. To exercise all or any of its corporate power, 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 thereof and in any or all foreign countries and for these purposes to have and maintain and to discontinue such number of offices and agencies therein as may be convenient.
33. In the event of winding up, to distribute among the members in specie any property or assets of the Company or any proceeds of sale or disposal of any property of the Company subject to the Provisions of the Act.
34. To establish and maintain local registers, agencies and branch places of business and procure the Company to be registered or recognised and carry on business in any part of the world.
35. To make donations to such persons or institutions and in such cases and either in cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient and in particular to remunerate any

person or corporation introducing business to this Company and also to subscribe, contribute, or otherwise assist or guarantee money for charitable, scientific, religious or benevolent, public or cultural, educational or other institutions, objects or for any exhibition or for any public general or other objects and to establish and support or aid in the establishment and support of association, institutions, funds, trusts and convenience for the benefit of the employees or ex-employees (including Directors) of the Company or of persons having dealings with the Company or the dependents, relatives or connection of such persons and in particular friendly or other benefit societies and to grant pension, allowances, gratuities and bonuses either by way of annual payments or a lump sum and to make payments towards insurance and to form and contribute to provident benefit funds and other welfare funds of or for such persons.

36. To do all and everything necessary suitable or proper for the accomplishment of any of the purposes or the attainment of any of the objects or the furtherance of any of the powers hereinbefore set forth, either alone or in association with other corporate bodies, firms or individuals and to do every other act or acts thing or things incidental or appurtenant to or growing out of, connected with the aforesaid business or powers or any part or parts thereof, provided the same be not inconsistent with the laws of the Union of India.

37. To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any assets, property or rights.

38. To appoint Directors or Managers of any subsidiary Company or of any other Company in which this Company is or may be interested.

39. To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is carrying on or the carrying on of which is calculated to benefit this Company or to advance its interest suitable for the purposes of the Company.

40. To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise grant licences, easements and other rights in or over and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.

41. To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking subject to the liabilities of this or any such other company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares of stocks of this or any such other company as aforesaid, or by partnership or any arrangement of the nature of partnership or in any other manner.

42. To lend and advance money and give credit to any person or company or corporation, to guarantee and give guarantees or indemnities for payment of money and performance of contracts or obligations by any person or company, to secure or undertake in any way the repayment of money lent or advanced to or the liabilities incurred by any persons or company and otherwise to assist any person or company.

43. To create any Depreciation Fund, Reserve Fund, Sinking Fund, Insurance Fund, Development Fund or any other special funds whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company or for any other purposes conducive to the interest of the Company.

44. To pay for any properties, right or privileges acquired by the Company either in shares of the Company or partly in shares and partly in cash.

45. To receive grants, loans, advances or other moneys or deposit or otherwise from State Government or Central Government, Banks, Companies, Trusts or individuals with or without allowances or interest thereon.

46. To train and pay for the training in India or abroad of any of the Company's employees or any candidate or to recruit and employ Indian or Foreign experts for the interests for furtherance of the Company's objects.

47. To pay all expenses incurred in connection with the formation, promotion and incorporation of the Company and any company, in which this Company is or may contemplate being interested or do contract with any person, firm or company to pay the same and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, debentures or securities of this Company or any company promoted by this Company.

48. To provide finance to Agencies engaged in the business of construction of residential houses or flats, for purposes of construction of such houses and flats, including the acquisition and development of land for construction of such houses or flats.

49. To provide finance to Agencies engaged in the manufacture of building materials.

50. To finance project for urban development including any programme for social and economic upliftment in any urban area either alone or in consortium with banks, other housing finance companies, financial institutions or other authorities on such terms and on such security as may be determined by the Company. Without prejudice to the foregoing the urban development programme shall mean and include among financing projects for land development, provisions of roads, water supply, sanitation and electricity.

51. To finance for the constructions and maintenance of any projects of township development, expressway roads, inland water transport, bridges, water supply, sewerage and sanitation and electricity on such terms and on such security as may be determined by the Company.

52. To borrow in foreign currency from any bank or financial institutions or any foreign authority in India or in any foreign country subject to the provisions of Foreign Exchange Management Act and such other Regulations as may be applicable.

53. To do everything consistent with the powers granted above in the furtherance and implementation of the National Housing Policy approved by the Government of India from time to time.

54. To provide necessary financial assistance for comprehensive preliminary investigations, innovations and research of housing, industrial, and commercial proposals and requisite working capital when these investigations, innovation and research eventuate in the establishment of housing, industrial and commercial organisations on a commercial basis.

55. To manage land, buildings and other property, not belonging to the Company and to collect rents and income and to supply to tenants and occupiers and others all kinds of services, conveniences, privileges, benefits, advantages and amenities, attendance, messenger, light, waiting rooms, reading rooms, meeting rooms, toilet rooms, toilet, laundry conveniences, electric conveniences, stables, garages and other advantages.

56. To engage in research into all problems relating to personnel, industrial and business management, distribution, marketing and selling and to collect, prepare and distribute information and statistics relating to any type of business related to housing/ construction industry for the purpose of financing or otherwise.

57. To provide information and guidance on government policies and regulations and to assist in obtaining various consents, approvals, from Government or other authorities or agencies which may be required for housing establishments and undertakings or in its diversification/ expansion.

58. To study and advice Government in formulating incentive schemes to attract investments in housing industry.

59. To advice Government or any other body or person for setting up of residential /industrial complex /estates.

60. To undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers or for organising lectures, conferences or seminars, workshops, training programmes, for giving merit awards, scholarships, loans or any other assistance to institutes, deserving students or academic pursuits or researchers and for establishing assistance to any institution, fund, trust.

61. To carry on the business of leasing and hire purchase finance and to provide on lease and/or on hire purchase, all types of houses, sites, flats, office and other plants, construction equipment and machinery, computers, electronic data processors, tabulators, air conditioners, domestic equipment and appliances and for the purpose to purchase or otherwise acquire dominion over the same whether new or used or acquired by the Company in the course of recovery under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

AND IT IS HEREBY DECLARED THAT:-

i) the word "company" (save when used with reference to this Company) in this Memorandum shall be deemed to include any partnership or other body or association of persons whether incorporated or not and wherever domiciled.

ii) the objects set forth in each of the several clauses of paragraph III hereof shall have the widest possible construction.

iii) nothing in this paragraph shall authorise the Company to do any business which may fall within the purview of the Banking Regulation Act, 1949.

IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

V. The authorized Share Capital of the Company is Rs.70,00,00,000/- (Rupees Seventy Crore only) divided into 35,00,00,000 (Thirty Five Crore Only) equity shares of Rs.2/- (Rupees Two only) each.

VI. We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set against our respective names.

Names, addresses, descriptions and occupations of subscribers	Number of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
B.Ratnakar S/o. Late B. Vasudeva Rao Chairman & Managing Director Canara Bank, H.O., 112, J.C.Road, Bangalore-560 002	10	Sd/-	Sd/- R.Lakshminarayanan Company Secretary Canbank Financial Services Ltd., 85, M.G.Road, BANGALORE - 560 001
N.D.Prabhu S/o. N.Narasimha Prabhu Executive Director, Canara Bank, H.O., 112, J.C.Road, Bangalore- 560 002	10	Sd/-	
G.A.Shenai S/o. G.Damodar Shenoy Managing Director Canbank Financial Services Ltd., 85, M.G.Road, Bangalore- 560 001	10	Sd/-	
A.K.Shetty S/o.Late A. Gopal Shetty Divisional Manager Canara Bank, H.O., 112, J.C.Road, Bangalore- 560 002	10	Sd/-	Sd/- M.R.Prabhakar Senior Manager Canara Bank, H.O., BANGALORE-560 002
A.P.Kurian S/o. Peter Executive Trustee, Unit Trust of India 13, Vittaldas Thakarsey Marg, Bombay- 400 020	10	Sd/-	
Deepak Madhav Satwalekar S/o.M.S.Satwalekar General Manager HDFC, 169, Back bay Reclamation Bombay - 400 020	10	Sd/-	Sd/- N.Balasubramanian Project Executive Canbank Financial Services Ltd., 85, M.G.Road, BANGALORE-560 001
R.V.S.Rao S/o. Ramachandra Rao Manager - HDFC 20/2, Grant Road,Bangalore - 560 001	10	Sd/-	

BANGALORE

Dated this Sixteenth Day of October 1987.

**ARTICLES OF ASSOCIATION
OF
CAN FIN HOMES LIMITED**
(Incorporated under the Companies Act, 1956)

I - The regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall, subject to modifications herein contained, apply to this Company in the same manner as if all such regulations are specifically contained in these Articles.

II - 1. Interpretation

A. In the interpretation of these regulations, the following words and expressions shall have the following meanings, unless repugnant to the subject or context:

- i. "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof, for the time being in force and earlier enactment to the extent applicable.
- ii. "Articles" means these Articles of Association of the Company or as altered from time to time.
- iii. "Annual General Meeting" means a General Meeting of the members held in accordance with Section 96 of the Act.
- iv. "Auditors" means those Auditors appointed under the said Act.
- v. "Authorized Capital" or "Nominal Capital" means such capital as is authorized by the Memorandum of Association of the Company to be the maximum amount of share capital of the Company.
- vi. "Beneficial Owners" means beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
- vii. "Board or Board of Directors" means the collective body of Directors of the Company.
- viii. "Chief Executive Officer" means an Officer of the Company, who has been designated as such by the Company.
- ix. "Chief Financial Officer" means a person appointed as the Chief Financial Officer by the Company.
- x. "The Company" or "This Company" means Can Fin Homes Limited.
- xi. "Company Secretary" or "Secretary" means a Company Secretary as defined in clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980, who is appointed by the Company, to perform the functions of a Company Secretary under the Act.
- xii. "Employees' Stock Option" means the option given to the Directors, Officers or employees of the Company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a predetermined price.
- xiii. "Financial Statements" includes:
 - (i) a balance sheet as at the end of the financial year;
 - (ii) a profit and loss account, for the financial year;
 - (iii) cash flow statement for the financial year;
 - (iv) a statement of changes in equity if applicable; and
 - (v) any explanatory note annexed to, or forming part of, any document referred to the above sub-clause (i) to sub-clause (iv).
- xiv. "Independent Director" means an Independent Director referred to in subsection (6) of Section 149 of the Act.
- xv. "Key Managerial Personnel" in relation to the Company means:
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other Officer as may be prescribed under the Act and the Rules.
- xvi. "Legal Representative" means a person who in law represents the estate of a deceased or incompetent member.
- xvii. "Listing Agreement" means an agreement entered with the Stock Exchanges where the Company is listed.
- xviii. "Managing Director" means a Director who, by virtue of these Articles of the Company or an agreement with the Company or a resolution passed in its General Meeting, or by its Board of Directors, is entrusted

with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.

- xix. "NHB" means the National Housing Bank.
- xx. "Postal Ballot" means voting by post or through any electronic mode.
- xxi. "Promoters" means a person who has been named as such in a prospectus or is identified by the Company in the annual return referred to in Section 92 of the Act; or who has control over the affairs of the Company, directly or indirectly whether as a Shareholder, Director or otherwise; or in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act, except a person who is acting merely in a professional capacity.
- xxii. "Rules" means applicable rules for the time being in force, as prescribed under relevant Sections of the Act.
- xxiii. "Seal" means the common seal of the Company.
- xxiv. "SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.
- xxv. "Securities" means Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- xxvi. "Share" means a share in the share capital of the Company and includes stock.
- xxvii. "Subscribed Capital" means such part of the capital which is for the time being subscribed by the Members of the Company.
- xxviii. "Whole-time Director" includes a Director in the whole-time employment of the Company.

B. "In writing" and "written" include printing, lithography and other modes of representing or reproducing words in visible form.

C. "Meaning of words not defined in this Articles" Unless the context otherwise requires, words or expressions contained in this Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which this Articles become binding on the Company. In case any word is not defined in the Act but defined in the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) shall have the meanings respectively assigned to them in those Acts.

D. Number and Gender Words imparting the singular number shall include the plural number and words imparting the masculine gender shall where the context admits, include the feminine and neuter gender.

2. Share Capital:

The Authorised Share Capital of the Company is, or, shall be such amount as stated in Clause V of Memorandum of Association, for the time being or as may be varied from time to time, under the provisions of the Act, and divided into such numbers, classes and descriptions of shares and into such denomination as stated therein.

3. Alteration of capital:

3.1 The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

3.2 Subject to the provisions of section 61, the Company may, by ordinary resolution,—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

3.3 Where shares are converted into stock,—

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

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

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

3.4 The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

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

4. Shares under Control of Board

Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company shall be under the control of the Board of 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 and at such time as they may from time to time think fit.

5. Power to issue redeemable preference shares

Subject to the provisions of the Act, the Board shall have the power to issue or reissue preference shares of one or more classes which are liable to be redeemed, or converted into equity shares, on such terms and conditions and in such manner as may be determined by the Board in accordance with the Act and the Rules.

6. Allotment of shares by Directors for Consideration other than cash

Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the Capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up shares, otherwise than for cash and if so issued be deemed to be fully paid up or partly paid up shares, as the case may be.

7. Commission payment in connection with the subscription of securities

7.1 The Company may exercise the powers of paying commissions, conferred by the Act, to any person in consideration of his subscribing, or agreeing to subscribe (whether absolutely or conditionally) to its securities, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.

7.2 The rate or amount of the commission shall not exceed the rate or amount as prescribed in the Act and the Rules.

7.3 The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash or in share, debentures or debenture stock of the Company, (whether fully paid or otherwise) or in any combination thereof.

7.4 Nothing in this clause shall affect the power of the Company to pay such brokerage, in connection with subscription to its securities, as it may consider reasonable.

8. Variation of Members' rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class or in such other manner as may be prescribed by the Act and the Rules.

9. Issue of Certificate

Every person whose name is entered as a member in the Register of Members, shall be entitled to receive within two months from the date of allotment or within such period as the Act or Rules may prescribe after the registration of transfer or transmission or within such other period as the conditions of issue shall provide:

- (i) One certificate for all his shares without payment of any charges; or
- (ii) Several Certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board of Directors for each certificate after the first certificate.
- (iii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iv) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

10. Company entitled to dematerialize its Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its further shares, debentures and other securities for subscription in a dematerialised form.

11. Option to receive Share Certificate or hold shares with depository

A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in dematerialized form with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share(s) to enable the depository to enter in its records the name of such person as the beneficial owner.

12. Issue of New Certificate in place of one defaced, lost or destroyed

If any certificate be worn out, defaced, destroyed or lost or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, it may be ordered to be cancelled, and a new certificate in lieu thereof may be issued and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on such indemnity as the Board deems adequate being given, a new certificate in lieu thereof shall be given to the party entitled. A sum as may be fixed by the Board, shall be paid to the Company for every certificate issued under this clause, provided that no fee shall be charged for issue of new certificate in replacement of those which are old, worn, decrepit out or where the cages on the reverse for recording transfers have been fully utilised.

13. Endorsement on Certificate

Every endorsement upon the certificate of any share in favour of any transferee thereof shall be signed by such person for the time being authorised by the Board in that behalf.

14. Provisions as to issue of Certificate to apply mutatis mutandis to other Securities

The provisions of the forgoing Articles relating to issue of Certificate shall mutatis mutandis apply to issue of Certificate for any other Securities including debentures (except where the Act otherwise requires) of the Company.

15. Trusts not recognized

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

16. Variation of Members' rights

16.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

16.2 To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

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

17. Buy-back of shares

Subject to the provisions of Section 68 and other applicable provisions of the Act and the Rules made thereunder the Company shall have the power to buy-back its own shares or other specified securities, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Act, the Company shall also have the power to re-issue the shares or other specified securities so bought back.

18. Lien on Shares

18.1 The Company shall have a first and paramount lien—

- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

18.2 The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

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

Provided that no sale shall be made—

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

18.4 To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

18.5 The purchaser shall be registered as the holder of the shares comprised in any such transfer.

18.6 The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

18.7 The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

19. Calls on shares

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

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

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

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

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

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

19.6 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

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

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

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

19.10 The Board—

- (a) may, if it thinks fit, receive from any member willing to advance the same, allot any part of the monies uncalled and unpaid upon any shares held by him; and
- (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

20. Transfer of shares

20.1 The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

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

20.3 The Board may, subject to the right of appeal conferred by section 58 decline to register—

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the Company has a lien.

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

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

20.5 On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

21. Transmission of shares

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

21.2 Nothing in clause 21.1 above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

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

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

21.4 The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

21.5 If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

21.6 All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

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

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

22. Forfeiture of shares

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

22.2 The notice aforesaid shall—

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

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

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

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

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

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

22.6 A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

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

22.8 The transferee shall thereupon be registered as the holder of the share; and

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

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

23 Capitalisation of Profits

23.1 The Company by way of resolution as prescribed under the Act, in general meeting may, upon the recommendation of the Board, resolve —

- (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution, in terms of the provisions of the Act and the Rules; and
- (ii) that such sum be accordingly set free for distribution in the manner specified in Article 23.2 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

23.2 The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 23.3 below, either in or towards:

- (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (ii) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (iii) partly in the way specified in sub clause (i) above and partly in that specified in sub-clause (ii) above.

23.3 A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

23.4 The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

23.5 Whenever such a resolution as aforesaid shall have been passed, the Board shall —

- (i) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
- (ii) generally do all acts and things required to give effect thereto.

23.6 The Board shall have power—

- (i) to make such provisions, by way of the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, in the case of shares or other securities becoming distributable in fractions; and
- (ii) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

23.7 Any agreement made under such authority shall be effective and binding on such members.

24 General Meetings

24.1 All general meetings other than annual general meeting shall be called extraordinary general meeting.

24.2 The Board may, whenever it thinks fit, call an extraordinary general meeting.

24.3 If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

24.4 Proceedings at general meetings

24.4.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

24.4.2 Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

24.4.3 The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

24.4.4 If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

24.5 Adjournment of meeting

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

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

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

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

24.6 Voting Rights

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

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

24.6.2 A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

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

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

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

24.6.5 No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

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

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

24.7 Proxy

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

24.7.2 An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

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

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

25 Board of Directors

25.1 The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

25.2 The Company will have a minimum number of three directors and a maximum of fifteen directors.

Provided the Company may appoint more than fifteen directors after passing a special resolution.

25.3 Notwithstanding anything to the contrary contained in these Articles and in pursuance of the provisions of any law for the time being in force or of any agreement, so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit & Investment Corporation of India Limited (ICICI), and Life Insurance Corporation of India (LIC), Banks or to any other Financing Corporation or Credit Corporation or to any other Financing Company or Body, out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, Banks and Unit Trust of India (UTI) or any other Finance Corporation or Credit Corporation or any other Financing Company or Body, each of which IDBI, IFCI, ICICI, LIC, Bank and UTI or any other Finance Corporation or Credit Corporation or any Financing Company or Body (hereinafter in this Article referred to as "the Institution") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Institution holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Institution on behalf of the Company remains outstanding, the Institution shall have 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 Directors is/are hereinafter referred to as "Nominee Directors") 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.

25.4 The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s.

Also at the option of the Institution 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 Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any monies remain owing by the Company to the Institution or so long as the Institution holds Debentures in the Company as a result of direct subscription or private placement or so long as the Institution holds shares in the Company as a result of direct subscription or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Institution are paid off or on the Institution ceasing to hold Debentures/Shares in the Company or on the satisfaction of liability of the Company arising out of the guarantee furnished by the Institution.

25.5 The Board of Directors of the Company may appoint a person, not being a person holding any Alternate Directorship for any other Director in the Company to act as an Alternate Director for a director during his absence for a period of not less than three months from India.

Provided that no person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of this Act:

Provided further that an Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate the office if and when the Director in whose place he has been appointed returns to India.

Provided also that if the term of office of the original Director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the Alternate Director.

25.6 Subject to the provisions of section 149, the Board shall have power at any time, and from time to time to appoint any other person to be a Director either as an addition to the Board or to fill a casual vacancy, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

The person so appointed as Additional Director shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Any person appointed to fill a casual vacancy as aforesaid shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid subject to the provisions of Section 161 of the Act.

25.7 The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

25.8 In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or

(b) in connection with the business of the Company.

25.9 The Board may pay all expenses incurred in getting up and registering the Company.

25.10 In furtherance and not in limitation of and without prejudice to the general powers conferred on the Board of Directors by the Act, the Board of Directors shall have the following powers:

(a) to open accounts with the Company's bankers and such other bank as they deem expedient and to operate or authorise operation thereof,

(b) to raise or borrow any sum of money for and on behalf of the Company from the members or other persons, companies or banks subject to the Provisions of the Act in this behalf, on such interest as may be approved by the Board,

(c) to appoint any person or persons or bodies, incorporated or otherwise, to accept and hold in trust for the Company any property belonging to the Company or in which the Company is interested, or for any other purpose and to execute and do all such acts, deeds and things as it may deem requisite in regard to such trust including the provision of remuneration to such trustee or trustees,

(d) to appoint and at its discretion remove or suspend such managers (not within the meaning of the Act), secretaries, officers, clerks, agents and servants for permanent, temporary or special services as it may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and required security in such instances and to such amount as it thinks fit and to establish or manage or support or aid in the establishment of a provident or any other funds for their benefit or for any other purpose,

(e) to secure the payment of money in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of debentures or bonds of the Company or by mortgage or charge of all or any part of the assets of the Company and of its uncalled capital for the time being,

(f) to issue any debentures, bonds or other securities at a discount, premium or otherwise and with special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting (except debentures) at general meetings of the Company or otherwise,

(g) to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or any other claims to support of the Company by reason of locality of operation or of public and general utility or otherwise,

(h) and generally to do, sanction and authorise all such matters and things as may be necessary or expedient to be done, authorised or sanctioned in or about the general business or affairs of the Company or in or about execution of all or any of the powers conferred on it.

25.11 The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

25.12 All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

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

26. Proceedings of the Board

26.1 The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

26.2 A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

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

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

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

26.6 The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

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

26.8 The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

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

26.10 A committee may elect a Chairperson of its meetings.

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

26.12 A committee may meet and adjourn as it thinks fit.

26.13 Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

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

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

26.16 Where a meeting of Board of Directors or a Committee thereof could not be held due to absence of quorum the Chairman may adjourn meeting on any convenient time and place suitable to Directors.

27. Canara Bank to monitor and inspect the Company's activities

Notwithstanding anything to the contrary contained in these Articles, so long as Canara Bank is a Shareholder of the Company, Canara Bank may from time to time issue such directives in regard to the policies to be followed by the Company in the conduct of its business, monitor/inspect the activities of the Company and for this purpose obtain such reports on the working of the Company either periodically or otherwise and in the like manner may vary and or cancel such directive, as Canara Bank may consider appropriate.

28. Managing Director

28.1 Subject to the Provisions of the Act, the Board may, from time to time, appoint one or more of their body to be the Managing Director or Directors or Whole-time Director or Directors with such designation, for such period not exceeding five years at a time, at such remuneration and on such terms as it thinks fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.

28.2 Subject to the Provisions of the Act and of these Articles, a Managing Director shall not while he continues to hold that office, be subject to retirement by rotation but he shall, subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Managing Director if he ceased to hold the office of Director for any cause, provided that if at any time the number of Directors (including Managing Director) as are not subject to retirement by rotation shall exceed one third of the total number of the Directors for the time being, then such Managing Director or Managing Directors as the Board of Directors shall from time to time so elect shall be liable to retirement by rotation to the intent that the Directors not liable to retirement by rotation shall not exceed one third of the total number of Directors for the time being. A Managing Director who is re-elected as a Director immediately on retirement by rotation shall continue to hold his office of Managing Director and such re-election as Director shall not be deemed to constitute a break in his appointment as Managing Director.

28.3 A whole-time Director who is re-elected as a Director immediately on retirement by rotation, shall continue to hold his office of whole-time Director and such re-election as Director shall not be deemed to constitute a break in his appointment as a whole-time Director.

28.4 The Board may from time to time, entrust to and confer upon Managing or whole-time Director/Directors any of the powers exercisable by it as it thinks fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it may think expedient and may from time to time, revoke, withdraw, alter or vary all or any of the such powers.

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

29.1 Subject to the provisions of the Act, —

29.1.1 A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board;

29.1.2 A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

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

30. The Seal

30.1 The Board shall provide for the safe custody of the seal.

30.2 The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

31. Dividends and Reserve

31.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

31.2 Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

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

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

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

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

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

31.8 The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

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

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

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

31.12 Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

31.13 No dividend shall bear interest against the Company.

32. Accounts

32.1 The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.

32.2 No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

33. Winding up

33.1 Subject to the provisions of Chapter XX of the Act and rules made thereunder—

33.1.1 If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

33.1.2 For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

33.1.3 The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

34. Indemnity

Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set against our respective names.

Names, addresses, descriptions and occupations of subscribers	Number of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
B.Ratnakar S/o. Late B. Vasudeva Rao Chairman & Managing Director Canara Bank, H.O., 112, J.C.Road, Bangalore-560 002	10	Sd/-	Sd/- R.Lakshminarayanan Company Secretary Canbank Financial Services Ltd., 85, M.G.Road, BANGALORE – 560 001
N.D.Prabhu S/o. N.Narasimha Prabhu Executive Director Canara Bank, H.O., 112, J.C.Road, Bangalore- 560 002	10	Sd/-	
G.A.Shenai S/o. G.Damodar Shenoy Managing Director Canbank Financial Services Ltd., 85, M.G.Road, Bangalore- 560 001	10	Sd/-	
A.K.Shetty S/o.Late A. Gopal Shetty Divisional Manager Canara Bank, H.O., 112, J.C.Road, Bangalore- 560 002	10	Sd/-	Sd/- M.R.Prabhakar Senior Manager Canara Bank, H.O., BANGALORE – 560 002
A.P.Kurian S/o. Peter Executive Trustee, Unit Trust of India, 13, Vittaldas Thakarsey Marg, Bombay- 400 020	10	Sd/-	
Deepak Madhav Satwalekar S/o.M.S.Satwalekar General Manager HDFC, 169, Back bay Reclamation Bombay – 400 020	10	Sd/-	Sd/- N.Balasubramanian Project Executive Canbank Financial Services Ltd., 85, M.G.Road, BANGALORE – 560 001
R.V.S.Rao S/o. Ramachandra Rao Manager – HDFC 20/2, Grant Road, Bangalore – 560 001	10	Sd/-	

BANGALORE

Dated this Sixteenth Day of October 1987.