

**MEMORANDUM**  
**AND**  
**ARTICLES OF ASSOCIATION**  
**OF**



**CITY UNION BANK LIMITED**  
**KUMBAKONAM**  
(As amended upto 29<sup>th</sup> August, 2019)

Company Number : 1287

## **FRESH CERTIFICATE OF INCORPORATION CONSEQUENT ON CHANGE OF NAME**

In the Office of the Registrar of Companies, Tamil Nadu  
**Madras - 6**  
Under the Companies Act, 1956 (1 of 1956)

IN THE MATTER OF : \*

### **The Kumbakonam City Union Bank Limited**

I hereby certify that The Kumbakonam City Union Bank Limited which was originally incorporated on 31st day of October, 1904 under \*\* Companies Act, 1913 and under the name The Kumbakonam Bank Limited having duly passed the necessary resolution in terms of section 21 of the Companies Act, 1956 and the approval of the Central Government signified in writing having been accorded hereto in the Ministry of Industry and Company Affairs, Department of Company Affairs, Registrar of Companies, Madras, Letter No. 49/1287/Oel (S.21) /87 dated 2-11-87 the name of the said company in this day changed to the City Union Bank limited, and this Certificate is issued pursuant to Section 23 (1) of the said Act.

Given under my hand at MADRAS this Second day of November / Eleventh day of Karthika, One thousand Nine Hundred and Eighty Seven / One thousand Nine hundred and Nine, (Saka).

Seal of Registrar  
of Companies  
TAMIL NADU

Signed.  
**(K. PANCHAPAKESAN)**  
Addl. Registrar of Companies  
TAMIL NADU

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\* Here give the name of the Company as existing prior to the change

\*\* Here give the name of the Act(s) under which the Company was originally registered and incorporated.

# CITY UNION BANK LIMITED

KUMBAKONAM

## Memorandum of Association

(As amended upto 29<sup>th</sup> August 2019)

- 1 The name of the Company is “CITY UNION BANK LIMITED”.
- 2 The Registered Office of the Bank will be situated within the Municipal limits of Kumbakonam.
- 3 The Objects for which the Bank is established and continued are to carry on the business of Banking and to engage in any one or more of the following forms of business namely:
  - (a) the borrowing, raising, or taking up of money, the lending or advancing of money either upon or without security, the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bill of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not, the granting and issuing of letters of credit, traveller’s cheques and circular notes, the buying, selling and dealing in bullion and specie, the buying, and selling of foreign exchange including foreign bank notes, the acquiring, holding, issuing on commission, underwriting and dealing in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds, the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others the negotiating of loans and advances, the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise, the providing of safe deposit vaults, the collecting and transmitting of money and securities;
  - (b) acting as agents for any Government or local authority or any other person or persons: the carrying on of agency business of any description including the clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers, but excluding the business of a managing agent or secretary and treasurer of a company;
  - (c) contracting for public and private loans and negotiating and issuing the same;
  - (d) the effecting, insuring, guaranteeing, underwriting participating in managing and carrying out of any issue, public or private, of State, Municipal or other loans or of shares, stocks, debentures or debenture stock of any company, corporation or association and the lending of money for the purpose of any such issue;
  - (e) carrying on and transacting every kind of guarantee and indemnity business;
  - (f) managing, selling and realising any property which may come into the possession of the company in satisfaction or part satisfaction of any of its claims;
  - (g) acquiring and holding generally dealing with any property or any right, title or interest in any such property which may form the security or part of the security for any loans or advances or which may be connected with any such security;
  - (h) undertaking and executing trusts;

- (i) undertaking the administration of estates as executor, trustee or otherwise;
- (j) establishing and supporting or aiding in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees or ex-employees of the company or the dependents or connections of such persons; granting pensions and allowances and making payments towards insurance; subscribing to or guaranteeing money for charitable or benevolent objects or for any exhibition or for any public, general or useful object;
- (k) the acquisition, construction, maintenance and alteration of any building or works necessary or convenient for the purposes of the company;
- (l) selling, improving, managing, developing, exchanging, leasing, mortgaging, disposing of or turning into account or otherwise dealing with all or any part of the property and rights of the company;
- (m) acquiring and undertaking the whole or any part of the business of any person or company, when such business of a nature enumerated or described in this sub-section;
- (n) to form, constitute, promote, act as Managers, brokers, sub-brokers, prepare projects and feasibility reports for and on behalf of any company, association, society, firm, individual and Body Corporate;
- (o) to act as Registrar and Transfer Agents and Registrar to the Issue, Issue Agents and Paying Agents;
- (p) to provide custodial and depository services and to do all such things as may be advised, permitted or required for this purpose;
- (q) to issue debit or credit cards to customers or any other person;
- (r) to provide or assist in obtaining, directly or indirectly, advice or services in various fields such as management, finance, investment, technology, administration, commerce, law, economics, labour, human resources development, industry, public relations, statistics, science, computers, accountancy, taxation, fund management, foreign exchange dealings, quality control, processing, strategic planning and valuation;
- (s) to carry on Insurance business and to act as an Insurance Agent and to do all such things as may be advised, permitted or required for this purpose;
- (t) doing all such other things as are incidental and conducive to the promotion or advancement of the business of the company;
- (u) any other form of business which the Central Government may, by notification in the Official Gazette, specify as a form of business in which it is lawful for a Banking Company to engage.
- (v) to open, establish, maintain and operate currency chests and Small Coin Depots on such terms and conditions as may be required by the Reserve Bank of India established under the Reserve Bank Act, 1934 and enter into all administrative or other arrangements for undertaking such functions with Reserve Bank of India.

4 The Liability of the members is limited

5 The authorised Share Capital of the Company is Rs.100,00,00,000/- (Rupees one hundred crores only) divided into 100,00,00,000 Equity Shares of Re. 1/-

each with a power to increase or reduce the capital of the Company in accordance with the provisions of the Acts.

# City Union Bank limited

KUMBAKONAM

## Articles of Association

(As amended upto 29<sup>th</sup> August 2019)

### APPLICATION OF TABLE 'F' OF ACT OF 2013

- 1 (i) The provisions contained in Table F of the First Schedule to the Companies Act 2013 shall, in so far as these Articles do not exclude or modify the regulations contained in Table F aforesaid, be applicable to this Bank as if they were contained in duly registered Articles of this Bank.
- (ii) The provisions of the Banking Regulation Act, 1949 shall have effect notwithstanding anything to the contrary contained in the Memorandum and Articles of Association of the Company.

### INTERPRETATION

2. In these presents unless there be something in the subject or context inconsistent therewith:
  - (a) "The Act" or "the said Act" means The Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force. "The Act" or "the said Act"
  - (b) "Banking Act" means the Banking Regulation Act, 1949 and includes any statutory modification or re-enactment thereof for the time being in force. "Banking Act"
  - (c) "beneficial owner" shall have the same meaning as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996. "beneficial owner"
  - (d) "Board" or "Board of Directors" means the Board of Directors of the Company. "Board" "Board of Directors"
  - (e) "The Company" means City Union Bank Limited in its present name or in any other amended name. "The Company"
  - (f) "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof for the time being in force. "Depositories Act, 1996"
  - (g) "depository" shall have the same meaning as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996. "Depository"
  - (h) "Director" or "Directors" means the Director or Directors of the "Directors"

Company.

- (i) "Member "means the duly registered holder from time to time of the shares of the Bank of any class, and includes every person whose name is entered as beneficial owner in the records of the depository, but does not include the bearer of a sharewarrant of the Company issued in pursuance of the provisions of the Act. "Member"
- (j) "Month" means a calendar month. "Month"
- (k) "The Office" means the Registered Office for the time being of the Company. "The Office"
- (l) "These presents" means the Articles of Association as originally framed or as altered and amended from time to time. "These presents"
- (m) The "Register" means the Register of Members kept by the Company in accordance with the provisions of the Act. "Register"
- (n) "Registrar" means the Registrar of Companies of the state or place in which the Office of the Company is for the time being situated. "Registrar"
- (o) "Regulatory Agencies" means any authority appointed under the Act or Banking Act or under any other law and includes the Central Government, National Company Law Tribunal (NCLT), the Registrar and the Reserve Bank of India acting through any of its duly authorised officers under the Banking Act or any other authority authorised to exercise any power under any other law for the time being in force. "Regulatory Agencies"
- (p) "Reserve Bank" means the Reserve Bank of India established under the Reserve Bank of India Act, 1934 (2 of 1934). "Reserve Bank"
- (q) "The Acts" or "the said Acts" means the Act and the Banking Act referred to collectively. "The Acts" or "the said Acts"
- (r) "The Seal" means the Common Seal of the Company. "The Seal"
- (s) "Secretary" means a Company Secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 (56 of 1980) and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act and any other ministerial or administrative duties. "Secretary"
- (t) "Securities and Exchange Board of India (SEBI)" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992. "SEBI"

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| (u) | Words importing persons shall include the Central or State Governments , Corporations, firms, individuals, trusts, societies, associations and other bodies, whether incorporated or not. | Persons   |
| (v) | Subject as aforesaid any words or expressions defined in the Act except where it is repugnant to the context hereof shall bear the same meaning in these presents.                        | Expressions in the Act to bear the same meaning in Articles |

### PRELIMINARY

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| 3 | Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 94 of the Act shall be furnished to every member at his request within the period and on payment of such sum as may be prescribed under the Act. | Copies of Memorandum and Articles of Association etc., to be furnished. |
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### SHARE CAPITAL

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| 4 | (i) The authorised Share Capital of the Company is Rs.100,00,00,000 (Rupees one hundred crores only) divided into 100,00,00,000 Equity Shares of Re.1/- each with a power to increase or reduce the capital of the Company in accordance with the provisions of the Acts.  | Capital   |
|   | (ii) Subject to the provisions of the Act and these presents, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the company) shall be under the control of the Directors who may issue, allot or otherwise dispose off the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to the provisions of the Acts) and at such times as they may from time to time think fit and proper. | Shares at the disposal of the Directors                       |
|   | (iii) Subject to the provisions of the Act, and these presents, the Directors may allot and issue shares in the capital of the Company for payment or part payment or in exchange for any property sold or goods transferred or machinery supplied or for services rendered to the company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up shares and if so issued shall be deemed to be fully paid-up shares or partly paid-up shares.   | Directors may allot shares as fully paid-up or partly paid-up |
|   | (iv) In addition to and without derogating from the powers for this purpose conferred on the Directors under Article No.4(ii) the Company in General Meeting may, subject to provisions of Section 62 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members of the company or not) in such proportion and on such terms and conditions and either at a premium or at par as such General Meeting may determine and               | Issue of Shares by General Meeting                            |

with full powers to give to any person (whether a member of the company or not) the option to call for or be allotted shares of any class of the Company either at par or at a premium such option being exercisable at such time and for such considerations as may be directed by such General Meeting or the company in General Meeting may, subject to the provisions of Section 62 of the Act, make any other provisions whatsoever for the issue, allotment or disposal of any shares.

- (v) Any application signed by or on behalf of an applicant for shares in the company followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these presents and every person who thus or otherwise accepts any shares and whose name is entered in the Register shall for the purpose of these presents be a member and/or a beneficial owner in the records of a depository. Acceptance of Shares
- (vi) Subject to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA) (including any modifications or re-enactment thereof) the Banking Regulation Act, 1949, the Companies Act, 2013 and all applicable Regulations, subject to the approval of the Central Government, Reserve Bank of India and such other regulatory authorities, if and to the extent required, the investment (whether direct or indirect) by all FIIs/RPFI/QFI put together shall not exceed such percentage of paid up capital of the Bank as may be fixed by the Board of Directors from time to time, however subject to the overall limit up to 40% of the paid up equity share capital of the Bank, subject however that no individual FIIs/RPFI/QFI and NRIs or group shall hold at any period of time not more than 5% of the paid up equity capital of the Bank or such other lesser percentages as may be prescribed by the RBI in this regard from time to time.

The total /individual shareholding limit in case of all NRIs both on repatriation and non-repatriation basis shall not exceed 5% of the paid up capital of the Bank at any point of time or such other lesser percentage as may be prescribed by RBI from time to time.

While allotting further shares and / or transferring or transmitting the shares of the Bank, the Board of Directors shall have the power to exercise its right of refusing / rejecting / restricting allotment of further shares and / or transfer and / or transmission of the shares to one or more persons or entities despite the provisions contained in Section 62, Section 56 and other applicable provisions of the Companies Act, 2013, including any amendment thereto, for the purposes of complying with the restrictions contained in the foregoing paragraphs of this Article."

## CERTIFICATES



- 5 (1) (i) Every person whose name is entered as a member in the Register shall be entitled to receive: Members' right for a share certificate
- (a) One Certificate for all his shares without payment or
- (b) Where the shares so allotted at any one time exceed the numbers of shares fixed as market lot in accordance with the usages of the stock exchange, at the request of the shareholder, several certificates one each per market lot and one for the balance without any payment for the same.
- (ii) The Company shall within two months after allotment or within one month after the application for registration of the transfer of any shares or debentures is completed, deliver the certificates of all the shares and debentures so allotted or transferred. Delivery of share certificates
- (iii) Every Certificate shall be under the seal and shall specify the number of Shares to which it relates and the amount paid up thereon. Certificate under seal
- (2) (a) If and whenever, as a result of issue of new shares, the consolidation or subdivision of shares, any member becomes entitled to any fractional part of a share, the Directors may subject to the provisions of the Act and these presents and to the directions, if any, of the Company in General Meeting. Certificate for fractional shares
- (i) issue to such member a certificate or certificates representing such fractional part. Such certificate or certificates shall not be registered, nor shall they bear any dividend until exchanged with other certificates for a full share. The Directors may, however, fix the time within which such certificates are to be exchanged for a full share and may extend such time and at the expiry of such time, the certificates showing the fraction shall be deemed to be cancelled and the Director shall dispose off the shares representing such cancelled certificates showing the fractional entitlement for the best price reasonably obtainable; or
- (ii) to sell the shares represented by all such fractional parts for the best price reasonably obtainable.
- (b) In the event of any shares being sold, in pursuance of sub-article (a) (ii) above, the Directors shall pay and distribute to and amongst the persons entitled, in due proportion the net sale proceeds thereof.
- (c) For the purpose of giving effect to any such sale, the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of purchase money nor shall his title to

the shares be affected by any irregularity or invalidity in the proceedings in reference to the same.

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| (3) | If a certificate is worn out, defaced or if there is no further space on the back thereof for endorsement of transfer, it shall, if required, be replaced by a new certificate upon payment of upto Rs.20/- per certificate provided however that such new certificates shall not be issued except upon delivery of the said worn out or defaced or used up certificate for the purpose of cancellation. | New Certificates                             |
| (4) | If a certificate is lost or destroyed the Company may, upon such evidence and proof of such loss or destruction and such indemnity as the Board may require and on payment of such a fee as may be prescribed from time to time issue a new certificate and the new certificate shall be marked as such.   | Duplicate Certificates.                      |
| (5) | The Directors may, at their absolute discretion, refuse applications for the sub-division of share certificates, debenture or bond certificates into denominations of less than the marketable lot except when such sub-division is required to be made to comply with a statutory provision or an order of a competent Court of Law.  | Director's discretion regarding sub-division |

#### **DEPOSITORY**

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| 6 (i)   | Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the right and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996.  | Option to issue or to have the certificates in electronic form. |
| (ii)    | The Company shall be entitled to dematerialise its existing shares, debentures and other securities and rematerialise its shares, debentures and other securities held in the depositories and/or offer its fresh shares & debentures and other securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 and the rules framed thereunder, if any.  | Power to dematerialise and rematerialise                        |
| (iii)   | Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. | Option for investors  |
| (iv)    | All securities held by a depository shall be dematerialised and be in fungible form.   | Securities in Depositories.                                     |
| (v) (a) | Notwithstanding anything contained in any other law for the time   | Rights of   |

being in force, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of a beneficial owner. Depositories and beneficial owners.

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

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall also be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of his securities which are held by a depository.

(vi) Notwithstanding anything contained in this clause, where securities are dealt with in a depository, the Company shall intimate the details of allotment of securities to the depository immediately on allotment of such securities. Intimation to Depository

Shares and securities issued and/or held in electronic medium in fungible form, will be governed by the provisions of the Depositories Act, 1996.

(vii) The Company shall cause to be kept at the Registered Office or at such other place as may be approved, a Register and Index of Members in accordance with provisions of the Acts and the Depositories Act, 1996 with the details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a depository under Section 11 of Depositories Act, 1996 shall also be deemed to be a Register and Index of members for the purpose of this Act. The Company shall have power to keep in any state or country outside India a branch Register of Members resident in that state or country. Register and Index of Members

(viii) Where securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or in any other mode. Services of documents on the Company.

#### **LIEN ON SHARES**

7 The Company shall have the first and paramount lien upon all the shares other than fully paid-up shares registered in the name of each member whether solely or jointly with others and upon the proceeds of sale thereof for all moneys whether presently payable or not called or payable at a fixed time in respect of such shares. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause. Company's lien on shares.

#### **CALLS ON SHARES**

- 8 (i) The Directors may subject to the provisions of these presents from time to time make calls upon the members in respect of the moneys unpaid upon their shares and not by the terms of allotment made payable at fixed dates. Power to make calls
- (ii) Each member shall subject to receiving atleast fourteen days notice in writing, specifying the time or times and place of payment pay to the Company, at the time or times so specified, the amount called upon his shares. Notice of call
- (iii) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. Liability of Joint Holders for calls
- (iv) 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 same is due shall pay interest upon the sum at a rate per annum as may be prescribed by the Board from the day appointed for payment thereof till the time of the actual payment, but the Directors shall be at liberty to waive the payment of interest wholly or in part. Interest on arrears of call
- (v) The option or right to call for any share of the Company shall not be given to any person except with the sanction of the Company in General Meeting. Option to call
- (vi) (i) The Board
- (a) may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him, and Payment in advance of calls may carry interest
- (b) upon all or any of the moneys so advanced may (until the same would but for such advance become presently payable) pay interest at such rate as fixed by the Board. Provided that the amount so paid up in advance of calls shall not whilst it so remains confer in respect thereof a right to dividend or participate in profits.
- (ii) The shareholder is not entitled for the refund of the money so advanced.

#### **TRANSFER OF SHARES**

- 9(i) Shares in the Company shall be transferred by an instrument in writing in the prescribed form and shall in all respects comply with the provisions of the Act and any modifications thereof and the rules prescribed thereunder. No instrument of transfer would be required and the provisions of Section 56 of the Act will not apply if the transfer of shares is affected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the depository. Form of Transfer
- (ii) Acquisition of shares by a person/group which would take his/its holding to a level of 5% or more of the total paid-up capital of the bank (or such other Acquisition of shares to a level of 5% or

	percentage as may be prescribed by the Reserve Bank from time to time) should be with the prior approval of Reserve Bank of India.	more requires RBI approval.
10.	If two or more persons have interest in the shares proposed to be transferred, they shall all join in such transfer as transferors.	Transfer by two or more persons
11.	Subject to the provisions of the Act, the Directors may at any time in their absolute and uncontrolled discretion and without specifying any ground, decline to register any proposed transfer of shares. This clause shall also apply to a case where the proposed transferee is already a member, provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.	Power to refuse registration of transfer
12	The Directors may authorise Chairman or any other officer to sign the certifications of transfer under Section 112 of the Act.	Certification of Transfer.

### **INCREASE, REDUCTION AND ALTERATION OF CAPITAL**

13 (1)	The Company may from time to time increase its share capital by issuing new shares, subject to the provisions of the Acts.	Increase of capital
(2)	The new shares (resulting from an increase of capital as aforesaid) may, subject to the provisions of the Act and these presents, be issued or disposed of by the company in General Meeting or by the Directors under their powers in accordance with the provisions of articles 4(ii), (iii) & (iv) and the following provisions:	Further issue of capital
(a)	(i) such new shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date,	
	(ii) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of offer and not exceeding 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.	
	(iii) the offer aforesaid shall be deemed to include a right exercisable by the persons concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (ii) above shall contain a statement of this right, and	
	(iv) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner as they think most beneficial to the company.	

- (b) Nothing in clause (iii) of sub-article (a) above shall be deemed;
- (i) to extend the time within which the offer should be accepted ;  
or
  - (ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (c) Nothing in the above article of these presents shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued or loans raised by the Company;
- (1) to convert such debentures or loans into shares in the company;
  - (2) to subscribe to shares in the company
  - (3) In addition to and without derogating from the powers for the purpose conferred on the Directors under article 4(iv), the company in General Meeting may, in accordance with the provisions of section 62 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 53 of the Act) as such General Meeting shall determine. Shares under control of General Meeting
  - (4) Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise. Same as original capital.
  - (5) The Company may from time to time by Special Resolution reduce its share capital (including the Capital Redemption Reserve Account, if any) in any way authorised by law and in particular may pay off any portion of paid up share capital upon the footing that it may be called up again or otherwise and may if and so far as necessary alter its Memorandum and Articles of Association reducing the amount of its share capital and of its shares accordingly. Reduction of capital.

- (6) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be required under the provisions of the Acts and SEBI guidelines. Buy-back of shares
- (7) The Company may in General Meeting by Ordinary Resolution alter the conditions of its Memorandum and Articles of Association as follows: Division and sub-division of shares.
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- (b) Sub-divide shares or any of them into shares of smaller amount than originally fixed by the Memorandum, subject nevertheless to the provisions of the Act in that behalf.
- (c) Cancel shares, which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### **BORROWING POWERS**

- 14 Subject to the provisions of the Banking Act, the Board shall have the power from time to time and at any time to borrow or raise money in such manner and on such terms and conditions as to security and interest as it deems fit for the business of the company, and as to the security for the repayment of any sums so borrowed, raised or owing to mortgage, pledge or charge the whole or any part of the properties and assets of the Company, present or future, and to purchase, redeem or pay off any such securities. Power to borrow

#### **LOANS**

- 15(i) Subject to the provisions concerning Investments and Loans contained in the Banking Act, and the directives issued by the Reserve Bank from time to time, Loans and Advances may be granted by the Company. Granting Loans
- (ii) The Directors may determine from time to time the rates of interest and other terms conditions on which loans and advances may be made or overdrafts opened in the Company and delegate such functions to any Committee to do the same. Determination of interest rates.

#### **MEETINGS OF MEMBERS**

- 16(a) The Board of Directors may whenever necessary, for the purpose of conducting the business of the Company, convene General Meetings of Meeting by the Board

Members, both ordinary and extraordinary.

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| (b) | The Chairman or Secretary, shall convene as and when necessary, the meetings of Members.   | Convening of meeting by Chairman or Secretary |
| (c) | No business shall be transacted at any General Meeting unless the quorum of members is present at the time when the meeting precedes to business. Save as provided herein the quorum of the General Meetings shall be as provided in Section 103 of the Act. | Quorum at General Meeting                     |

### VOTES OF MEMBERS

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|-----|--|-------|
| (d) | On show of hands every member present in person shall have one vote and on a poll every member shall have voting rights in proportion to his share of paid-up capital of the Company provided that no shareholder shall have more than ten per cent of total voting rights of all the shareholders of the Company, irrespective of the number of shares held by him. But no shareholder shall exercise any voting right in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right of lien. | Votes |
| (e) | Members may give their votes personally or by proxy in accordance with the provisions of the Act.  |       |
| (f) | A poll shall be granted by the Chairman of the meeting in accordance with the provisions of the Act.   |       |
| (g) | If several persons jointly own one or more shares, the vote given by any one of them will be held as given jointly on his own behalf and on behalf of the other person or persons.   |       |
| (h) | A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.   |       |

### DIRECTORS

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| 17 | The Company shall be managed by the Board of Directors consisting of not less than nine and not more than fifteen Directors  | Number of Directors                                     |
| 18 | One third of the number of Directors shall retire annually by rotation on the date of Annual General Meeting subject to the provisions of the Acts. A retiring Director shall be eligible for re-election.   | Rotation of Directors.                                  |
| 19 | Subject to the provisions of the Acts, the Company may by ordinary resolution from time to time increase or reduce the number of Directors.<br><br>Provided that any increase in the number of Directors except an increase which is within the permissible maximum shall not have any effect unless | Company may increase or reduce the number of Directors. |



approved by the Regulatory Agencies whose approval is required under any law for the time being in force.

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| 20 | (a) Subject to provisions of the Acts, the Board of Directors shall have power to fill up casual vacancies.   | Casual Vacancy                                  |
|    | (b) Every Director, if he is appointed under any casual or other vacancy, shall hold Office until the date upto which his predecessor would have held Office, if the election had not been held or, as the case may be, the appointment had not been made.          |   |
| 21 | A director need not hold any qualification shares for being appointed or continuing as a Director.  | Share qualification<br>Director's sitting fees. |
| 22 | The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be decided by the Board of Directors from time to time within the limits as may be specified under the provisions of the Act.  |   |
| 23 | The Board may allow to any Director all travelling and other expenses incurred by him in attending a meeting of the Board of Directors or Committee thereof, or in connection with the business of the Company.   | Director's travelling expenses                  |
| 24 | A director vacating office for non-attendance at board meetings under Section 167(1)(b) of the Act may be re-appointed by the Board of Directors if they think fit.   | Reappointment of Director vacating Office.      |
| 25 | No act or proceeding of the Board of Directors of the Company shall be invalid by reason only of any defect in the composition thereof or on the ground that it is subsequently discovered that any of its members did not fulfil the requirements of this Article. | validity of defect in composition               |

#### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR**

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| 26 | (a) The directors may from time to time appoint one of the members on a whole time or part time basis as Chairman of the Board of Directors and where he is appointed on a whole time basis as Chairman who shall be referred to as the Executive Chairman, he shall be entrusted with the management of the whole of the affairs of the Company. The executive Chairman shall hold such office for a term not exceeding five years and is eligible for re-election or reappointment.  | Chairman and Chief Executive Officer/Managing Director |
|    | (ii) Without prejudice to the generality of Sub-Clause (i) above, the directors may from time to time entrust to and confer upon the Whole-time Director and Chairman/Managing Director for the time being, such of the powers exercisable by law under these presents by the Directors, as they may think fit except such as are by any law required to be exercised by the Board of Directors 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 they think expedient and they may confer such powers |  |

either collaterally with or to substitute on for all or any of the powers of the Directors in that behalf , and may from time to time revoke, withdraw, alter or vary all or any of such powers.

- (b) A Chairman appointed on a whole-time basis or the Managing Director as the case may be, shall not, while he continues to hold the office, be subject to retirement by rotation.
- (c) A Chairman appointed on a whole time basis or a Managing Director may, by writing under his hand addressed to the Company, resign his office
- (d) A Chairman appointed on a whole time basis or the Managing Director whose term of Office has come to an end, either by reason of his resignation or by reason of expiry of his office, shall subject to the approval of Reserve Bank, continue in Office until his successor assumes Office.
- (e) A Chairman appointed on a whole-time basis or the Managing Director as the case may be, shall draw such remuneration and be entitled to such allowances as may be determined by the Board in accordance with the provisions of the Acts provided that the Chairman/Managing Director shall exercise his powers subject to the superintendence, control and direction of the Board of Directors.
- (f) A Chairman appointed on a whole-time basis or a Managing Director and a Director appointed by the Reserve Bank of India under Section 10-A of the Banking Act shall not be required to hold qualification shares.
- (g) Where the Board of Directors appoint a Chairman on a part-time basis,
  - (i) such appointment shall be with the previous approval of the Reserve Bank and be subject to such conditions as the Reserve Bank may specify while giving such approval.
  - (ii) the management of the whole of the affairs of the Company shall be entrusted to a Managing Director who shall exercise his powers, subject to the superintendence, control and direction of the Board of Directors.
- (h) Where the Board appoints the Chairman on a part-time basis, it may appoint from time to time, any of its members as the Managing Director and he shall hold Office for such period not exceeding five years as the Board may fix, but shall subject to the provisions of the Acts, be eligible for re-election or re-appointment.
- (i) The Board may by resolution vest in such Managing Director such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

- (j) The Chairman shall be the Chairman of the Board of Directors. The Chairman shall preside at every Meeting of the Board and at the Meetings of sub-committee of the Board in which he is a member and, in his absence, the Managing Director where there is one in Office or in his absence such one of the Directors as may generally or in relation to any particular meeting be authorised by the Chairman in this behalf shall preside; and in the absence of the Chairman, Managing Director and also failing such authorisation, the Directors present at the Meeting shall elect one among themselves to preside at the meeting.
- (k) The Executive Chairman/Managing Director shall be in-charge of all the properties and records of the Company and be responsible for the proper conduct of the affairs and business of the Company. Executive Chairman/Managing Director to be in-charge.
- (l) The Chairman, Managing Director and such other Officers or employees of the Company as the Board may authorise from time to time by resolution in this behalf; to such extent and subject to such limitations, if any, as the Board may specify or impose in so authorising, are hereby severally empowered, for and on behalf of the company to sign all documents, instruments, accounts, receipts, letters and advices, connected with the current or authorised business of the Company including powers to engage Advocates / Representatives and, in particular, and without prejudice to the generality of the foregoing powers, to endorse and transfer promissory notes, stock receipts, stock debentures, shares, securities and documents of title to goods, standing in the name or held by or on behalf of the Company or in the absence of any agreement to the contrary, standing in the name or held by or on behalf of any person, firm, company or corporation for or on behalf of such person, firm, company or corporation, the Company has been substituted with attorney, to draw, accept and endorse bills of exchange and cheques, to issue, confirm and transfer letters of credit and to sign guarantees and indemnities. To sign documents
- (m) The complaints, written statements, petitions and applications may be signed and verified, affidavits may be sworn in or affirmed, bonds may be signed and delivered, and generally all other documents connected with legal proceedings; or any other proceedings before any authorities, whether contentious or non-contentious may be made and completed on behalf of the Company by the Chairman or by the Managing Director or by any Officer, or employee empowered by or under the above article to sign documents for and on behalf of the Company. Representation for the Company in all suits

**POWERS OF THE BOARD OF DIRECTORS**

- 27. The Board of Directors shall have, without prejudice to the general powers vested in them by the Act, for the time being in force, or by these Articles, the following powers:
  - (i) To pay and to charge to the profits or capital account of the Company, as To pay costs of

- they may deem expedient, all fees, costs, charges and expenses relating to registration, advertising, printing, postage, and stationery, establishment, travelling expenses, brokerage, commission or other charges, putting up or purchasing buildings, furniture and fitting up of offices, and also all costs, charges and office expenses, attendant upon the formation or establishment of agencies, branches or sub-offices, or incorporation or amalgamation with similar institutions from time to time, and any other charges and expenses, which in the opinion of the Directors, may be fairly deemed as preliminary or amalgamation expenses.
- incorporation.
- (ii) To determine at their discretion, the creation and maintenance of offices of such Attorneys, Managers, Secretaries, Agents, Officers, Clerks or other employees of the Company, as they may from time to time think fit, and fix their salaries or emoluments, and to require security in such instances, or such nature and for such amounts. To create and maintain offices of attorneys, managers etc.
  - (iii) At their discretion to acquire any property, rights or privileges, pay for any services rendered to the Company, in cash, or in Shares, Bonds, Debentures or other Securities of the Company, and any such bonds or securities may be specifically charged upon all or any part of the property or undertaking of the Company. To acquire property
  - (iv) To receive deposits or cash or movables, for interest or safe custody, or otherwise, under such terms and conditions as they may think fit. To receive deposits
  - (v) With or without security, to lend to, and give credit to, or deal upon credit with any person, such amounts and on such conditions as they may think fit. To lend money
  - (vi) To institute, conduct, defend, compound or abandon any legal proceedings, by or against the Company or its Directors, or Officers or otherwise, concerning the affairs of the Company. To institute legal proceedings
  - (vii) To refer any claims or demands by or against the Company to arbitration, and also to act as arbitrators in any matters referred to them, and give awards. To refer to arbitration
  - (viii) To act on behalf of the Company in all matters relating to bankrupts and insolvents. To act in matters of bankruptcy & insolvency
  - (ix) To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company. To give receipts
  - (x) To effect and obtain or to give such guarantees, indemnities and sureties and counter-guarantees and counter-indemnities as may generally seem expedient to the Directors, to guarantee the title to, or quiet enjoyment of property either absolutely or subject to any qualifications conditions, and to give any guarantee, security or indemnity in respect of any dealing with any customer or officer of the Company, or anybody, or person, in whose credit the Company or any customer of the Company, is interested. To give guarantees etc.

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|---------|---|---------------------------------------|
| (xi)    | To accept any person or persons as a general surety for all or any particular transactions introduced by such surety or sureties, and to give them such percentage as they deem fit out of the profits realised by those transactions, as commission or remuneration.   | To accept persons as a general surety |
| (xii)   | To open and operate any accounts with one or more banks as they deem fit from time to time and to deposit money, on security or otherwise, with other persons or companies, whether a Banking company or not, and invest funds of the Company, not required for the time being for the general purposes of the Company, in such investments as may be thought proper, and to hold, sell, exchange, vary, and dispose of, or deal with, any of the investments of the Company, as may seem expedient;  | To open bank accounts                 |
| (xiii)  | From time to time, vary and repeal rules for the regulations of the business of the Company, its officers and servants, or the members of the Company or any section thereof on any matter pertaining to the Company.   | To make rules                         |
| (xiv)   | To enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things, in the name and on behalf of the Company, as they may consider expedient, for and in relation to any of the matters aforesaid, or otherwise, for the purposes of the Company.  | To enter into all contracts           |
| (xv)    | To establish, open, maintain, or discontinue, any branches or agencies and delegate to the Managers or other officers employed at any branch, such powers as they think fit with regard to the working of the branch or agency  | To establish branches                 |
| (xvi)   | Generally, to engage in any form of business authorised to a banking company under the Banking Act, in so far as such is not prohibited by the Memorandum of Association of the Company.  | To commence any business              |
| (xvii)  | <p>(i) To appoint at their discretion Officers or other employees, consultants, advisors, etc. for permanent, temporary or special service as the Board may from time to time think fit and to determine by general or special order terms and conditions of their services, and to remove, suspend, terminate or dismiss such employees.</p> <p>(ii) The Board may by general or special order designate such authorities as "appointing" "disciplinary", "Appellate" and "Reviewing" Authorities for such class or cadre of Officers, employees, or in respect of any officer or employee to exercise all or in particular any of the powers referred to above or to amend, vary, repeal any of them.</p> | To appoint employees                  |
| (xviii) | The Directors may at any time, and from time to time, by power of attorney, appoint any person or persons, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions and for such periods and subject to such conditions, as the   | To appoint attorneys                  |

Directors may think fit, and give authority to sub-delegate any of such powers, authorities and discretions as they may think fit.

(xix) (A) The Board of Directors may at any time and from time to time constitute one or more Committees consisting of such numbers of Directors of the Bank for such purposes and with such powers, duties, authorities and responsibilities and for such periods subject to such conditions as the Board of Directors may think fit and proper and reconstitute or disband one or more or all such Committees so constituted by the Board.

(B) By virtue of the powers conferred on the Board under Article 27(xix)(A) supra, a "Nomination Committee or such other designated Committee" to be constituted by the Board or the Board itself shall undertake a process of due diligence to determine the suitability of the person for appointment/re-appointment as a Director based upon qualification, expertise, track record, integrity and other fit and proper criteria as may be laid down / to be laid down by the Nomination Committee or the Board of Directors taking into consideration the relevant provisions of the applicable statutes, Regulatory guidelines and Rules framed there under.

In determining the suitability of the candidate, the said Committee or the Board of Directors shall have the power to accept or reject any nomination based on 'fit and proper criteria' and such decision shall be final.

(xx) And to do all such things as are incidental or conducive to the carrying out of the objects of the Company as set forth in the Memorandum of Association.

#### **SEAL**

28 (a) The Directors shall provide a Common Seal for the purpose of the Company and shall have powers from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for the safe custody of the Seal. The seal, its custody and use

(b) 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 atleast one Director and the Secretary or such other person as the Board may appoint for the purpose; and the said Director and the Secretary or such other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS**

29 The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. Declaration of dividend.

30 (a) The unpaid or unclaimed dividends shall be dealt with in accordance with the provisions of the Act. Unclaimed dividends

- (b) The Directors shall maintain a Reserve Fund, and shall out of the Balance of profits of each year as disclosed in the Profit and Loss Account and before any dividend is declared, transfer a sum equivalent to not less than twenty per cent of such profits or any other sum as determined by the Banking Act, from time to time to a Reserve Fund (hereinafter referred to as the Statutory Reserve Fund) until the amount of the said Fund is equal to paid-up capital of the Company, or as may be prescribed by law.

Over and above the Statutory Reserve Fund referred to in the preceding Article, the Directors before recommending any dividend may set aside out of the profits of the Company such sums as they think proper as Reserve Fund to meet the contingencies or for equalising dividends, or for repairing, improving and maintaining any of the property of the Company or for meeting bad debts and for such other purposes as the Directors shall in their absolute discretion think conducive to the interests of the Company and may invest the several sums so set aside upon such investment (other than shares of the Company) as they may think fit from time to time deal with and vary such investment and dispose off all or any part thereof for the benefit of the Company and may divide the Reserve Fund into such special funds as they think fit and employ the Reserve Fund or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

#### **CAPITALISATION OF RESERVE**

- 31 The Board may at its meeting resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Bank's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution amongst the members who would have been entitled thereto if distributed by way of dividend in the same proportions on the condition that the same shall not be paid in cash but shall be applied, either in or towards paying up any amount for the time being unpaid on any shares held by such members respectively or paying up in full, unissued shares of the Bank to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid or partly in one way and partly in other and the Directors shall give effect to such resolution. Capitalisation.

Provided that the share premium account may, for the purpose of this Article only, be applied in the paying up of unissued shares to be issued to members of the Bank as fully paid Bonus Shares. (Amended at the Annual General Meeting held on 24.09.2008)

#### **BALANCE SHEET**

32. The directors shall prepare and place before the annual general meeting the Balance Sheet and Profit & Loss Account in such manner as is prescribed by the Acts. Balance Sheet

### **INSPECTION OF REGISTERS, DOCUMENTS ETC.**

33. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no person (not being a member) shall have any right of inspecting any account of books or documents of the Company except as conferred by law or authorised by the Board. Inspection

### **SECURITY CLAUSE**

34. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which, in the opinion of the Directors, will be inexpedient in the interest of the company to communicate the same. Secrecy

### **"APPLICABILITY OF AMENDMENTS TO ACTS, REGULATIONS, RULES**

35. 35. Any amendments to the Companies Act, 2013, Banking Regulation Act, 1949, Depositories Act, 1996, SEBI Act and other applicable laws to the Bank and its Rules, Regulations, etc shall automatically apply to the Company without modification of the applicable articles of the existing Articles of the Association."