

**ARTICLES OF ASSOCIATION**  
**OF**  
**SECONDARY LOAN MARKET ASSOCIATION**

**I. Interpretation**

- (1) Unless the context otherwise requires, words or expressions contained in these regulations shall have the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (2) In these Articles of Association, the following words and expressions shall have the meanings indicated against each unless otherwise required by the subject or context.
- a) 'Accounting year' means the period commencing from the 1st day of April of calendar year and ending on the 31st day of March of the immediately succeeding calendar year or such other period as may be decided by the Board of Directors from time to time.
  - b) The Association or company means Secondary Loan Market Association (SLMA).
  - c) 'Annual General Meeting' means the general meeting convened once every year specified to be an annual general meeting in the notice calling the meeting, and not more than fifteen months' shall elapse between the date of one annual general meeting of a company and that of the next annual general meeting.
  - d) 'Articles of Association' means these Articles of Association of the Company as amended from time to time.
  - e) 'Authorised Representative' means a representative of a member whose name appears in the Register of members.
  - f) 'Board' or 'the Board of Directors' means the Board of Directors of the Company or the directors assembled at a valid meeting of the Board of Directors.
  - g) 'Core Member' means any of the initial ten members who shall nominate the initial directors to form the first Board of Directors of the Company.
  - h) 'Director' means an individual nominated/elected as a director of the Company in accordance with these Articles.
  - i) 'Extra-ordinary General Meeting' means a general meeting convened for transacting special business.
  - j) 'General Meeting' means an annual general meeting or an extraordinary general meeting of the members as the case may be.
  - k) 'Meeting' means meeting of the Board of Directors or a general meeting as the context may require.



- l) 'Member' means a person whose name is entered in the Register of Members and the subscribers to the memorandum and such other persons as the Board shall admit to a membership shall be members of the company.
- m) 'Ordinary business' means any business of
  - i. consideration of the Income and Expenditure Account, Balance Sheet, reports of the Board of Directors and auditors;
  - ii. the appointment of the members of the Board of Directors; and
  - iii. the appointment of auditors and fixing of the remuneration of the auditors.
- n) 'Ordinary resolution' means a resolution passed and/or to be passed at a meeting, requiring the number of votes in its favour to be more than the number of votes given against such resolution.
- o) 'Associates' means the persons who had applied and have been accepted by the Board of Directors as an associate in the Company.
- p) 'Person' includes a body corporate.
- q) 'Proxy' means any officer of any member who is so appointed as proxy for the purposes of representing, acting or voting on behalf of another member.
- r) 'Quorum' for a General Meeting means a minimum number of three Members required to be personally present at a General Meeting for conducting a meeting.
- s) 'Quorum' for a Board Meeting shall mean the presence of at least 1/3rd of the total of number of directors or 3 (three) directors, which-ever is more.
- t) 'Resolution' means a decision taken at a meeting with the requisite majority members and recorded in the form of a resolution in respect of the business therein mentioned.
- u) 'Securities' means all securities including preference shares, fixed income/debt instruments, money market instruments and other variants and derivatives thereon.
- v) 'Special business' means a business other than ordinary business.
- w) 'Special Resolution' means a resolution, passed and/or proposed to be passed at a general meeting, requiring the number of votes in its favour to be not less than three times of the number of votes given against such resolution.
- x) 'the Act' means the Companies Act, 2013;
- y) 'the seal' means the common seal of the company.
- z) Words indicating singular number include plural number and vice versa.
- aa) Masculine gender includes feminine gender or neuter gender as the context may require and vice-versa.

## II. Membership

- (1) The number of members with which the company proposes to be registered is Two Hundred, but the Board of Directors may, from time to time, whenever the company or the business of the company requires it, register an increase of members



## Part A: MEMBERSHIP

The Members will have voting rights at the general meeting and will be eligible to nominate their representatives to become board members and shall include Core Members, Members and subscribers to the memorandum and such other persons whom the Board shall admit to be included as Members.

## <sup>1</sup>Part B: ELIGIBILITY FOR MEMBERSHIP

(1) Any person who qualifies as below can be a **"Member of the Company by Application"**:

- a. a scheduled commercial bank within the meaning of The Reserve Bank of India Act, 1934;
- b. an NBFC, Cooperative Bank, Foreign Bank, Small Finance Bank, Pension Fund, Mutual Fund, Insurance Company registered with IRDA, a Private equity fund registered with SEBI, Foreign Portfolio Investor, an ARC, Alternative Investment Fund registered with SEBI;
- c. a primary dealer in securities as notified by the RBI from time to time or any other category accepted by the Board of Directors; or
- d. a person who is engaged or is proposing to be engaged in the business of dealings in secondary loan market;

shall be eligible to become a member provided its membership has not been terminated under Part F of Articles of Association.

(2) **Any person who qualifies as below can become an Associate of the Company by application:**

- a. Facility Agent, Security Trustee, Credit Rating Agencies, Insurance Brokers, Valuation Agencies, Asset Tracing Agencies etc.
- b. Law Firms, Accounting & Audit Firms, Settlement Agent, Resolution Professional or Firms etc,
- c. Information Utilities, Repository or Registry etc.
- d. Any person who is engaged or proposed to be engaged in activities related to development of the Secondary Loan Market.

## PART C: ADMISSION TO MEMBERSHIP

- 1) A person eligible to be a member of the Company and who is desirous of becoming a member may apply to the company in the application form as may be prescribed by the Board of Directors from time to time and shall abide by the Articles of Association and other rules and regulations made by the Board of Directors from time to time.
- 2) Every application for membership shall be placed before the Board of Directors at its meeting or circulated among the members of Boards of Directors for their consideration.
- 3) The Board of Directors may admit the applicant as a member or may, without assigning any reason, reject the application.
- 4) The applicant admitted as a member shall be deemed to have joined the company from the date specified by the Board of Directors.
- 5) No member shall be entitled to any benefit or privilege of membership until he has paid the prescribed fees specified in the Articles of Association.

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<sup>1</sup> Amended vide Special resolution passed at the Extra-Ordinary General Meeting of the Company held on 19.12.2022



## **PART D: REGISTER OF MEMBERS**

- 1) The Company shall maintain a register of members.
- 2) The following particulars shall be entered in the Register of Members:
  - a. Name and address of each member and the date of commencement of his membership.
  - b. Names of not more than three Authorised representatives of each member who are entitled or empowered to act and/or vote on behalf of the member for the purpose of these Articles of Association or any other purpose of the Company.
  - c. Every member shall furnish the names of his Authorised Representative for being entered in the register within one month of his admission as a member.
  - d. Any change in the name of Authorised Representative shall be notified by every member in writing to the Company from time to time.
- 3) Every member shall be entitled to act and be represented through one authorised representative. Provided, however, that a member may be represented and may act or vote at any general meeting through another member appointed as proxy in a form as may be prescribed by the Board of Directors from time to time and whose appointment has been received by the company not later than forty-eight (48) hours before the commencement of the general meeting.
- 4) No person shall be entitled to vote on behalf of any member or otherwise represent unless his name appears in the Register of Members as an authorised representative of that member or unless his name has been communicated to the company as a proxy in terms of Part D (3) above.
- 5) The name of a member and his authorised representatives shall be removed from the register of members in the event of his ceasing to be a member in pursuance of Article II Part G.

## **PART E: PRIVILEGES AND RESPONSIBILITIES OF MEMBER**

- 1) Subject to such conditions as may from time to time to be prescribed by the Board of Directors every member shall be eligible –
  - a. To obtain the guidance advice and assistance of the company in relation to his dealings in secondary market
  - b. To obtain all circulars and publications of the company
  - c. To request the company to represent its case before any government authorities and agency relating to dealings in secondary market
- 2) Every member shall:
  - a. Maintain extremely high standards of honesty and integrity in his dealings with his customers and the members of the public and act in the best interest of the participants in secondary market in order to build a healthy secondary loan market in India;



- b. Ensure that it does not indulge in unhealthy or unfair competition against the other member which will violate any code of conduct for other guidelines of business prescribed by the company from time to time;
- c. Act in the best interest of the Company and the members;
- d. Strictly adhere to the healthy business practices, ethical code of conduct and standard principles and practices recommended by the company from time to time with respect to his dealings in secondary market;
- e. Strictly follow all regulations and guidelines prescribed by the Reserve Bank of India, SEBI, SLMA or other Government authority in respect of dealings in secondary market.

#### **PART F: TERMINATION OF MEMBERSHIP**

- 1) Any member wishing to resign from its membership of the company shall do so by providing a three months prior written notice to the company.
- 2) The Board of Directors may at its discretion waive the period of notice.

#### **PART G: CESSATION OF MEMBERSHIPS**

- 1) A member ipso-facto ceases to be a member, upon the occurrence of any or all of the following events:
  - (a) the member resigns from the membership of the company, from the date of acceptance of the resignation by the Board of Directors;
  - (b) the member fails to pay its basic subscription in terms Article III PART B hereof within 15 days from the date of notice received for payment of subscription as mentioned in Article (III) PART D below;
  - (c) a member ceases to exist as a result of closure, liquidation, winding up, merger, amalgamation, change of business, or any other reason whatsoever; or if
  - (d) a member ceases to be eligible to be a member;

A member who ceases to be a member shall have no rights or claims upon the company on its property and function, no portion of any subscription or any other amounts already paid by him shall be refundable. Such member shall nevertheless remain liable for and shall pay to the company all amount which are at the time of his ceasing to be a member were due and payable by him to the company.

- 2) Notwithstanding cessation of membership of any member, whether on account of resignation or otherwise, it shall not affect the right of the company to take any disciplinary action against such member for any misconduct or any breach or default committed by it whilst his membership was in force as if he were a member of the company for the purpose of the clause.



### III. Entrance fee and Subscription for Members and Associates

#### PART A: ENTRANCE FEE

- 1) An applicant who is admitted as a Member or an Associate shall pay within 7 days from the date of receipt of intimation of its admission such entrance fees as contribution towards the costs/ expenses of the company as may be prescribed by the Board of Directors and such other fee as may be decided by the company from time to time.
- 2) Fees once paid shall not be refunded for any reason or under any circumstances whatsoever.
- 3) Any Member or Associate who ceases as such shall pay fresh entrance fee if he is admitted as a Member or Associate once again.

#### PART B: BASIC ANNUAL SUBSCRIPTION AND SHARE OF EXPENSES

- 1) For the purpose of these Articles of Association with reference to every Member or Associate admitted to the Company and in respect of every financial year shall undertake to pay;
  - a) Basic annual subscription shall be the amount as may be prescribed by Board of Directors as such;
  - b) The first basic annual subscription fees should be deposited within 15 days from the date of receipt of intimation of the date of admission.
  - c) Share in expenses means share of a member in total budget and budgeting expenses of the company in respect of an accounting year calculated in such manner as may be prescribed by the Board of Directors from time to time;
  - d) total budgeted and unbudgeted expenses means total expenditure of the Company as approved by the Board of Directors in respect of a financial year, as reduced by the aggregate basic annual subscription calculated in terms of this Article III PART B.
- 2) Every Member and Associate shall in respect of every financial year commencing from 1<sup>st</sup> April each year, pay to the company its basic annual subscription and its share in expenses on the dates and in the manner specified by the Board of Directors from time to time.

<sup>2</sup>Every Member or Associate who is enrolled as such with the Company after the beginning of the year shall pay, within such time from the date of his admission as may be prescribed by the Board of Directors from time to time, the basic annual subscription and share in expenses for the full accounting year except in the year of joining as a member. The Membership Fees in the year of joining shall be paid on a pro-rata basis to be computed on a quarterly basis subject to a minimum of one quarter.

'Provided, however, that the Board of Directors may, set up at its discretion an application for enabling online payment of subscription received for enrolling the Associates.

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<sup>2</sup> Amended vide Special resolution passed at the Annual General Meeting of the Company held on 24.09.2024



### **Part C: SPECIAL CONTRIBUTION**

- 1) The Company may from time to time request its Members / Associates to make special contributions, on such basis as may be determined by the Board of Directors for such schemes, plans, projects for purposes as may be specified by the Board of Directors.
- 2) Each Member/Associate shall pay its share of such contribution as is decided by the Board of Directors within the period specified by the Board of Directors.

### **PART D: NON-PAYMENT OF THE BASIC ANNUAL SUBSCRIPTION AND SHARE IN EXPENSES**

If any Member/Associate fails to pay its basic annual subscription fees before the due date indicated in Article III Part B above, both inclusive, the Board of Directors shall give notice in writing to the Member/Associate concerned calling upon such Member/Associate to pay the amount in arrears of the basic annual subscription within 15 days from the date of receipt of notice by it and stating that in case of failure to do so such person shall cease to be a Member/ an Associate in accordance with the provisions of Article II PART G (1) (b) hereof.

### **IV. General meetings**

#### **PART A: REQUIREMENTS**

- 1) All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 2) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting is proposed to begin.
- 3) Only Members of the company shall be eligible to attend and vote at such meetings. An Associate will be eligible to attend meeting of the Company only by invitation.

#### **PART B : CONDUCT OF MEETINGS**

- 1) An annual general meeting shall be held within six months after the end of every financial year.
- 2) The Board of Directors may call an extra-ordinary general meeting at any time it thinks fit and expedient or necessary to do so.
- 3) If, such number of members as specified in clause (4) below by a requisition in writing signed by them and containing a statement of their reasons or objects for the requisition, request the Board of Directors to call an extra-ordinary general meeting, the Board of Directors shall call such requisitioned extra-ordinary general meeting on a day not later than forty five (45) days after receipt of such requisition. If the Board of Directors does not, within forty five (45) days after receipt of such requisition, convene the meeting, the requisitionists may themselves convene an extra-ordinary general meeting on any day not later than 90 days from the date of deposit of requisition.
- 4) The number of members entitled to requisition a meeting is such number of them having at the date of deposit of requisition not less than one-tenth of the total voting power of all members having at the said date a right to vote in regard to that matter.



Explanation - For the purposes of this Article, the Board shall be deemed not to have duly convened the meeting if they do not give a notice of such General Meeting as is required by the Articles.

#### **PART C: NOTICE**

- 1) Except where a longer period of notice is required under these Articles of Association of the Companies Act, 2013, not less than fourteen (14) clear days notice of every general meeting shall be sent by a circular in writing to the members at their registered address specifying therein the date, time, place and objects of the meeting.
- 2) An urgent general meeting may be called by a shorter notice than required and it may transact the necessary business if no member entitled to attend and vote objects to such a shorter period of notice.
- 3) Any incidental omission to give any notice to any of the members or the non-receipt thereof by any of the members shall not invalidate the proceedings of such general meeting.

#### **V. PROCEEDINGS AT GENERAL MEETINGS**

- 1) No business shall be transacted at any General Meeting unless a Quorum of the Members is present at the time when the meeting proceeds to business.
- 2) If on the day and time originally appointed and notified for holding a general meeting a Quorum shall not be present within thirty (30) minutes of the time appointed for the purpose, the meeting shall be adjourned to the same time on such day of the next week and if the required quorum shall not be present at any such adjourned meeting the number of Members then present shall constitute the quorum and may transact the business for which the meeting was convened.
- 3) The Chairman of the Board shall, if present, preside at all general meetings of the Company held during his term of office in the absence of the Chairman, the Vice Chairman shall preside, and failing both of them, the Chair shall be taken by any one who may be appointed as Chairman of the meeting by a simple majority of the Members present in the meeting;

#### **VI. ADJOURNMENT' OF MEETING**

- 1) The Chairman 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.
- 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.
- 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.
- 4) Provided that in the case of an adjourned meeting or of a change of day, time or place of the meeting, the Company shall give not less than three days' notice to the Members individually or through electronic platform viz email or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.



## **VII. VOTING RIGHTS**

### **PART A: VOTING**

- 1) Every Member shall have one vote. The voting at any general meeting shall be in the first instance by a show of hands but this shall not preclude any members present at the Meeting from demanding a poll.
- 2) A poll shall be taken if at least one-tenth of the Members who are present and voting demand it. The result of a poll shall supersede that of vote taken by a show of hands.
- 3) On a show of hands and on a poll every member shall be entitled to one vote.
- 4) Except where otherwise required under these Articles, all resolutions of a general meeting will be declared to have been carried if they receive a simple majority of votes.
- 5) In case of a tie, the Chairman of the meeting shall have the right to give a casting vote in addition to his own vote.
- 6) Every resolution which shall have been duly passed according to these Articles at any general meeting of the Company shall be binding upon all the members of the Company.

### **PART B: OBJECTIONS**

- 1) 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 purpose,
- 2) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive,
- 3) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous 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 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,

### **PART C: ELECTRONIC VOTING**

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

### **PART D: POLL**

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



## **PART E: MINUTES OF MEETINGS**

- 1) Minutes of all proceedings of every general meeting of the Company shall be made and be entered or caused to be entered in the minutes book kept for the purpose within thirty (30) days of the general meeting,
- 2) The minutes shall be confirmed and signed by the Chairman as soon as possible after the general meeting.
- 3) The minutes book shall be kept open to inspection by any member at all reasonable times,

## **VIII. BOARD OF DIRECTORS**

### **PART A: MANAGING THE BUSINESS**

- 1) The business affairs and funds of the Company shall vest in and shall be managed by Board of Directors which shall be constituted and which shall function as hereinafter provided,
- 2) An authorized representative of a member shall be entitled to be appointed as a director on the Board of Directors if he is elected by the members as provided hereafter.
- 3) Qualifications of Directors: The director such nominated by the member must have minimum two (2) years of experience in the area of large credit or risk management or treasury management

### **PART B: COMPOSITION AND TENURE OF THE BOARD**

- 1) Pre-incorporation, there will be ten (10) members from the Core Group of Banks. The board, post-incorporation, will initially consist of twelve (12) Board members [ten (10) members from the Core Group, one (1) MD/CEO and one (1) from other members]. However, in case, the MD & CEO is from one of the Core Group member banks, then, two (2) board members from other members can be appointed. The Board can be expanded to fifteen (15) members.
- 2) The Core Members shall be entitled to appoint Director(s) for the initial two consecutive terms of three years each in order to provide continuity to Company and development of the ecosystem for secondary market.
- 3) Upon the conclusion of annual general meeting (after every two (2) years) one third of the elected Board of Directors shall mandatorily be required to retire and in place of such retiring directors, new directors may be elected at that Annual General Meeting. In case the one third number of the existing number of directors is in decimal, in order to determine the number of directors who had to retire, the number of directors that need to retire shall be the next whole number. The Core Group Members will retire after 6 years and after that every second year as other directors.
- 4) Every Member shall be entitled to appoint one/ two (in case MD & CEO is appointed from Core Group Banks) nominee as a director on the Board of Directors. If a Director is nominated by a Member (who is not part of the Core Members) and if such nominated director is elected to be on the Board of Directors by a majority decision such director shall be eligible to be re-elected every two years starting from first year.



- 5) The Board of Directors shall be deemed to be duly constituted and to be entitled to carry on business and functions in spite of any vacancy in its composition and no permission to elect, appoint or co-opt any one or more directors shall invalidate the constitution or the authority of the Board of Directors.
- 6) The following are the Core Group members who will be appointing their nominee directors:
  - a. State Bank of India
  - b. ICICI Bank Ltd.
  - c. HDFC Bank Ltd.
  - d. Standard Chartered Bank
  - e. Axis Bank Ltd.
  - f. Deutsche Bank
  - g. Kotak Mahindra Bank Ltd.
  - h. Bank of Baroda
  - i. Canara Bank
  - j. Punjab National Bank
- 7) All the directors who so retire in terms of these articles shall, however, continue in office till the successors are elected.
- 8) Retiring director shall be eligible proposes to reappointment if a member proposes to reappoint him.
- 9) The Directors to retire by rotation shall be those who have been the longest in office. Where any two or more of the directors having in office for the same length are the time of directors to retire under the Articles of Association shall be decided by mutual agreement among themselves or by lot.
- 10) Any director wishing to resign as director may do so by giving a written notice of thirty (30) days.

#### **PART C: ELECTIONS TO THE BOARD**

- 1) The Directors shall make all arrangements for these elections as may be provided from time to time.
- 2) If, for any reason, members do not elect directors which they are entitled to elect as their representatives on the Board, the Board shall have the power to appoint at any time, any person as such director from among the individual representatives from the members and such directors shall be in office till the next annual general meeting.
- 3) When any vacancy shall occur in the Board for any reason whatsoever, the Board shall appoint any other authorized representative of the same member whose authorized representative on the Board has created the vacancy on the Board by ceasing to be a director or in the event of such member of the Company ceasing to be a member of the Company, the Board shall appoint an authorized representative of any other member as a director, so however, that in either case the director so appointed shall hold office for the period of the original vacancy or for as long as the original director in whose place he is appointed would have held office and shall thereafter retire but shall be eligible for reappointment.



#### **PART D: CO-OPTION TO THE BOARD**

- 1) The Board shall have the power to co-opt at any time one director on the Board who is an authorized representative of any one or more of the Members of the Company. The director so co-opted shall be deemed to be a member of the Board for all purposes. Provided that in no case shall there be more than one authorized representative of a member on the Board of Directors.
- 2) The Board may remove at its sole discretionary Director co-opted by it. The tenure of such co-opted member shall be decided by the Board from time to time.

#### **PART E: FUNCTIONS AND POWERS OF THE BOARD**

- 1) The affairs, business and funds of the Association shall vest in the Board which shall be the highest management and policy making authority of the Association. It shall have all such powers and shall perform all such functions as may be necessary for carrying out the work of the Association or for realizing its objects and purposes.
- 2) In addition to the powers expressly conferred by the Articles of Association, the Board may exercise all such powers and do all such things and acts as may be exercised or done by the Association and are not hereby or by any law expressly provided or required to be done by the Association in a General Meeting.
- 3) Without affecting the generality of the above, the Board shall in particular have the following powers and shall be entitled, inter-alia to: -
  - a) to purchase, lease, hire or acquire premises for the use of the Association and to equip and furnish them for the objects and purposes of the Association;
  - b) to create such offices and posts with such powers and responsibilities and duties on such terms and conditions and for such periods as may be deemed appropriate by the Board and to appoint executives, officers and staff as may be necessary for the activities of the Association on payment of such remuneration as may be determined by the Board;
  - c) to meet and disburse all expenses, salaries and outgoings of the Association and invest the surplus funds of the company in such securities or accounts as may be determined by the Board;
  - d) to establish a Trust or Trusts and appoint Trustees thereof and vest the funds or the surplus income or any property of the Association in the Trustees in such manner as the Board may from time to time think fit;
  - e) to determine the mode and manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed and executed by and on behalf of the Association;
  - f) to delegate any of its powers to committees consisting of such member or members of its body as it thinks fit;
  - g) to cause proper books of account to be kept on the dealings and transactions of the Association and of the assets, credits and liabilities thereof. The books of account shall be kept at the registered office of the Association;



- h) to frame or issue rules and procedures of working for the purpose of carrying on the activities and work of the Association as may be necessary from time to time;
  - i) to delegate any function or powers to other task forces, committees, sub-committees or persons and to any members, other executives, officers or employees on such terms and conditions as may be necessary and to revoke any such delegation if and when necessary;
  - j) to present a report on the working of the Association and Statement of Account of the Association duly certified by the auditors at the annual general meetings of the Association, every year;
  - k) to appoint bankers, auditors, solicitors, income-tax consultants and other professional advisers of the Company;
  - l) to call a general meeting as per the provisions of the Companies Act, 2013 and to do any or all things as may be necessary or expedient.
- 4) Every resolution duly passed by the Board in accordance with the Articles of Association and every recommendation or decision of the Board shall be duly observed by all the members of the Company.
- 5) The property, assets and funds of the Association shall, subject to the liabilities thereof, be vested in the Board of the Association and no member of the Association shall by reason of his membership have transferable or assignable share or interest therein by operation of law or otherwise in any such property, assets and funds and in the event of any member of the Association ceasing to be a member of the Association his interest in such property assets and funds shall cease and the same shall survive, accrue and belong to the other members for the time being of the Association.

#### **PART F: MEETINGS OF THE BOARD**

- 1) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit and a Director may summon a meeting of the Board at any time in accordance with the procedure mentioned herein.
- 2) Meetings of the Board shall be held at the office of the Company, or at such other place or through electronic mode and at such times may be fixed by the Chairman or in his absence by the Vice Chairman from the city in which the meeting of the Board are normally held. The Chairman or the Vice Chairman shall cause a meeting to be called if so requested in writing by at least three (3) members of the Board within fifteen (15) clear days of receipt of such requisition in writing.
- 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 of directors present at the meeting.
- 4) 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 as valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held;
- 5) Minutes of all proceedings and decisions of the Board shall be made and shall be entered or caused to be entered in minutes book within thirty (30) days of such meeting which shall be open to inspection by members at all reasonable times.



- 6) Copies of minutes of Board meetings shall be circulated among its members before the next meeting at which the minutes shall be confirmed and signed by the Chairman with such changes or modifications as may be considered necessary by the Board.
- 7) A person authorized by the Chairman or Vice Chairman under the direction of the Chairman or in his absence the Vice Chairman shall send by a circular giving not less than five (5) days' notice with respect to the date, time and place of the next meeting and an agenda of the next meeting of the directors.
- 8) An urgent meeting of the Board may be convened at a shorter notice than required and it may transact the necessary business if no director entitled to attend and vote objects to such shorter period of notice within twenty four (24) hours of receipt of the notice or at the meeting, whichever is earlier.
- 9) Any three (3) directors or one-third of the total number of directors, whichever is higher, shall constitute a Quorum for a meeting of the Board of Directors.
- 10) If on the day and time originally appointed and notified for holding a Board meeting a Quorum shall not be present within thirty (30) minutes of the time appointed for the purpose, the meeting shall be adjourned to such time on such day not being less than three (3) days thereafter as the Chairman may determine and if the required Quorum shall not be present at any such adjourned meeting the members then present shall constitute the Quorum and may transact the business for which the meeting was convened.
- 11) The Board shall meet at least four (4) times in every financial year.
- 12) Decisions of the Board shall be taken by a simple majority of votes of the directors present on a show of hands, unless a poll by ballot is requisitioned by any director. Both on show of hands and on poll, every director shall be entitled to one vote. The result of the poll shall supersede the result of a vote taken by a show of hands.
- 13) In case of a tie in voting, the Chairman for the time being of the Board shall be entitled to a casting vote in addition to his own vote.
- 14) If any member shall be absent from three (3) consecutive meetings of the Board or in consecutive meetings held in nine months, whichever is longer, he shall be deemed to have vacated his office.
- 15) The Chairman or in his absence the Vice Chairman if he thinks it fit may ascertain the views or opinion of directors of the board by a circular and act in accordance with the views of the majority of the members so ascertained.
- 16) The Board may from time to time frame its own rules and procedure for the purpose of regulating its proceedings and such rules or procedure may be amended, altered or revised as may be necessary which are consistent with the Articles.
- 17) All acts done by 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.
- 18) 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 as valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **PART G: CEASING TO BE A MEMBER OF THE BOARD.**

- 1) A person shall be disqualified for being appointed as and for being a member of the Board
  - a) if he is not or ceases to be an authorized representative of a member which he is to represent or represents; or
  - b) if he has at any time been adjudged an insolvent or has suspended payment or has compounded with his creditors or
  - c) if he has been found to be of unsound mind and stands so declared by a competent Court or
  - d) if he has been convicted by a criminal Court of an offence which involved moral turpitude or
  - e) if the member which he represents ceases to be a member of the Association.

#### **PART H: CONSTITUTION OF TASK FORCES, COMMITTEES AND SUB COMMITTEES OF THE BOARD**

The Board in exercise of its powers in may constitute task forces, committees and sub committees for purposes as it deems necessary and duly define their objects, prescribe their composition, tenure and rules in accordance with which they should act and do such other acts as to delegate powers and monitor the functioning of them.

#### **PART I: REMUNERATION TO DIRECTORS**

- 1) Every Director shall be entitled to receive a sitting fee for attending each meeting of the Board of Directors of as decided by Board of Directors from time to time.
- 2) 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

#### **PART J: CASTING VOTE**

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 chairman shall have a second or casting vote.



## **IX. Managing Director and Chief Executive Officer**

- 1) Subject to the provisions of the Act a Chief Executive Officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it thinks 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.
- 2) MD & CEO position should be a full time position.
- 3) Any one of the elected members of the Board of directors may be appointed as Managing Director and Chief Executive Officer, of the Company.
- 4) Further, the manager, company secretary and Chief Financial Officer of the Company may also be appointed by the Board of Directors of the Company.
- 5) 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 it 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.

## **X. SEAL**

### **PART A: PLACE WHERE THE SEAL SHALL BE KEPT**

- 1) The Board shall provide for the safe custody of the seal.
- 2) The Seal shall always be kept at the registered office of the Company and in case there is a requirement to take it to any other state the same shall require a resolution to be passed to that effect by the Board of Directors.

### **PART B: REQUIREMENT FOR AFFIXING THE SEAL**

The seal of the company shall not be required to be affixed to any instrument except when authorized by 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.

## **XI. NOTICE**

- 1) Any notice required under these Articles of Association may be served upon any member of the Company, director or member of any task force, committee or sub-committee either through hand delivery or through ordinary or registered post addressed to the addressee or telex or email at her/his/its address recorded with the Company.
- 2) Any notice served shall be deemed to have been served on the day following the day on which the notice is delivered by hand or posted. Further, the fact that the notice has been posted would be conclusive evidence of serving the required notice.
- 3) Every executive, officer or employee of the Company shall make a declaration of fidelity and secrecy in the form as may be prescribed by the Board of Directors from time to time.



## **XII. FUNDS AND ACCOUNTS**

- 1) All subscriptions, contributions, incomes and other moneys and funds of the Company shall be paid to its credit in its accounts with its bankers.
- 2) Any cheque over Rs.50,000(Rupees Fifty Thousand only) or such other amount that may be fixed by the Board shall be signed by any executive/officer of the Company to whom the power has been so given by the Board or by any member of the Board and shall be countersigned by any other member of the Board.
- 3) Any cheque for amounts upto Rs.50,000(Rupees Fifty Thousand only) or such other amount that may be fixed by the Board may be signed by any executive /officer of the Company to whom the power has been so given by the Board and counter-signed by any other executive/officer of the Company to whom such power has been given by the Board.
- 4) If at any time the Company in general meeting shall pass a resolution authorizing the Board to borrow money, the Board shall thereupon 'be empowered to borrow for the purposes of the Company such amounts of money either at one time or from time to time and at such rates of interest and in such form and manner and upon such security including debentures as shall be specified in the resolution. All members of the Company whether voting on such resolution or not and all persons being the members of the Company after passing of such resolution shall be deemed to have assented to the same as if they had voted in favor of such resolution 89. Accounts shall be duly maintained or caused to be maintained and shall be audited every year by the auditors appointed by the Company.

## **XIII. INDEMNITY AND LEGAL PROCEEDINGS**

The Chairman, Vice Chairman, directors and any executive, officer or staff of the Company shall not be answerable for anything done or purported to be done on behalf of the Company or the Board of Directors, nor shall any of them be answerable for acts done by any of them with the conformity/under the directions of the Board of Directors, nor for any moneys received from the Company in the regular course of business other than such as belongs to the Company and shall have come into their own hands fraudulently or through embezzlement, nor for any loss or damage happening to the Company by reason of any act or thing done in the ordinary course of business, nor by any reason of any error in judgement on their part in the performance of their duties which were carried out prudently by exercising full duty of care except for their own fraud or dishonesty. Every person being Chairman, Vice Chairman, director, officer or staff of the Company or their heirs, executors or administrators shall at all times be indemnified and saved harmless from and against all actions, suits, claims, demands, costs, losses, damages and expenses whatsoever incurred or sustained by them in execution of their powers or duties, limited to the extent and out of the funds that are guaranteed to be made available to the Company by its Members limited to the extent of the guarantee as mentioned in the Company's Memorandum of Association.

## **ALTERATION IN THESE ARTICLES OF ASSOCIATION**

No change shall be made in the Articles of Association of the Company without the previous approval of the Board.



## XV. WINDING UP

- 1) Every Member guarantees to contribute, an amount not exceeding INR 5000/- (Rupees Five Thousand only), to the Company if it has to be wound up while such person is still a Member of the Company or within one year after it ceases to be a Member, which amount shall be utilized for payment of the debts and liabilities contracted/owed by the Company and towards meeting the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.
- 2) If on the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members of the Company, but shall be given or transferred to some other institution or institutions having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 13 of the Memorandum of Association of the Company, such institution or institutions to be determined by the Members of the Company at or before the time of winding up or dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object functioning for the development of financial market in India.

