

**Schedule I (See Sections 4 and 5)**

**TABLE - F**

**The Companies Act, 2013  
(Company Limited by shares)  
ARTICLES OF ASSOCIATION  
OF**

**DIVYA JYOTI FOUNDATION**

( A not for profit Company Limited by Shares incorporated under section 25 of the Companies Act, 1956 (now section 8 of the Companies Act , 2013))

**I. PRELIMINERY**

1. The Regulations contained in Table 'F' in the First Schedule to (The Companies Act, 2013) shall apply to the Company except in so far as otherwise expressly incorporated hereinafter.

**II. INTERPRETATION**

2. (i) In these Regulations:- (a) "Company" means DIVYA JYOTI FOUNDATION

(b) "Office" means the Registered Office of the Company.

(c) "Act" means the Companies Act, 2013 and any statutory modification thereof.

(d) "Seal" means the Common Seal of the Company.

(e) "Director" means a director appointed to the Board of a company.

(ii) Unless the context otherwise requires words or expressions contained in these Articles shall be the same meaning as in the Act, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

**PRIVATE COMPANY**

3. The company is a "Private Company" within the meaning of Section 2 (68) of the Companies Act, 2013 and accordingly:-

(i) restricts the right to transfer its shares;

(ii) Except in case of One Person Company, limits the number of its members to two hundred: Provided that where two or more persons hold one or more shares in a company jointly, they shall, for the purposes of this clause, be treated as a single member:

Provided further that— (A) Persons who are in the employment of the company; and (B) Persons who, having been formerly in the employment of the company, were members of the company while in that employment and have continued to be members after the Employment ceased, Shall not be included in the number of members; and

(iii) prohibits any invitation to the public to subscribe for any securities of the company;

# Governance Structure and Bye Laws

## Part I

### 1. Governance Structure

Divya Jyoti Foundation is eligible to be recognized as an registered valuers organization as it is a company registered under section 8 of the Companies Act, 2013 with share capital, and –

- (a) its sole object is to carry on the functions of a registered valuers organisation under the Companies Act, 2013;
- (b) it is not under the control of person(s) resident outside India,
- (c) not more than forty-nine per cent. of its share capital is held, directly or indirectly, by persons resident outside India; and
- (d) it is not a subsidiary of a body corporate through more than one layer;
- (e) itself, its promoters, its directors and persons holding more than ten percent of its share capital are fit and proper persons.

### 2. Composition of the Governing Board.

- (1) The Governing Board shall have a minimum of 2 directors.
- (2) More than half of the directors shall be persons resident in India at the time of their appointment, and at all times during their tenure as directors.
- (3) Not more than one fourth of the directors shall be registered valuers.
- (4) More than half of the directors shall be independent directors at the time of their appointment, and at all times during their tenure as directors  
Provided that no meeting of the Governing Board shall be held without the presence of at least one independent director.
- (5) An independent director shall be an individual –
  - (a) who has expertise in the field of finance, law, management or valuation;
  - (b) who is not a registered valuer;
  - (c) who is not a shareholder of the registered valuers organisation; and
  - (d) who fulfils the requirements under sub-section (6) of section 149 of the Companies Act, 2013.
- (6) The directors shall elect an independent director as the Chairperson of the Governing Board.  
Explanation - For the purposes of bye laws, any fraction contained in
  - (a) 'more than half' shall be rounded off to the next higher number; and
  - (b) 'not more than one- fourth' shall be rounded down to the next lower number.

### 3. COMMITTEES OF THE ORGANISATION

#### Advisory Committee of Members.

- (1) The Governing Board may form an Advisory Committee of members of the Organisation to advise it on any matters pertaining to-
  - (a) the development of the profession;
  - (b) standards of professional and ethical conduct; and
  - (c) best practices in respect of Valuation.
- (2) The Advisory Committee may meet at such places and times as the Governing Board may provide.

## **Other Committees of the Organisation.**

- (1) The Governing Board shall constitute-
  - (a) one or more Membership Committee(s) consisting of such members as it deems fit;
  - (b) a Monitoring Committee consisting of such members as it deems fit;
  - (c) one or more Grievance Redressal Committee(s), with not less than three members;
  - (d) one or more Disciplinary Committee(s) consisting of at least one member nominated by the authority.
- (2) The Chairperson of each of these Committees shall be an independent director of the Organisation.

## **PART II**

### **BYE-LAWS**

#### **1. GENERAL**

- a. The name of the registered valuers organisation is Divya Jyoti foundation (hereinafter referred to as the 'Organisation').
- b. The 'Organisation' is registered as a company under section 8 of the Companies Act, 2013 (18 of 2013) with its registered office situated at Flat No. 1E, 1st Floor, S-505 School Block, Shakarpur, Delhi-110092.
- c. These bye-laws may not be amended, except in accordance with this Annexure.

#### **2. DEFINITIONS**

- (1) In these bye-laws, unless the context otherwise requires -
  - a. "certificate of membership" means the certificate of membership of the Organisation granted under bye- law 10;
  - b. "Act" means the Companies Act, 2013 (18 of 2013);
  - c. "Governing Board" means the Board of Directors or Board of the Organisation as defined under clause  
(10) of section 2 of Companies Act, 2013 (18 of 2013);
  - d. "relative" shall have the same meaning as assigned to it in clause (77) of section 2 of the Companies Act, 2013 (18 of 2013);

(2) Unless the context otherwise requires, words and expressions used and not defined in these bye-laws shall have the meanings assigned to them in the Companies Act, 2013 (18 of 2013).

#### **3. OBJECTIVES**

- (1) The Organisation will carry on the functions of the registered valuers organisation under the Companies (Registered Valuers and Valuation) Rules, 2017, and functions incidental thereto.
- (2) The Organisation will not carry on any function other than those specified in sub-clause (1), or which is inconsistent with the discharge of its functions as a registered valuers organisation.

#### **4. DUTIES OF THE ORGANISATION**

- (1) The Organisation shall maintain high ethical and professional standards in the regulation of its members.

(2) The Organisation shall -

- (a) ensure compliance with the Companies Act, 2013 and rules, regulations and guidelines issued thereunder governing the conduct of registered valuers organisation and registered valuers;
- (b) employ fair, reasonable, just, and non-discriminatory practices for the enrolment and regulation of its members;
- (c) be accountable to the authority in relation to all bye-laws and directions issued to its members;
- (d) develop the profession of registered valuers;
- (e) promote continuous professional development of its members;
- (f) continuously improve upon its internal regulations and guidelines to ensure that high standards of professional and ethical conduct are maintained by its members; and
- (g) provide information about its activities to the authority.

## **5. MEMBERSHIP**

### **Eligibility for Enrolment.**

No individual shall be enrolled as a member if he is not eligible to be registered as a registered valuer with the authority:

*Provided* that the Governing Board may provide additional eligibility requirements for enrolment:

*Provided* further that such additional requirements shall not discriminate on the grounds of religion, race, caste, gender, place of birth or professional affiliation.

### **Process of Enrolment as Member.**

- An individual may apply for enrolment as a member by submitting an application in such form, in such manner and with such fees as may be specified by the Governing Board.
- The Governing Board shall examine the application in accordance with the applicable provisions of the rules, regulations and guidelines thereunder.
- On examination of the application, the Governing Board shall give an opportunity to the applicant to remove the deficiencies, if any, in the application.
- The Governing Board may require an applicant to submit additional documents, information or clarification that it deems fit, within reasonable time.
- The Governing Board may reject an application if the applicant does not satisfy the criteria for enrolment or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing.
- The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, within thirty days of the receipt of the application, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the Governing Board, as the case may be.
- The acceptance of the application shall be communicated to the applicant, along with a certificate of membership.
- An applicant aggrieved of a decision rejecting his application may appeal to the Membership Committee within thirty days from the receipt of such decision.
- The Membership Committee shall pass an order disposing of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

### **Membership Fee.**

The Membership Committee may require the members to pay a fixed sum of money as its annual membership fee as decided by it from time to time.

## **Register of Members.**

- (1) Registers will be maintained of its professional members, containing their-
  - a. name;
  - b. proof of identity;
  - c. contact details;
  - d. address;
  - e. date of enrolment and membership number;
  - f. date of registration with the authority and registration number;
  - g. details of grievances pending against him with the Organisation;
  - h. details of disciplinary proceedings pending against him with the Organisation; and
  - i. details of orders passed against him by the authority or Disciplinary Committee of the Organisation.
- (2) The records relating to a member shall be made available for inspection to-
  - (a) the authority,
  - (b) any other person who has obtained the consent of the member for such inspection.

## **6. DUTIES OF MEMBERS**

- (1) In the performance of his functions, a member shall-
  - a. act in good faith in discharge of his duties as a registered valuer;
  - b. discharge his functions with utmost integrity and objectivity;
  - c. be independent and impartial;
  - d. discharge his functions with the highest standards of professional competence and professional ethics;
  - e. continuously upgrade his professional expertise;
  - f. comply with applicable laws in the performance of his functions; and
  - g. maintain confidentiality of information obtained in the course of his professional activities unless required to disclose such information by law.
- (2) The members have to comply with the Code of Conduct of the organization.

## **7. MONITORING OF MEMBERS**

- a. The Organization has a Monitoring Policy to monitor the professional activities and conduct of members for their adherence to the provisions of the Act, rules, regulations and guidelines issued there under, these bye- laws, the Code of Conduct and directions given by the Governing Board.
- b. A member shall submit information about ongoing and concluded engagements as a registered valuer, in the manner and format specified by the Committee, at least twice a year stating inter alia, the date of assignment, date of completion and reference number of valuation assignment and valuation report.
- c. The Monitoring Committee shall review the information and records submitted by the members in accordance with the Monitoring Policy.
- d. The Monitoring Policy provides for the following -
  - The Monitoring Committee shall review the information and records submitted by the members monthly.
  - The frequency of monitoring is monthly.

- A member shall submit information about ongoing and concluded engagements as a registered valuer, in the manner and format specified by the Organization, at least twice a year stating inter alia, the date of assignment, date of completion and reference number of valuation assignment and valuation report.
  - The members have to adhere to monitoring policy unless a reasonable cause for such non compliance is justified.
  - The data provided by the members will be used to redress the grievances and for other purposes as decided by the board or directed by the Authority.
  - The performance of members will be evaluated through points scored in internal exams, professional ethics and reviews of the clients.
  - The Monitoring Policy shall have due regard for the privacy of members provide for confidentiality of information received, except when disclosure of information is required by the authority or by law and be non-discriminatory.
- e. The Organisation shall submit a report to the authority in the manner specified by the authority with information collected during monitoring, including information pertaining to –
- a. the details of the appointments made under the Act/these Rules,
  - b. the transactions conducted with stakeholders during the period of his appointment;
  - c. the transactions conducted with third parties during the period of his appointment; and
  - d. the outcome of each appointment.

## **8. GRIEVANCE REDRESSAL MECHANISM**

(1) The Organisation have a Grievance Redressal Policy providing the procedure for receiving, processing, redressing and disclosing grievances against the Organisation or any member of the Organisation by-

- a. any member of the Organisation;
- b. any person who has engaged the services of the concerned members of the Organisation; or
- c. any other person or class of persons as may be provided by the Governing Board.

(2) The Grievance Redressal Committee, after examining the grievance, may-

- a. dismiss the grievance if it is devoid of merit; or
- b. initiate a mediation between parties for redressal of grievance.

(3) The Grievance Redressal Committee shall refer the matter to the Disciplinary Committee, wherever the grievance warrants disciplinary action.

(4) The Grievance Redressal Policy shall provide for-

- the grievances shall be filed in the format and manner as specified by the Grievance Redressal Committee from time to time
- A reference number/ unique grievance number will be allocated by the Grievance Redressal Officer (GRO) to each complaint / grievance received either through email or letter and an acknowledgement sent by email/post as per details provided by the complainant.
- On receipt of the complaint/request for grievance redressal, the application will be scrutinized for completeness by GRO who may request for additional information or clarification(s) in this regard. Once the application is deemed to be complete, it will be submitted to the Grievance Redressal Committee by GRO
- The Committee, after examining the grievance, the observations of the GRO and the facts associated with it, may:
  - A. Dismiss the grievance if it is felt to be devoid of merit, or
  - B. Refer the matter to the Disciplinary Committee, if deemed appropriate, for suitable action against the IP who is the subject of the complaint, or
  - C. Direct the parties to seek mediation as a means of redressal of grievance.
  - D. In case of a Mediation Process initiated by GRC, the GRO will ensure adherence to the timelines approved by the GRC.
- The complaint shall be addressed at the earliest and as far as possible within a maximum of 3 from the receipt of all necessary information required for its resolution, in the normal course.

- The complainant shall be intimated on resolution of grievance/complaint. The intimation of resolution shall contain:
  - A. Date of receipt of complaint/grievance
  - B. Reference/Unique Grievance Number
  - C. Brief Note giving the details of the Resolution
- Every grievance shall be disposed off within a period of 3 months from the receipt of all necessary information required for its resolution, in the normal course. A reply shall be provided to the complainant, containing details of resolution or rejection of the complaint, with reasons thereof recorded in writing.
- Records will be maintained containing the information inter alia the date of grievance acknowledgment, name of the complainant, action taken, intimation to the complainant.
- In case the Committee, on investigation of the complaint, finds that a false complaint has been made or that a complaint has been made with a malicious intent, the Committee shall take such reasonable steps as they deem necessary to curb the initiation of such false and malicious complaints in the future. A mere inability to provide adequate proof to substantiate the complaint shall not be construed as false and malicious complaint.
- The Grievance Redressal Mechanism will be monitored and reviewed by the Grievance Redressal Committee at quarterly intervals and bi-annually by the Governing Board. The Policy may be amended from time to time by the Governing Board and will remain in force till further instructions of the Governing Board.

## 9. DISCIPLINARY PROCEEDINGS

1. The Organisation may initiate disciplinary proceedings by issuing a show-cause notice against members-
  - based on a reference made by the Grievances Redressal Committee;
  - based on monitoring of members;
  - following the directions given by the authority or any court of law; or
  - suo moto, based on any information received by it.
2. The Organisation will have a Disciplinary Policy, which shall provide for the following –
  - show-cause notice based on the facts shall be issued within specified time of the information received;
  - To ascertain the facts, the members have to submit the complete reply within the time limit as specified in the show cause notice. Further, the member may witness third party in person upon prior information;
  - The committee after being satisfied will take decision following principles of natural justice and pass a reasonable order within period of 3 months from the receipt of all necessary information required for its resolution, in the normal course;
  - A second and final show cause notice will be served upon the member if the submission is not received from the member within the specified period;
  - All the parties to the proceedings reserve the right to submit reply, request personal attendance of witness, file cross-objections.
3. The orders that may be passed by the Disciplinary Committee shall include-
  - expulsion of the member;
  - suspension of the member for a certain period of time as decided by the Committee;
  - admonishment of the member as decided by the Committee;
  - imposition of monetary penalty as decided by the Committee;
  - reference of the matter to the authority, which may include, in appropriate cases, recommendation of the amount of restitution or compensation that may be enforced by the authority; and
  - directions relating to costs.
4. The Disciplinary Committee may pass an order for expulsion of a member if it has found that the member has committed-
  - a. an offence under any law for the time being in force, punishable with imprisonment for a term exceeding six months, or an offence involving moral turpitude;
  - b. a gross violation of the Act, rules, regulations and guidelines issued thereunder, bye-laws or directions given by the Governing Board which renders him not a fit and proper person to continue acting as a registered valuer.

5. Any order passed by the Disciplinary Committee shall be placed on the website of the Organisation within seven days from passing of the said order, with one copy each being provided to each of the parties to the proceeding.
6. Monetary penalty received by the Organisation under the orders of the Disciplinary Committee shall be used for the professional development.
7. (1) The Governing Board will constitute an Appellate Panel consisting of one independent director of the Organisation, one member each from amongst the persons of eminence having experience in the field of law and field of valuation, and one member nominated by the authority.  
  
(2) Any person aggrieved of an order of the Disciplinary Committee may prefer an appeal before the Appellate Panel within thirty days from the receipt of a copy of the final order.  
  
(3) The Appellate Panel shall dispose of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

## **10. SURRENDER OF MEMBERSHIP AND EXPULSION FROM MEMBERSHIP**

### **Temporary Surrender of Membership.**

(1) A member shall make an application for temporary surrender of his membership of the Organisation at least thirty days before he-

- a. becomes a person not resident in India;
- b. takes up employment; or
- c. starts any business, except as specifically permitted under the Code of Conduct;

and upon acceptance of such temporary surrender and on completion of thirty days from the date of application for temporary surrender, the name of the member shall be temporarily struck from the registers of the Organisation, and the same shall be intimated to the authority.

(2) No application for temporarily surrender of membership of the Organisation shall be accepted if -

- (a) there is a grievance or disciplinary proceeding pending against the member before the Organisation or the authority, and he has not given an undertaking to cooperate in such proceeding; or
- (b) the member has been appointed as a registered valuer for a process under the Companies Act, 2013, and the appointment of another registered valuer may be detrimental to such process.

(3) A member may make an application to revive his temporarily surrendered membership when the conditions for temporary surrender as provided in sub-clause (1) cease to be applicable, and upon acceptance of the application for revival, the name of the member shall be re-inserted in the register of the Organisation, and the same shall be intimated to the authority.

### **Surrender of Membership**

(1) A member who wishes to surrender his membership of the Organisation may do so by submitting an application for surrender of his membership.

(2) Upon acceptance of such surrender of his membership, and completion of thirty days from the date of such acceptance, the name of the member shall be struck from the registers of the Organisation, and the same shall be intimated to the authority.

(3) Any fee that is due to the Organisation from a member surrendering his membership shall be cleared prior to his name being struck from the registers of the Organisation.

(4) The Organisation may refuse to accept the surrender of membership by any member if -

- a. there is any grievance or disciplinary proceeding pending against the member before the Organisation or the authority; or
- b. the member has been appointed as a registered valuer process under the Companies Act, 2013, and the appointment of another registered valuer may be detrimental to such process.

### **Expulsion from Membership.**

A member shall be expelled by the Organisation–

- a. if he becomes ineligible to be enrolled under bye-law 9;
- b. on expiry of thirty days from the order of the Disciplinary Committee, unless set aside or stayed by the Appellate Panel;
- c. upon non-payment of membership fee despite at least two notices served in writing;
- d. upon the cancellation of his certificate of registration by the authority;
- e. upon the order of any court of law.

## **CODE OF CONDUCT**

### **Integrity and Fairness**

1. A valuer shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients and other valuers.
2. A valuer shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
3. A valuer shall endeavour to ensure that he/it provides true and adequate information and shall not misrepresent any facts or situations.
4. A valuer shall refrain from being involved in any action that would bring disrepute to the profession.
5. A valuer shall keep public interest foremost while delivering his services.

### **Professional Competence and Due Care**

6. A valuer shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
7. A valuer shall carry out professional services in accordance with the relevant technical and professional standards that may be specified from time to time
8. A valuer shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines and techniques.
9. In the preparation of a valuation report, the valuer shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the company or its auditors or consultants or information available in public domain and not generated by the valuer.

10. A valuer shall not carry out any instruction of the client insofar as they are incompatible with the requirements of integrity, objectivity and independence.
11. A valuer shall clearly state to his client the services that he would be competent to provide and the services for which he would be relying on other valuers or professionals or for which the client can have a separate arrangement with other valuers.

### **Independence and Disclosure of Interest**

12. A valuer shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the valuation assignment or not.
13. A valuer shall not take up an assignment if he/it or any of his/its relatives or associates is not independent in terms of association to the company.
14. A valuer shall maintain complete independence in his/its professional relationships and shall conduct the valuation independent of external influences.
15. A valuer shall wherever necessary disclose to the clients, possible sources of conflicts of duties and interests, while providing unbiased services.
16. A valuer shall not deal in securities of any subject company after any time when he/it first becomes aware of the possibility of his/its association with the valuation, and in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or till the time the valuation report becomes public, whichever is earlier.
17. A valuer shall not indulge in "mandate snatching" or offering "convenience valuations" in order to cater to a company or client's needs.
18. As an independent valuer, the valuer shall not charge success fee.
19. In any fairness opinion or independent expert opinion submitted by a valuer, if there has been a prior engagement in an unconnected transaction, the valuer shall declare the association with the company during the last five years.

### **Confidentiality**

20. A valuer shall not use or divulge to other clients or any other party any confidential information about the subject company, which has come to his/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

### **Information Management**

21. A valuer shall ensure that he/ it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.
22. A valuer shall appear, co-operate and be available for inspections and investigations carried out by the authority, any person authorised by the authority, the registered valuers organisation with which he/it is registered or any other statutory regulatory body.
23. A valuer shall provide all information and records as may be required by the authority, the Tribunal, Appellate Tribunal, the registered valuers organisation with which he/it is registered, or any other statutory regulatory body.

24. A valuer while respecting the confidentiality of information acquired during the course of performing professional services, shall maintain proper working papers for a period of three years or such longer period as required in its contract for a specific valuation, for production before a regulatory authority or for a peer review. In the event of a pending case before the Tribunal or Appellate Tribunal, the record shall be maintained till the disposal of the case.

### **Gifts and hospitality**

25. A valuer or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a valuer.

*Explanation.*— For the purposes of this code the term 'relative' shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).

26. A valuer shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

### **Remuneration and Costs**

27. A valuer shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.

28. A valuer shall not accept any fees or charges other than those which are disclosed in a written contract with the person to whom he would be rendering service.

### **Occupation, employability and restrictions**

29. A valuer shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/ its assignments.

30. A valuer shall not conduct business which in the opinion of the authority or the registered valuer organisation discredits the profession.

### **Share capital and variation of rights**

1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

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

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

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

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

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

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

## **Lien**

9. (i) The company shall have a first and paramount lien --

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

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

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

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

Provided that no sale shall be made --

(a) unless a sum in respect of which the lien exists is presently payable; or

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

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **Calls on shares**

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

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

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

(iii) A call may be revoked or postponed at the discretion of the Board.

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

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

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

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

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

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

18. The Board --

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **Transfer of shares**

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

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

20. The Board may, subject to the right of appeal conferred by section 58 decline to register --  
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or  
(b) any transfer of shares on which the company has a lien.

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

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

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

### **Transmission of shares**

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

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

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

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

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

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

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

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

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

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

### **Forfeiture of shares**

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

28. The notice aforesaid shall --

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

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

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

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

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

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

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

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

(iii) The transferee shall thereupon be registered as the holder of the share; and

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

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

### **Alteration of capital**

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

35. Subject to the provisions of section 61, the company may, by ordinary resolution, --

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

36. Where shares are converted into stock, --

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

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

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

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

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --

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

### **Buy-back of shares**

38. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **General meetings**

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

40. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

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

### **Proceedings at general meetings**

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

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

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

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

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

### **Adjournment of meeting**

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

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

(iii) 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.

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

### **Voting rights**

46. Subject to any rights or restrictions for the time being attached to any class or classes of shares, --

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

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

48. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

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

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

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

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

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

### **Proxy**

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

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

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

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

### **Board of Directors**

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

The company shall have not less than 2 (Two) and not more than 15 (Fifteen) Directors including special, technical, co-opted, executive, ex-officio, alternate, nominated and debenture Directors if any also including any other kind of Directors on the Board.

The following persons shall be the first Directors of the Company:

1. BHANU PRATAP SINGH
2. DHANANJAY SINGH

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

(ii) 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.

58. The Board may pay all expenses incurred in getting up and registering the company.

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

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

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

62. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

### **Proceedings of the Board**

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

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

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

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

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

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

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

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

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

68. (i) A committee may elect a Chairperson of its meetings.

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

69. (i) A committee may meet and adjourn as it thinks fit.

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

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

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

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

72. Subject to the provisions of the Act, --

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer

73. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer

#### **The Seal**

74. (i) The Board shall provide for the safe custody of the seal.

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

#### **Dividends and Reserve**

75. The company is prohibited from payment of any dividend to its members.

76. The company intends to apply its profits, if any, or other income in promoting its objects.

## **Accounts**

77. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

## **Winding up**

78. Subject to the provisions of Chapter XX of the Act and rules made thereunder --

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **Indemnity**

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

S. No.	Name, Address, Description and Occupation of each subscribers	No. of Equity Shares taken by each subscribers	Signature of each subscribers	Signature of Witness with Name, Address, Description and Occupation
1.	<p>Tawannum D/O Mr. Salim Ahmad, R/O 179, Machhali Bazar, Ranjest Pura, Meerut (Business)</p> <p>Jagdeep Singh Dhir S/o Sh. Jatinder Mohan Singh Dhir R/O 270, Banglaeriya Ward No. 6, Meerut. (U.P.) (Business)</p>	<p>5,000</p> <p>5000</p>	<p><i>[Signature]</i></p> <p>Jagdeep Singh</p>	<p>I hereby witness all the subscribers</p> <p>CA - Neha Agarwal. No - Sh. R. K. Gupta No - <i>[Signature]</i></p> <p>M.No. - 409283 R/O 1663, Indira Nagar IV, Babambauri, Meerut. (U.P.)</p>
	Total	10,000		

PLACE- 17/09/2011, Delhi

DATE- 17/9/2011