

**ARTICLES OF ASSOCIATION  
OF  
FINANCE COMPANIES' ASSOCIATION (INDIA)**

**PRELIMINARY**

1. Subject as hereinafter provided, all the regulations contained in Table 'C' in the First Schedule to the Companies Act 1956, read with the conditions contained in the licence under Section 25 of the Companies Act 1956 shall apply to this Association and the provisions contained in these Articles shall apply in so far as they are not repugnant to the aforesaid Table 'C' and the conditions stated in the said licence.

**INTERPRETATION**

2. In these Articles
  - i. "The Act" means the companies Act, 1956.
  - ii. "The Association" or "This Association" shall mean the Company called Finance Companies' Association (India).
  - iii. "The Committee" means "The Managing Committee" of the Association for the time being ;
  - iv. "The Chairman" means the Chairman of the Managing Committee or general meeting of the Association for the time being or the person functioning as "Chairman" under these articles ;
  - v. "The Co-Chairman" means the Co-Chairman of the Managing Committee or general meeting of the Association.
  - vi. "The Seal" means the Common Seal of the Association.
3.
  - a) Unless the context otherwise requires, words or expressions in these regulations shall bear 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 Association.
  - b) Except where the context otherwise requires, words importing the singular shall include the plural and words importing the plural shall include the singular.

## **MEMBERS**

4. The number of members with which the Association proposes to be registered is 500, but the Managing Committee may, from time to time, whenever the Association or the business of the Association requires it, register an increase of members.

(After substitution by Special Resolution dated 29.09.1993)

5. The membership will be normally open to Companies, firms and other bodies corporate, regularly engaged in the business of Leasing Equipments. Provided this Article shall not apply in case of the signatories to the Memorandum.

Provided further, the Committee may also admit any person as a member if his admission is considered by the Committee as being beneficial to the working of the Association.

6. The subscribers to the Memorandum of Association and such other persons as the Managing Committee shall admit to membership from time to time, shall be members of the Association.

## **ADMISSION OF MEMBERS**

7. Every candidate for admission to the membership of the Association shall be proposed by one member and seconded by another member of the Association and the proposal shall be in writing, signed by the proposer, seconder and the candidate himself in such form and contain such particulars as may be prescribed from time to time by the Association. Such proposal shall also be accompanied by the entrance fee as stated in these Articles of Association.
8. A proposer or seconder may at any time withdraw before the proposal for admission to the membership is considered. The candidate in such cases can make a fresh application for membership with a different proposer or seconder as the case may be.
9. The proposals for admission of new members shall be considered by the Managing Committee who shall either admit the candidate or reject their candidature. Their decision in the matter shall be final, and they shall not be required to assign any reason for rejecting the admission or a candidate for membership.

“Provided that no person shall be admitted as a member of the Association during the period commencing 14 days prior to the date of the Annual General Meeting and ending with the date of the Annual General Meeting, both days inclusive.”

10. On the admission of a member, the Secretary or such other person duly authorised by the Committee in this behalf shall notify the same in writing to the member concerned and shall, on request, furnish him with a copy of the Memorandum and Articles of the Association free of cost.
11. If any application for membership is rejected by the Committee, the entrance fee paid in advance by or on behalf of the candidate will be refunded to the candidate.

### **ENTRANCE FEE AND SUBSCRIPTION**

12. The entrance fee for members is increased to and shall be Rs. 10,000/-. (After substitution by Special Resolution dated 26.09.2002).
13. The Annual Subscription shall be linked to the net worth of the member company and shall be as given below : (After substitution by Special Resolution dated 27.09.2003).

	<u>* Net worth</u>	<u>Annual Subscription Payable</u>
(a)	Up to Rs. 10 crores	Rs. 5,000/-
(b)	Between Rs. 10 crores and Rs. 20 crores	Rs. 10,000/-
(c)	Above Rs. 20 crores	Rs. 25,000/-

\* Aggregate of the paid-up capital and free reserves as appearing in the latest audited balance sheet of the company.

### **RIGHTS AND PRIVILEGES OF MEMBERS**

14. Same as herein provided, all members shall be entitled to attend the General Meetings of the Association.
15. Subject to the rules and regulations made from to time by the Managing Committee, every member shall be entitled to free access to the Registered Office of the Association, to attend all lectures, conferences and seminars held by the Association, and also use the library and other amenities provided by the Association. They shall also be entitled to the issue of all publications of the Association either free of cost or at the prices fixed by the Committee.

### **CESSATION OF MEMBERSHIP**

16. Any member may resign by giving notice of his intention to resign. Such notice shall be deemed to take effect 60 days after the last day of the month in which such notice is received, provided that any member giving such notice on or after the 1st of January shall be liable to pay his subscription for the current year.

## **REMOVAL OF MEMBERS**

17. If at any time the Committee of the Association shall be of the opinion that the interest of the Association so requires, the Committee, may, terminate the membership of any member by a resolution of the Committee passed with not less than three-fourth majority of the members present.

Provided however, before such removal, the members shall be allowed a reasonable opportunity to offer an explanation of his conduct orally or in writing.

## **ARREARS OF SUBSCRIPTION**

18. If any member fails to pay his subscription in accordance with Clause 13 above, notice shall be sent to him by registered post, drawing his attention thereto and if he does not remit the amount within 35 days of the dispatch of such notice, his name may forthwith be published in the notice board of the office of the Association, as a defaulter. If such subscription is not paid within two months of such publication, the defaulter shall ipso facto cease to be a member and his name shall be deleted from the register of members. The member may however be re-admitted at the discretion of the Managing Committee without repayment of the entrance fee, if he satisfies the Committee that such default was neither intentional nor willful on his part.

## **EFFECT OF CEASING TO A MEMBER**

19. Any member shall, upon ceasing to be a member of the Association, forfeit all rights including his membership of the Managing Committee or any sub-committee thereof, if any, and also any other rights or any claim upon the Association, its property and funds; but such member or his estate shall remain liable to pay all sums due by him to the Association.

## **MANAGING COMMITTEE**

20. The administration of the affairs of the Association shall vest in the Managing Committee. For purposes of the Act, the Managing Committee is declared to be Board of Directors.
21. The number of members of the Managing Committee shall be not less than five and nor more than twenty at any time. (After substituted by Special Resolution dated 28.12.1987).
22. The Chairman, the Co-Chairman and the members of the Managing Committee shall be elected at the Annual General Meeting and they shall hold office till the next Annual General Meeting. The Chairman and the Co-Chairman so elected shall be ex-officio members of the Managing Committee.

23. The Signatories to this Memorandum and Articles of Association shall be the first members of the Managing Committee and Mr. Ved Prakash Gupta and Mr. Farouk Irani shall be the first Chairman and Co-Chairman thereof respectively. The first members of the Committee shall hold office till the date of the first Annual Meeting and they shall be eligible for re-election.
24. (a) Any vacancy arising in the office of the Chairman or Co-Chairman during the interval between two Annual General Meetings may be filled up by the Committee by election from among the members thereof and such person shall be entitled to hold office till the next Annual General Meeting.
- (b) The Committee shall be entitled to elect any member of the Association as a member of the Committee to fill up any vacancy arising during the interval between two Annual General Meetings and such a person shall be entitled to hold office till the next Annual General Meeting.
- (c) Subject to the provisions of Section 260 of the Act, the Committee shall also appoint such additional members as they consider necessary from time to time.
25. (i) Meetings of the Managing Committee shall be held at such time and place as the Committee may decide, provided that a Meeting of the Committee shall be held, at least once in every six calendar months.
- (ii) The Chairman, or in his absence the Co-Chairman may, when it appears to him to be necessary and shall at the requisition of any two members of the committee, call for a special meeting of the Committee.
- (iii) The Chairman, the Co-Chairman, the Secretary or such other person as may be authorised in this behalf by the Committee, may issue the notice convening the meetings of the Committee.
- (iv) The quorum for a meeting of the Committee shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two members, whichever is higher, provided that, if at any time, the number of members interested in any subject matter to be considered at a meeting is equal to or exceeds two-thirds of its total strength, the number of remaining members not being less than two shall be the quorum for such meetings.
- (v) The Chairman of the Meeting of the Committee for the time being shall, in the event of equality of votes have a casting vote in addition to his vote as member of the Committee.
- (vi) No member of the Managing Committee shall be paid any remuneration by way of sitting fees or otherwise, for attending meetings of the Committee or any Sub-committee thereof. He shall be paid the actual traveling expenses and other reasonable expenses incurred by him in attending the meetings of the Committee or of the Sub-committee of which he is a member or in connection with the business of the Association.

26. The Managing Committee may elect one of their members as Secretary of the Association, who shall hold office on honorary basis and exercise such powers and authority as may be delegated to him, by the Committee from time to time. The person so elected shall hold office till next Annual General Meeting and be eligible for re-election.
27. (i) The Managing Committee shall subject to the provisions of the Act have power :-
- (a) To make, vary, amend or repeal the rules or bye-laws for the internal management and conduct of the business of the Association ;
  - (b) To appoint members of the staff of the Association on such terms and conditions and remuneration as they may deem fit and proper ;
  - (c) To fix the duties and responsibilities of the Secretary, other Officers and other Employees of the Association ;
  - (d) To suspend, discharge or terminate the services of all categories of employees of the Association ;
  - (e) To incur such expenses, as are in their opinion, necessary for carrying out the objects of the Association.
  - (f) To collect subscriptions, and any other sums due or payable to the Association ;
  - (g) To collect donations for the Association or to make donations on behalf of the Association ;
  - (h) To appoint and nominate, counsels and solicitors to advise them on all or any matters connected with the Association and duly authorize them to represent the Association in Courts of Law, before any executive Authority or before any Committee constituted by the Central and State Governments or by the Parliament or the State Legislatures, in connection with any measures or legislation or any manner concerning Equipment Leasing business.
  - (i) To provide for the maintenance and safe custody of the accounts, statutory books, documents and all other papers.
  - (j) To appoint Sub-committees from the members of the Committee and delegate to such Sub-committees any functions which the Committee is not prohibited from delegating under any law for the time being in force ;
  - (k) To do all other things necessary and expedient for carrying out the objects of the Association ;

- (i) To exercise all or such powers as the General Meetings may confer on them from time to time.
  - (ii) In addition to the powers expressly conferred on them by the above clause, the Committee shall be entitled to exercise all such powers and do all such acts or things as may be exercised or done by the Association for the purpose of carrying out its objects as set forth in the Memorandum of Association provided that the Committee shall not exercise any power, or do any act or thing which is directed or required whether by the Memorandum and Articles of Association or by the Act or by any other law or otherwise, to be exercised or done by the Association in the General Meetings.
- 28. The Managing Committee shall, subject to the provisions of the Act have power to borrow or raise money required for the purposes of the Association, subject to such limits, and on such terms and conditions as may be fixed up by the Association at its General Meetings.
- 29. The Managing Committee shall have power to invest the funds of the Association in such manner as they deem fit and proper subject to such terms and conditions as may be fixed up by the Association at its General Meeting.
- 30. All the documents which require to be executed by the Association shall be executed by such persons as the Committee shall from time to time decide.

#### **AUDIT**

- 31. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act, or any statutory modification thereof for the time being in force and for this purpose, the said provisions shall have effect as if the word "Members" were substituted for "Shareholders".

#### **SEAL**

- 32. (1) The Managing Committee shall provide for the safe custody of the Seal.
- (2) The Seal of the Company shall not be affixed to any instrument except by the authority of a Resolution of the Managing Committee and except in the presence of at least two members of the Committee and of the Secretary or of such other person as the Committee may appoint for such purpose and these two members and the Secretary or such other person so appointed shall sign every instrument to which Seal of the Company is so affixed in their presence.

## **NOTICES**

33. A notice may be given by the Association to any member either personally or by sending it by post to him to his registered address.
34. Subject to Section 53 of the Act where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and such service shall be deemed to have been effected if in the case of a notice for a meeting at the expiration of forty-eight hours after the letter containing the same is posted.

## **INDEMNITY**

35. The Chairman, Co-Chairman and other members of the Committee for the time being shall be indemnified by the Association against, and it shall be the duty of the Association out of the funds of the Association to pay all costs, losses and expenses (unless incurred by his own willful neglect) which any such Officer may incur or become liable to pay by reasons of any contract entered into or act or thing done by him as such Officer or in any way in the discharge of his duties including traveling expenses.
36. The General body of the Association may frame rules for any special matter not herein expressly provided for and may under like circumstances, alter vary or repeal any such rules.



Sl. No.	Name, description and address of subscribers	Occupation of Subscribers	Signature
1.	Ved Prakash Gupta S/o. L. Sundar Doss Aggarwal B-16, Greater Kailash I NEW DELHI	Businessman	Sd. Ved Prakash Gupta
2.	Farouk Irani S/o. Sri Merwan R. Irani "LA REVE" 10, River View Road, MADRAS – 600 085	Company Executive	Sd. Farouk Irani
3.	T. N. Padmanabhan S/o. T. R. Narasimhachari 4, Bazullah Road, T. Nagar, MADRAS – 600 017	Company Executive	Sd. T.N. Padmanabhan
4.	D. Ahuja S/o. Chettan Das Ahuja, 502, Raheja Chambers, Nariman Point, BOMBAY	Financial Consultant	Sd. D. Ahuja
5.	Satnam Singh Khera S/o. Karam Sing Khera 142, Jolly Maker Apartments I Tower B, Cuffe Parade BOMBAY.	Company Executive	Sd. Satnam Singh Khera
6.	K.V.K. Raju S/o. K.V.N. Raju Nagarjuna Hills, HYDERABAD – 500 004	Industrialist	Sd. K.V.K. Raju
7.	S Raghavan S/o. R.V. Srinivasa Iyengar 16, North Street, Sriram Nagar, MADRAS – 600 018	Company Executive	Sd. S. Raghavan

Dated this 27<sup>th</sup> day of February 1984.

Signature, name, address, description and occupation of witness to the above signatures.

Sd. T. C. Parthasarathy  
S/o. Sri T.C. Srinivasaraghavan  
Plot No. 57, Lakshminagar Extension,  
Porur – 602 104.  
Company Executive