

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

Article 9 provides that, “The authorized share capital of the Company shall be such amounts and be divided as may, from time to time, as provided in Clause V of the Memorandum of Association. The share capital shall be payable in the manner as may be determined by the Board, from time to time. The Board, subject to the approval of the Shareholders, as prescribed under the Act, shall have the power to reclassify, increase, reduce, subdivide, repay or divide the share capital into several classes and to attach thereto any rights and to consolidate or subdivide or re-organize the shares, subject to the provisions of the Act and to vary such rights as may be determined in accordance with the Act.”

Shares at the disposal of Directors

Article 6 provides that, “Subject to the provisions of the Act and these Articles and other Applicable Laws, 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 or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors deem fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issue as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the approval of the Company in the General Meeting.”

Article 7 provides that,

- “(i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other Applicable Law, 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. The Company may also, on any issue of shares, debentures or other securities pay such brokerage as may be lawful.
- (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 of the Act.
- (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.
- (iv) 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 of the Act, 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.
- (v) 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 as per the applicable provisions of the Act.”

Further issue of Share Capital

Article 19 provides that, “Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such shares shall be offered, subject to the provisions of Section 62 of the Act, and the rules made thereunder:

- (a) to the person(s) who, at the date of the offer, are holders of the shares, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.
- (b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.
- (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the Directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any member may renounce the shares offered to him.