



Highlights of the proposed changes in the Memorandum of Association and Articles of Association

As per the terms of payments bank license granted by Reserve Bank of India to Airtel Payments Bank Limited, a subsidiary company, the Company is mandatorily required to insert the following clause in its Articles of Association:

'No person / group of persons shall acquire any shares of the Company, which would take his / her / its holding to a level of 5% or more (or any such percentage imposed by the Reserve Bank of India from time to time) of the total issued capital of the Company, unless prior approval of the Reserve Bank of India has been obtained by such person / group of persons.'

Provisions of Section 5 of the Companies Act, 2013 provides that in case a Company alters its Articles of Association, it is also required to align its Articles of Association with the provisions of the Companies Act, 2013. The existing Articles of Association contains reference to the provisions of the Companies Act, 1956 and since the changes required to align it with the Companies Act, 2013 are numerous, it is considered expedient to replace the existing Articles of Association with the new set of Articles of Association.

While amending the Articles of Association, the Company also thought it appropriate to amend the Memorandum of Association to align it with the Companies Act, 2013.

Highlights of the amendments in Memorandum of Association and other changes in the Articles of Association are as under:

Memorandum of Association

- Headings of the Main Objects and the Incidental and Ancillary Objects are proposed to be replaced with the new headings to make it in conformity with the provisions of the Companies Act, 2013.
- The Liability Clause in the Memorandum is being replaced to clarify, that the liability of the members is limited to the amount unpaid on the shares, to make it in conformity with the provisions of the Companies Act, 2013.
- The Other Objects are being deleted, to be in conformity with the provisions of the Companies Act, 2013.
- Reference to sections of the Companies Act, 1956 have been substituted with the reference to the sections of the Companies Act, 2013.

Articles of Association

- Reference to the sections, sub-sections, clauses etc. of the Companies Act, 1956 have been substituted with corresponding sections, sub-sections, clauses etc. of the Companies Act, 2013.
- New provisions relating to the Chief Executive Officer and Chief Financial Officer in addition to the Manager and Company Secretary have been added.
- The provisions of the Companies Act, 2013, which permit the Company to do some acts, if so authorized by the Articles, or, which require the Company to do acts in a prescribed manner unless articles otherwise provide, have been specifically included.
- Provisions relating to Independent Directors, electronic voting, postal ballot, board meeting through audio visual means have been included.
- No changes have been made in the articles relating to the terms of Shareholders Agreement

Bharti Airtel Limited
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