

**THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
KRSNAA DIAGNOSTICS LIMITED**

**PRELIMINARY**

The regulations contained in Table “F” in Schedule I to the Companies Act, 2013 shall apply to Krsnaa Diagnostics Limited (the “**Company**”) only to the extent that the same are not specifically provided for in these Articles of Association and are not inconsistent with these Articles. In case on any inconsistency of provisions contained in Table “F” in Schedule I to the Companies Act, 2013 and these Articles, the provisions of these Articles will prevail subject to provisions of the Companies Act, 2013.

These Articles of Association of comprise two parts, Part A and Part B. Notwithstanding anything contained in these Articles of Association or elsewhere, in case of inconsistency or conflict or overlap between such Part A and Part B, the provisions of Part B, subject to applicable Law, shall prevail; however, Part B shall stand deleted, not have any force under law and be deemed to be removed from these Articles of Association upon the commencement of listing and trading of the equity shares of the Company on any recognized stock exchange in India, pursuant to an initial public offering of such equity shares of the Company and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action by the Company or its shareholders.

**PART A OF THE ARTICLES OF ASSOCIATION**

**I. DEFINITIONS AND INTERPRETATION**

1. In these Articles:

- (i) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which the Articles become binding on the Company. In these Articles:

“**Act**” means Companies Act, 2013 of India and all rules, notifications, circulars and clarifications issued thereunder, along with any amendments, re-enactments or other statutory modifications thereof for the time being in force.

“**Annual General Meeting**” means the annual General Meeting held in accordance with Section 96 of the Act.

“**Articles**” means the articles of association of the Company as amended from time to time in accordance with the Act.

“**Auditors**” shall mean and include those persons appointed as such for the time being



by the Company.

**“Beneficial Owner”** means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

**“Board”** or **“Board of Directors”** means the board of Directors of the Company as constituted from time to time in accordance with Law and the terms of these Articles.

**“Board Meeting”** means a meeting of the Directors duly called, constituted and held or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles and the Act.

**“Chairman”** or **“Chairperson”** means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board or/and General meetings of the Company.

**“Debenture”** includes debenture stock, bonds or any other instrument evidencing a debt, whether constituting a charge on the assets of the Company, or not.

**“Depositories Act”** means the Depositories Act, 1996, as amended or any statutory modification or re-enactment thereof for the time being in force.

**“Depository”** means a Depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992, as amended.

**“Director”** means a director of the Board appointed from time to time in accordance with the terms of these Articles and the provisions of the Act.

**“Dividend”** means the dividend including the interim dividend, as defined under the Act.

**“Equity Share Capital”** means in relation to the Company, its equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

**“Encumbrance”** means any encumbrance, including, without limitation, charge, claim, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), option, security interest, mortgage, easement, encroachment, public / common right, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, any provisional, conditional or executorial attachment and any other interest held by a third party.

**“Fully Diluted Basis”** means the total classes of Shares outstanding on a particular date, combined with all outstanding options, warrants, convertible securities of all



kinds, any other arrangements relating to the Company's equity or any other instrument, all on an "**as if converted**" basis. For the purposes of this definition, "**as if converted**" basis shall mean as if such instrument, option or security had been converted into equity Shares of the Company in accordance with the terms of its issuance.

"**General Meeting**" means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary General Meeting.

"**Independent Director**" shall have the meaning assigned to the said term under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

"**INR**" or "**Rs.**" means the Indian Rupee, the currency and legal tender of the Republic of India.

"**Law**" includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority (including but not limited to the Reserve Bank of India Act, 1934, as amended and any applicable rules, regulations and directives of the Reserve Bank of India), statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

"**Managing Director**" means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

"**Member**" means a member of the Company within the meaning of sub-Section 55 of Section 2 of the Act, as amended from time to time.

"**Memorandum**" means the memorandum of association of the Company, as amended from time to time.

"**Ordinary Resolution**" shall have the meaning assigned to it in Section 114 of the Act.

"**Paid up Capital**" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of Shares issued by the Company and also includes any amount credited as paid-up in respect of Shares of the Company, but does not include any other amount received in respect of such Shares, by whatever name called.

"**Person**" means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or



limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law.

“**Preference Share Capital**” means in relation to the Company, its preference Share capital within the meaning of Section 43 of the Act, as amended from time to time.

“**Proxy**” means an instrument whereby any person is authorized to vote for a member at a General Meeting on a poll and shall include an attorney duly constituted under a power-of-attorney.

“**Registrar**” or “**RoC**” or “**Registrar of Companies**” means Registrar of Companies, Pune.

“**RBI**” means the Reserve Bank of India.

“**Seal**” means the common seal of the Company.

“**SEBI**” means Securities and Exchange Board of India.

“**Secretary**” or “**Company Secretary**” means company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, as amended, who is appointed by the Company to perform the functions of a company secretary under the Act.

“**Securities**” have the meaning assigned to the term in clause (h) of section 2 of the Securities Contract (Regulation) Act, 1956, as may be amended from time to time.

“**Shares**” means a share in the Share Capital of the Company and includes stock.

“**Share Capital**” means the Equity Share Capital and Preference Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

“**Shareholder**” shall mean a Member of the Company.

“**Special Resolution**” shall have the meaning assigned to it in Section 114 of the Act.

- (ii) The terms “*writing*” or “*written*” include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.
- (iii) The headings hereto shall not affect the construction hereof.
- (iv) Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under



the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.

- (v) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
- (vi) In these Articles, words that are gender neutral or gender specific include each gender, as the context may require.

## **II. PUBLIC COMPANY**

- 2. The Company is a public company within the meaning of the Act.

## **III. SHARE CAPITAL AND VARIATION OF RIGHTS**

- 3. The authorized Share Capital of the Company shall be as set out in Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
- 4. Subject to the provisions of the Act, these Articles and other applicable Law, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Section 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction 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 Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.
- 5. Subject to these Articles and the provisions of the Act, 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.
- 6. Subject to the provisions of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:



- (i) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
  - (ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
  - (iii) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or
  - (iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.
7. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles
8. Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.
9. The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.
10. Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/allotment of further Shares either out of the unissued Share Capital or increased Share Capital:
  - (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;
  - (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty 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 him or any of them in favour of any other



person and the notice referred to in sub-clause (b) shall contain a statement of this right;

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

(e) Notwithstanding anything contained in Clause 10 (a) to (d), such further Shares may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (10) hereof) in any manner whatsoever.

(i) If a special resolution to that effect is passed by the company in general meeting, or

(ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

2. Nothing in sub-clause (c) of (10) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Such further Shares, as referred to in Article 10, may be offered to the persons who are:

(i) employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(ii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.

(iii) The notice referred to in Article 10(i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue.



11. Nothing in Article 10 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.
12. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.
13. Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.
14. The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depository Receipts or Global Depository Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depository Receipts or Global Depository Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.
15. 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 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. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.
16. 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.
17. Subject to the provisions of the Act, the Company may issue bonus Shares to its





Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

18. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.
19. The Board of the Company may recommend an employee shares or security option scheme or plan from time to time.
20. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.
21. Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:
  - (i) the Share Capital;
  - (ii) any capital redemption reserve account; or
  - (iii) any securities premium account.

#### **IV. CAPITALISATION OF PROFITS**

22. The Company in General Meeting may, upon the recommendation of the Board, resolve –
  - (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in Article 23 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
23. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 24 below, either in or towards:
  - (i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or
  - (ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or
  - (iii) partly in the way specified in Article 23(i) and partly in that specified in



Article 23(ii);

- (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.
  - (v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
24. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
  - (ii) generally, do all acts and things required to give effect thereto.
25. The Board shall have power to:
- (i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and
  - (ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.
26. Any agreement made under such authority shall be effective and binding on such Members.

#### **V. COMMISSION AND BROKERAGE**

27. 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 amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
28. The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules.
29. 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.



30. The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

## VI. LIEN

31. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares. Provided that the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article.
32. Subject to the provisions of the Act, 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 -
- (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of 14 (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.
33. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.
- 34.
- (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.
- 35.
- (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.

## VII. CALLS ON SHARES

36. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money 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.

37. Each Member shall, subject to receiving at least 14 (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.
38. A call may be revoked or postponed at the discretion of the Board.
39. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
40. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
41. 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 thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
42. Any sum which by the terms of the 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles 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.
43. The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so



advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

### VIII. DEMATERIALIZATION OF SECURITIES

44. The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof.

Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

45. Notwithstanding anything contained herein but subject to the provisions of Law, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. Both the Company or the investor may exercise an option to issue, deal in, hold the securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable Law.
46. The Company shall be further entitled to maintain a register and index of Members with the details of securities held in material and dematerialized form in any medium as permitted by Law including any form of electronic medium. The Company shall have the power to keep in any state or country outside India, a register of Members, resident in that state or country.
47. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.
48. If a Person opts to hold his Securities in dematerialised form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.



49. All Securities held by a Depository shall be dematerialized and shall be in a fungible form.
- (i) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Securities on behalf of the beneficial owner.
  - (ii) Save as otherwise provided in (i) above, the Securities as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.
50. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall, in accordance with the provisions of these Articles and the Act, be entitled to all the liabilities in respect of his Shares which are held by a Depository.
51. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
52. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

## IX. TRANSFER OF SECURITIES

53. The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. 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. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
54. Where Shares are converted into stock:
- (i) 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.

- (ii) 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.
55. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, 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 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.
56. Subject to the provisions of the Act, these Articles, the Securities Contracts (Regulation) Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.
57. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, Shares or Debentures be



transferred to any insolvent or a person of unsound mind.

58. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
59. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register -
  - (i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
  - (ii) any transfer of Shares on which the company has a lien.
60. The Board may decline to recognize any instrument of transfer unless –
  - (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
  - (ii) 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
  - (iii) the instrument of transfer is in respect of only one class of Shares
61. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
62. The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.

## **X. TRANSMISSION OF SHARES**

63. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.
64. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:
  - (i) to be registered as holder of the Share; or





- (ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles 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.

- 65. 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.
- 66. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- 67. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.
- 68. All the limitations, restrictions and provisions contained in these Articles 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.
- 69. 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 the General 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 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

## **XI. FORFEITURE OF SHARES**

- 70. If a Member fails to pay any call, or instalment of a call or any part thereof, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 71. The notice issued under Article 70 shall:
  - (i) name a further day (not being earlier than the expiry of 14 (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



- (ii) 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 will be liable to be forfeited.
72. If the requirements of any such notice as aforesaid is 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.
73. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
74. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
75. 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 the Person to the Company in respect of the Shares.
76. 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.
77. 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 Person claiming to be entitled to the Share.
78. 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 otherwise disposed of.
79. The transferee shall there upon be registered as the holder of the Share.
80. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
81. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

## XII. SHARES AND SHARE CERTIFICATES

82. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a "foreign register" of Members or Debenture holders resident in that



country.

83. A Person subscribing to Shares of the Company shall have the option either to receive certificates for such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares.
84. Unless the Shares have been issued in dematerialized form, 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 sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –
- (i) one certificate for all his Shares without payment of any charges; or
  - (ii) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.
85. Every certificate of Shares shall be under the seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. The common seal shall be affixed in the presence of the persons required to sign the certificate. Further, out of the two Directors there shall be at least one director other than managing or whole-time director, where the composition of the Board so permits. *Provided that* in respect of a 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.
86. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.
87. The Board may subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.
88. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, 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 deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fee if the Board so decides, or on payment of such fee (not exceeding Rs.20 for each certificate) as the Directors shall prescribe. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

*Provided that* notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

89. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed there under.
90. Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed under the Act.

### **XIII. SHAREHOLDERS' MEETINGS**

91. An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government), and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend



every General Meeting either in person or by proxy.

92. All notices of, and other communications relating to, any General Meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.
93. All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.
94. Subject to the provisions of the Act, the business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the auditors; in the case of any other meeting, all business shall be deemed to be special.
95. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.
96.
  - (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.
  - (ii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
  - (iii) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.
  - (iv) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.
  - (v) A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance with the provisions of Section 101 of the Act. Provided that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or



resolutions and not in respect of the latter.

- (vi) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
- (vii) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

#### **XIV. PROCEEDINGS AT SHAREHOLDERS' MEETINGS**

- 97. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.
- 98. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
- 99. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.
- 100. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually 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.
- 101. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.
- 102. If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.
- 103. The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.



104. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.
105. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
106. 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.
107. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairperson of the meeting on his/her own motion and shall be ordered to be taken by him/her on a demand made in accordance with Section 109 of the Act.
108. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
109. Notwithstanding anything contained elsewhere in these Articles, the Company:
  - (i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and
  - (ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

110. Directors may attend and speak at General Meetings, whether or not they are Shareholders.
111. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.
112. The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.
113. If there is no such Chairperson or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.



114. If at any General Meeting no Director is willing to act as the Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairperson of the General Meeting. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands, shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

## XV. VOTES OF MEMBERS

115. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:
- (i) on a show of hands, every Member present in Person shall have 1 (one) vote; and
  - (ii) on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.
116. The Chairperson shall not have a second or casting vote in the event of an equality of votes at General Meetings of the Company.
117. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than Rs. 5,00,000 (Rupees five lakh) or such higher amount as may be prescribed has been paid up.
118. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
119. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
120. In case of joint holders, the vote of the senior who tenders a vote, whether in Person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.
121. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, 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.
122. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on





which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.

123. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.
124. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
125. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.
126. The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
127. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.
128. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/her in accordance with Section 109 of the Act.
129. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutiniser from office and to fill vacancies in the office of scrutiniser arising from such removal or from any other cause.
130. Of the two scrutinisers, one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed.
131. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.
132. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.
133. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.



134. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
135. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
136. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the proxy register with proxies and the register of Directors' holdings.

#### **XVI. PROXY**

137. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.
138. The proxy shall not be entitled to vote except on a poll.
139. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty eight) 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 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
140. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.
141. 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 the adjourned meeting at which the proxy is used.

#### **XVII. DIRECTORS**

142. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not restricted by the Act or by these Articles.
143. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), *provided that* the Company may appoint more than



15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

144. The Directors need not hold any qualification Shares in the Company.
145. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act and other applicable Law.
146. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company, in accordance with the provisions of the Act.
147. Subject to the applicable provisions of the Act and Law, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration provided above.
148. Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.
149. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an “**Original Director**”), subject to these Articles, the Board may appoint another Director (an “**Alternate Director**”), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.
150. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the



resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

151. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.
152. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
153. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.
154. Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.
155. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.
156. If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.
157. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act and as permitted under applicable Law. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or



resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.

158. The Company may, subject to the provisions of the Act and Law, take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

#### **XVIII. MANAGING DIRECTOR OR WHOLE TIME DIRECTOR**

159. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
160. Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.
161. Subject to the provisions of the Act, a managing director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and party in other) as the Board may determine subject to the approval of the Shareholders at the next General Meeting.
162. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a managing director or whole time director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

#### **XIX. MEETINGS OF THE BOARD**

163. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to the provisions of the Act.
164. A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board, subject to the provisions of the Act.
165. Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.
166. The quorum for the meeting of the Board shall be one third of its total strength or 2



(two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

167. 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.
168. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.
169. Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
170. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
171. The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.
172. In case of equality of votes, the Chairperson and the vice-Chairperson of the Board shall decide unanimously at Board meetings of the Company.
173. 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.
174. 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 and applicable under Law.
175. A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (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.

176. A committee may meet and adjourn as it thinks fit.
177. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.
178. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.
179. 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 his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director.
180. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

## XX. POWERS OF THE DIRECTORS

181. The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act



or by these Articles are expressly directed to be exercised by the Members in the General Meeting.

182. Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers covered under Section 179(3)(d) to Section 179(3)(f) to any committee of the Board, managers, or any other principal officer of the Company as they may deem fit and may at their own discretion revoke such powers.
183. The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.
184. Subject to the provisions of the Act, these Articles and other applicable provisions of Law, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; *provided that* the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
185. Subject to the provisions of the Act and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of Debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available.
186. The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies* and bills or may authorise any other Person or Persons to exercise such powers.

## XXI. BORROWING POWERS

187. Subject to the provisions of the Act and these Articles the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the





property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.

188. The Board of Directors shall not except with the consent of the Company by way of a Special Resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up Share Capital, free reserves and securities premium of the Company.

## **XXII. DIVIDEND AND RESERVES**

189. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
190. Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.
191. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
192. Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.
193. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.
194. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.
195. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.



196. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.
197. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
198. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.
199. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.
200. No dividend shall bear interest against the Company.
201. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the equity Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on Share(s).
202. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.
203. Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
204. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.
205. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.



### XXIII. INSPECTION OF ACCOUNTS

206. (i) The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.
- (ii) The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.
- (iii) No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.
- (iv) Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.

### XXIV. SECRECY

207. Every manager, auditor, trustee, member of a Committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all *bona fide* transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the Law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles, the provisions of the Act and the Law.

### XXV. WINDING UP

208. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended. (to the extent applicable).

### XXVI. THE SEAL

209. (i) The Board shall provide for the safe custody of the seal of the Company.
- (ii) The seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or Company Secretary or any other official of the Company as the Board may decide and that 1 (one) Director or Company Secretary or such official shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014, as amended.



## **XXVII. AUDIT**

210. Subject to the provisions of the Act, the Company shall appoint an auditor at an Annual General Meeting to hold office from the conclusion of that Annual General Meeting until a continuous period of five years or such time as permitted under the Act and Law, and every auditor so appointed shall be informed of his appointment.
211. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Section 139 and 140 of the Act and the rules framed thereunder.
212. The remuneration of the auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company may in the General Meeting determine.

## **XXVIII. GENERAL AUTHORITY**

213. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## **XXIX. INDEMNITY**

214. 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 National Company Law Tribunal.



## PART B OF THE ARTICLES OF ASSOCIATION

### SPECIAL ARTICLES

In the event of any inconsistency or contradiction or overlap between the provisions of Part B and Part A of the Articles of Association and between Part B of the Articles of Association and Table F of the Companies Act, the provisions of Part B shall override and prevail over the provisions of Part A of the Articles of Association and Table F of the Companies Act; however, Part B shall stand deleted, not have any force under law and be deemed to be removed from these Articles of Association upon the commencement of listing and trading of the equity shares of the Company on any recognised stock exchange in India, pursuant to an initial public offering of such equity shares of the Company, without any further corporate or other action by the Company or its shareholders.

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1. DEFINITIONS.

Unless otherwise defined in this part B of the Articles of Association, the following terms when capitalized shall have the have the meaning set out as follows:

- 1.1.1. “**Act**” or “**Companies Act**” shall mean the Companies Act, 2013 and/ or the Companies Act, 1956 (to the extent certain sections under the Companies Act, 2013 have not yet been notified and gazetted by the relevant Government Authority);
- 1.1.2. “**Accepting Investor**” shall have the meaning ascribed to it in Article 2.4.3;
- 1.1.3. “**Affected Rights**” shall have the meaning ascribed to it in Clause 7.2.8;
- 1.1.4. “**Affiliate**” in the case of:
  - 1.1.4.1. any subject Person other than a natural Person,
    - 1.1.4.1.1. any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, Controls, is Controlled by or is under common Control with the subject Person, and
    - 1.1.4.1.2. where the subject Person is the Investors, any investment fund managed or advised by the subject Person, or such Investor’s limited partners or general partners or Somerset Indus Healthcare Fund II or its limited partners or general partners or any existing fund managed and/or advised by Kitara Capital International Limited or Kitara Capital Limited – DIFC, or its limited partners or general partners, as on date of this Agreement. Any other Person would be subject to the prior approval of the Promoters.



Provided that, without prejudice to the generality of the foregoing, where the subject Person is the Investor(s), the term Affiliate, shall be deemed to include any fund, collective investment scheme, trust, partnership (including any co-investment partnership), special purpose or other vehicle, which is managed and/ or advised by the relevant Investor's investment manager and/ or investment advisor, or any other fund under the management or advice of the relevant Investor or any of its Affiliates or companies/entities under the same management as the relevant Investor;

- 1.1.4.1.3. in the case of any subject Person that is a natural Person any other Person who is the father, mother, son, daughter or spouse of such subject Person;
- 1.1.5. “**Affirmative Vote Items**” means any of the matters specified in **Part A – Annexure II** with respect to the Company, the pursuit of which matter by the Company and/or the Promoters require the explicit written consent of the Investors and/or the Minority Directors;
- 1.1.6. “**Agreement**” means Restated Shareholders Agreement (SHA) executed by and between the Company, Promoters, minority Shareholders, Existing Investors and New Investor on 22<sup>nd</sup>December, 2018 and as the same may be amended from time to time and shall include all the Annexures and/or Schedules to the SHA;
- 1.1.7. “**Annual Report**” shall have the meaning ascribed to it in Article 11.10;
- 1.1.8. “**Assets**” shall have the meaning ascribed to it in the SSA;
- 1.1.9. “**Audited Financials**” shall have the meaning ascribed to it in Article 11.10;
- 1.1.10. “**Big Five Accounting Firm**” shall mean the following firms of auditors or their recognised affiliates in India, viz: a) KPMG, b) Price Waterhouse Coopers, c) Deloitte Touche Tohmatsu, d) Ernst & Young and (e) Grant Thornton;
- 1.1.11. “**Board**” means the board of directors of the Company as constituted from time to time;
- 1.1.12. “**Budget**” shall have the meaning ascribed to it in Article 9.3.1;
- 1.1.13. “**Business**” shall mean the business as specified in the main objects of the memorandum of association of the Company and all other business and activities that may be carried on by the Company at any time hereafter;



- 1.1.14. “**Business Day**” shall mean any day other than: (a) a Saturday or a Sunday; or (b) the day which has been declared and notified by the Government of India in the Official Gazette to be a “**Public Holiday**” in Pune or Delhi as referred to in the Explanation to Section 25 of the Negotiable Instruments Act, 1881 or (c) a public holiday, on which banks are not open for business in Port Louis, Mauritius; or (d) in the context of a payment being made to or from a scheduled commercial bank in a place other than India or Mauritius, any public holiday in such other place;
- 1.1.15. “**Business Plan**” means the business plan of the Company duly prepared by Promoters and approved by the Investors, which shall include the business strategy, project details, project costs, means of finance including for working capital, projected financial statements including profit & loss account, balance sheet, cash flow statements, detailed breakdown of working capital and capital expenditure and key performance indicators and employee head count for the Financial Years commencing on 2018-19 and ending 2021-22;
- 1.1.16. “**Competitor**” means SRL Diagnostics ([www.srlworld.com](http://www.srlworld.com)), Metropolis Healthcare ([www.metropolisindia.com](http://www.metropolisindia.com)) and Thyrocare Technologies ([www.thyrocare.com](http://www.thyrocare.com));
- 1.1.17. “**Connected Person/Concern**” of the Company includes:
- 1.1.17.1. any company under the same management (as defined in the relevant provisions of the Act) as the Company;
  - 1.1.17.2. any member, director, officer, Key Management Team of the Company, or any Affiliate of any such member or director;
  - 1.1.17.3. the Promoter or any shareholder of the Promoter, if applicable, or any Affiliate of the Promoter;
  - 1.1.17.4. any director of the Company or of any holding or subsidiary company of the Company or of any Affiliate of the Company;
  - 1.1.17.5. any trust in which any Promoter is trustee or beneficiary;
  - 1.1.17.6. any director of any holding or subsidiary company of any Promoter or any Affiliate of the Promoter;
  - 1.1.17.7. any firm or unlisted company in which the Company, the Promoter, any such director or any Affiliate or partner of any such director, Promoter or Affiliate, is a partner, shareholder or director or has any control or significant interest;
  - 1.1.17.8. any listed company in which the Company, the Promoter, any such director or any Affiliate is a director or holds shares exceeding 1% (*one percent*) of the paid-up equity share capital of such listed company;



- 1.1.18. “**Consent**” means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called which is required to be granted by the Government, the creditors or under any applicable Law;
- 1.1.19. “**Control**” (including, with its correlative meanings, the term “under common control with”), as used with respect to any Person, means (a) the beneficial ownership or the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether by ownership of voting securities, by contract or otherwise, or (b) the power to elect more than one-half of the directors, partners or other individuals exercising similar authority with respect to such Person, or (c) the possession, directly or indirectly, of a voting interest of more than 50% (*fifty percent*); or (d) power to direct the management or policies of such Person, by contract or otherwise;
- 1.1.20. “**Deadlock**” shall mean failure to pass a resolution at a Board meeting (including committees thereof) or at a Shareholders meeting in relation to any of the matters set out in Article 14.5, after a period of 6 (*six*) months from the date on which a resolution relating to the aforesaid matters was first placed before the Board (including a committee thereof) or a Shareholders meeting, as the case may be;
- 1.1.21. “**Dilutive Issuance**” shall have the meaning ascribed to it in Article 6.1;
- 1.1.22. “**Director**” means a director of the Company for the time being;
- 1.1.23. “**Drag Along Purchaser**” shall have the meaning ascribed to it in Clause 9.7.8;
- 1.1.24. “**Drag Along Notice**” shall have the meaning ascribed to it in Article 7.6.6;
- 1.1.25. “**Drag Along Right**” shall have the meaning ascribed to it in Article 7.6.5;
- 1.1.26. “**Drag Completion Date**” shall have the meaning ascribed to it in Article 7.6.6;
- 1.1.27. “**Dragged Shares**” shall have the meaning ascribed to it in Article 7.6.5;
- 1.1.28. “**EBITDA**” mean earnings before interest, taxes, depreciation and amortization;
- 1.1.29. “**Effective Date**” shall have the meaning ascribed to it in Clause 2;
- 1.1.30. “**Electronic Mode**” means any video conferencing facility i.e., audio visual electronic communication facility employed by the Company which enables all Persons participating in that meeting to communicate concurrently with





each other without an intermediary and to participate effectively in the meeting;

- 1.1.31. “**Employee/s**” means either confirmed or permanent employee of the Group Company working in India or outside India, and includes an officer or Key Management Team and any other Persons who are under probation in accordance with the terms of appointment letters issued by the Group Company. An Employee shall continue to be an employee during the period of any leave of absence approved by the Group Company or transfers between locations of the Group Company or any successor thereof;
- 1.1.32. “**Encumbrance**” shall mean any mortgage, pledge, trust, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, burden, title defect, title retention agreement, lease, sub-lease, license, occupancy agreement, easement, covenants, condition, encroachment, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation or negotiation or refusal, proxy, charge or other restrictions or limitations of any nature whatsoever, including restriction on use, voting rights, right of first offer, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, contract arrangement, commitment or undertaking, whether conditional or otherwise, to create any of the same;
- 1.1.33. “**ESG Policy**” shall mean the policies relating to Environment Social Governance standards developed by the New Investor in consultation with the Company;
- 1.1.34. “**Equity Shares**” means equity shares in the issued, subscribed and paid up equity share capital of the Company having a face value of INR 10 (*Indian Rupees Ten*) each;
- 1.1.35. “**Existing Investors**” shall mean Somerset Indus Healthcare Fund I, KITARA PIIN 1104 and Mr. Mayur Sirdesai, (as a partner of and on behalf of M/s. Lotus Management Solutions);
- 1.1.36. “**Existing Investor Investment Amount**” shall mean the amount of INR 50,12,14,846 (*Indian Rupees Five Hundred One million Two hundred Fourteen thousand Eight hundred Forty Six*) invested by the Existing Investors into the Company towards subscription of Securities by the Existing Investors in accordance with the Existing SSA, and thereafter the amount of INR 100,240,000 (*Indian Rupees One hundred million Two Hundred Forty Thousand*) pursuant to the rights issue as set out in Recital E;
- 1.1.37. “**Fair Market Value**” means the market value per share outstanding as determined on an arm’s length basis by any one of the Big Five Accounting Firms (acting through or represented by their respective audit teams or affiliate audit firms permitted to practice in India under the regulations of the Institute



of Chartered Accountants of India), appointed by the Investors. Such valuation shall be binding on the Parties.

- 1.1.38. “**Financial Year**” means the financial year of the Company commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year;
- 1.1.39. “**Finance Head**” means any person who is heading the finance department of the Company;
- 1.1.40. “**Financial and Other Information**” shall have the meaning ascribed to it in Article 11.5;
- 1.1.41. “**First Completion**” shall have the meaning ascribed to it in the SSA;
- 1.1.42. “**First Completion Date**” shall have the meaning ascribed to it in the SSA;
- 1.1.43. “**First Subscription Long Stop Date**” shall have the meaning ascribed to it in the SSA;
- 1.1.44. “**Fully Diluted Basis**” means the equity shareholding ownership in the Company at the relevant point in time as calculated after taking into account all the issued and outstanding Equity Shares and the preference shares issued, and all outstanding options, warrants, convertible debentures, employee stock options, if any, from time to time and all other Securities of the Company as if all such options, warrants, convertible debentures and all other outstanding Securities were converted to Equity Shares at that point in time and such calculation shall take into consideration *inter alia* all Share splits, bonus issuances, if any;
- 1.1.45. “**Government Authority**” shall mean the government of any nation, state, city, locality or other political sub-division thereof, any ministry or department of such government or any statutory or other entity or authority or body exercising executive, legislative, judicial, quasi-judicial, regulatory or administrative functions of or pertaining to government, and shall include the Reserve Bank of India, the Securities and Exchange Board of India, the Department of Industrial Policy and Promotion, the Foreign Investment Promotion Board, any relevant Tax authority and any other authority duly exercising jurisdiction over a Party;
- 1.1.46. “**Group Company(ies)**” means the Company and its Subsidiaries (present or future) and joint venture companies (with equal and/or majority voting share capital owned by the Company);
- 1.1.47. “**INR**” means Indian Rupees, the currency and legal tender of the Republic of India for the time being in force;



- 1.1.48. “**Initial ROFO Notice**” shall have the meaning ascribed to it in Article 2.2.2.1;
- 1.1.49. “**Initial ROFO Offer Period**” shall have the meaning ascribed to it in Article 2.2.2.2;
- 1.1.50. “**Insolvency Proceedings**” shall mean insolvency proceedings of any character or form and without limitation would include:
- 1.1.50.1. any proceedings of bankruptcy, liquidation, receivership, reorganization, composition, or arrangement, voluntary or involuntary, administration, or scheme with creditors, moratorium, interim or provisional supervision by the court or court appointee, whether in the jurisdiction of the place of incorporation or in any other jurisdiction, whether in or out of court
  - 1.1.50.2. an application to a court for an order, or the making of any order, that the Company be wound up, that a liquidator or receiver be appointed or that it be placed in bankruptcy;
  - 1.1.50.3. the convening of a meeting or passing of a resolution to appoint a liquidator in the Company;
  - 1.1.50.4. a scheme of arrangement or composition with, or reconstruction arrangement or assignment for the benefit of or other arrangement with all or a class of creditors;
  - 1.1.50.5. the taking of any action to seize, take possession of or appoint a receiver and/or manager in respect of the Securities of the Company; or
  - 1.1.50.6. the taking of any action, which would render the Company ‘defunct’ under the Act;
- 1.1.51. “**Intellectual Property**” means intellectual properties owned by, used by, permitted to be used by or licensed by or to the Group Company in the course of its business as well as operations and includes, any one or more of the following and all rights throughout the world in or arising out of:
- 1.1.51.1. all Indian or international and foreign patents and applications thereof and all reissues, divisions, renewals, extensions, provisional, continuations and continuations-in-part thereof (“**Patents**”);
  - 1.1.51.2. all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know how, technology, technical data and customer lists, and all documentation relating to any of the foregoing;



- 1.1.51.3. all copyrights, copyrights registrations and applications thereof and all other rights corresponding thereto throughout the world;
- 1.1.51.4. all Internet domain names, universal resource locators;
- 1.1.51.5. all software;
- 1.1.51.6. all industrial property and industrial designs and any registrations and applications thereof throughout the world;
- 1.1.51.7. all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications thereof throughout the world;
- 1.1.51.8. all databases and data collections and all rights therein throughout the world; and
- 1.1.51.9. all moral rights of authors and inventors, however denominated, throughout the world.
- 1.1.52. “**Investor Sale**” shall have the meaning as ascribed to it in Article 7.6.1;
- 1.1.53. “**Investor Sale Securities**” shall have the meaning as ascribed to it in Article 7.6.1;
- 1.1.54. “**IPO**” means an initial public offering of Equity Shares, either by way of an offer for sale or fresh issuance or a combination of both (a) which results in the listing and commencement of trading of the Equity Shares on a Recognised Stock Exchange, and (b) which is made in accordance with either Articles 7.2 or 7.3;
- 1.1.55. “**IPO Target Date**” has the meaning given to it in Article 7.2.1.
- 1.1.56. “**Issuance Notice**” shall have the meaning ascribed to it in Article 3.3;
- 1.1.57. “**Issuance Price**” shall have the meaning ascribed to it in Article 3.3;
- 1.1.58. “**Issuance Shares**” shall have the meaning ascribed to it in Article 3.3;
- 1.1.59. “**Investor Securities**” shall mean the Securities held by the Investors from time to time;
- 1.1.60. “**Investment Amount**” shall mean the amounts invested by the New Investors into the Company towards subscription of Securities by the New Investors;
- 1.1.61. “**Law**” includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, treaty, rule, judgment, notification, decree, Consents, directions, directives, orders or regulations or other governmental or



regulatory restriction or condition, or any similar form of decision of, or determination by, or interpretation of, having the force of law of any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of this Agreement or thereafter;

- 1.1.62. “**Litigation**” means and includes any action, cause of action, claim, demand, suit, proceeding, citation, summons, subpoena, inquiry, or investigation of any nature, civil, criminal, regulatory or otherwise, in Law or in equity, pending or threatened by or before any court, tribunal, arbitrator, or any Governmental Authority;
- 1.1.63. “**Minority Shareholders**” means all Shareholders as given in Annexure-1 other than Promoters and existing/new Investors;
- 1.1.64. “**Minority Director(s)**” shall have the meaning ascribed to it in Article 14.2.1;
- 1.1.65. “**Monthly Financials**” shall have the meaning ascribed to it in Article 11.7.1;
- 1.1.66. “**New Investor(s)**” means collectively Phi Fund and/ or its Nominee subscribing to the Second Subscription Securities;
- 1.1.67. “**New Investor Securities**” shall mean the Securities held by the New Investors from time to time;
- 1.1.68. “**Nominee**” shall have the meaning as ascribed to the term in the SSA;
- 1.1.69. “**Non Transferring Shareholders**” shall have the meaning ascribed to it in Article 2.2.2.a);
- 1.1.70. “**Observer**” shall have the meaning ascribed to it in Article 14.2.8;
- 1.1.71. “**Offer Price**” shall have the meaning ascribed to it in Article 2.2.2.2;
- 1.1.72. “**Offer Sale Terms**” shall have the meaning ascribed to it in Article 2.2.2.2;
- 1.1.73. “**Promoters Consultation Items**” means any of the matters specified in **Part B -Annexure II** with respect to the Company, the pursuit of which matter by the Company and/or the Investors require prior consultation with the Promoters;
- 1.1.74. “**Original Director**” shall have the meaning ascribed to it in Article 14.2.10;
- 1.1.75. “**Original Meeting**” shall have the meaning ascribed to it in Article 14.3.7;
- 1.1.76. “**Original Shareholder Meeting**” shall have the meaning ascribed to it in Article 16.3;



- 1.1.77. “**Person**” means and includes an individual, a sole proprietorship, an association, a syndicate, a limited liability company, an unlimited liability company, a corporation, a firm, a partnership, a joint venture, a trust, an unincorporated organization, a joint stock company, or organization, body corporate, a Governmental Authority, a judicial authority, a natural person in his capacity as trustee, executor, administrator, or other legal representative and any other entity including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity;
- 1.1.78. “**Post Money Valuation**” shall have the meaning as ascribed to it in the SSA;
- 1.1.79. “**Pre-emptive Right**” shall have the meaning ascribed to it in Article 3.1;
- 1.1.80. “**Pre-emptive Right Holder**” shall have the meaning ascribed to it in Article 3.1;
- 1.1.81. “**Pre-emptive Shares**” shall have the meaning ascribed to it in Article 3.3;
- 1.1.82. “**Preferential Allotment**” shall have the meaning ascribed to it in Article 3.1;
- 1.1.83. “**Promoter 1**” shall mean Mr. Rajendra Mutha;
- 1.1.84. “**Quarterly Financials**” shall have the meaning ascribed to it in Article 11.8;
- 1.1.85. “**Recognised Stock Exchange**” means the BSE Limited; or the National Stock Exchange of India Limited; or such other Indian or international stock exchanges as may be agreed between the Investors and the Promoters in writing;
- 1.1.86. “**Rejection Notice**” shall have the meaning ascribed to it in Article 2.2.2.9;
- 1.1.87. “**Relative**” shall with reference to any person, means anyone who is related to another, if they are members of a Hindu undivided family, husband, wife, mother (including step mother), father (including step father), brother (including step brother), sister (including step sister), spouse, son (including step son), such son’s wife, daughter (including step daughter), such daughter’s husband;
- 1.1.88. “**Restricted Business**” shall mean any or all the business, including the Business, pursued by the Group Company in any territory, whether in India or overseas, at the relevant point in time when the term is reckoned by any of the Parties or proposed to be pursued by the Group Company in the immediate future;
- 1.1.89. “**Restrictive Covenants**” means the restrictive covenants pertaining to non – compete and non- solicitation of Restricted Clients and non – solicitation and non – hire of Employees;



- 1.1.90. “**Restricted Clients**” shall mean any clients or customer or prospective clients or customers of the Group Company at the relevant point in time when the term is reckoned by any of the Parties. The term “prospective clients” in this context shall mean any prospective client or customer of the Group Company with whom the Group Company has, in the course of evaluating or negotiating or proposes to evaluate or negotiate a client or customer arrangement during the immediately preceding 12 (*twelve*) calendar months from the date of such evaluation or negotiation or such prospective client or customer of the Group Company which has been discussed and recorded in the agenda and / or minutes of a Board Meeting;
- 1.1.91. “**Restrictive Period**” means, with respect to a Promoter, the later of the following periods: (i) period when the Promoter is in the employment of the Group Company or; (ii) period when the Promoter is a Director on the board of any Group Company or; (iii) period when the Promoter holds any Securities in the Company; or (iv) a period of 36 (*thirty six*) calendar months after the date of the Promoter (a) ceasing to be employed with the Group Company or (b) ceasing to be a Director on the Board of all the Group Companies; and (c) ceasing to hold any Securities of the Company. However, the Minority Shareholders shall, from the date they cease to be a Shareholder and Director, if applicable, of the Company, be entitled to make financial investment in any other corporate entity(ies) provided that they are not connected or would connect themselves during the aforesaid period of 36 (*thirty six*) months with the management and/or operation of such corporate entity(ies) directly or indirectly or in any manner whatsoever. It is hereby further clarified that the aforesaid restriction does not apply to the existing business of the Minority Shareholders as set out in **SHA**;
- 1.1.92. “**Restricted Persons**” shall mean each of the Promoters and their respective Affiliates and Relatives and for Minority Shareholders and their respective Affiliates till the time each of them hold Securities of the Company and hold position of Director in the Company, if applicable and 36 (*thirtysix*) months thereafter;
- 1.1.93. “**Re-Issuance Securities**” shall have the meaning ascribed to it in Article 3.5;
- 1.1.94. “**Re-Issuance Notice**” shall have the meaning ascribed to it in Article 3.5;
- 1.1.95. “**ROFO Confirmation Notice**” shall have the meaning ascribed to it in Article 2.2.2.b);
- 1.1.96. “**ROFO Acceptance Notice**” shall have the meaning ascribed to it in Article 2.2.2.3;
- 1.1.97. “**ROFO Notice**” shall have the meaning ascribed to it in Article 2.2.2.2;
- 1.1.98. “**ROFO Offered Shares**” shall have the meaning ascribed to it in Article 2.2.2.1;



- 1.1.99. “**ROFO Sale Terms**” shall have the meaning ascribed to it in Article 2.2.2.3;
- 1.1.100. “**Sale Terms**” shall have the meaning ascribed to it in Article 2.4.1;
- 1.1.101. “**Sale Transaction**” means whether individually or in the aggregate (i) the disposal, either directly or indirectly, by trade sale or otherwise of more than 50% (*fifty percent*) of the assets or business of (a) the Company, including sale, disposal of, or issuance of shares and/or voting rights in its subsidiaries and/or (b) the Company’s subsidiaries, to a third party, (ii) the disposal or issuance to a third party, in each case either directly or indirectly, of more than 50% (*fifty percent*) of the share capital and/or voting rights of the Company (on a Fully Diluted Basis in case of issuance of new shares), or (iii) the merger or consolidation of the Company or its subsidiaries accounting for more than 50% (*fifty percent*) of the assets (owned and leased) and/or the shareholding of the Company or its subsidiaries with or into another company whereby a third party will acquire, directly or indirectly, more than 50% (*fifty percent*) of the share capital and/or voting rights of the surviving company in such merger or consolidation (each of the foregoing being referred to individually as a “**Sale Transaction**”);
- 1.1.102. “**Securities**” has the same meaning ascribed to it under Section 2(h) if the Securities Contracts (Regulations) Act, 1956, as amended from time to time and shall include any Shares, equity linked securities or other instruments or securities, or any rights, options, warrants, appreciation rights or instruments entitling the holder to receive Shares or any options to purchase or rights to subscribe for securities which by their terms are convertible into or exchangeable for Equity Shares, including the Securities;
- 1.1.103. “**Series A CCPS**” shall mean Series A Compulsorily Convertibles Preference Shares of the Company having the terms as set out in **Annexure IV**;
- 1.1.104. “**Series C CCPS**” shall have the meaning ascribed to it in the SSA and having terms as set out in **Annexure IV**;
- 1.1.105. “**Selling Promoters**” shall have the meaning ascribed to it in Article 2.4.1;
- 1.1.106. “**Investors Preference Shares**” shall have the meaning ascribed to it in the SSA;
- 1.1.107. “**Liquidation Amount**” shall have the meaning ascribed to it in Article 17.1;
- 1.1.108. “**Liquidation Event**” means (a) insolvency or bankruptcy of the Company or its subsidiaries holding more than 50% (*fifty percent*) of the assets of the group, or (b) dissolution of the Company or its subsidiaries holding more than 50% (*fifty percent*) of the assets of the group either through a members’ or creditors’ voluntary winding-up process or a court directed winding-up process including sale of substantially all asset or shares, restructuring/reorganisation, merger, acquisition and/or change of Control;





- 1.1.109. “**Share**” means an Equity Share and/or preference share of the Company including the Securities;
- 1.1.110. “**Shareholder**” means a duly registered holder of the Shares of the Company from time to time;
- 1.1.111. “**Shareholder Group**” shall have the meaning as ascribed to it in Article 2.1.4;
- 1.1.112. “**Specific or Injunctive Relief**” means the relief which is intended to be obtained by a Party from a court or forum of competent jurisdiction, including from an arbitrator, to secure:
- 1.1.112.1. The specific performance by any other Party of any covenants or obligations contained in the Transaction Documents; or
- 1.1.112.2. The ad interim or permanent injunction against the other Party to prevent any continued injury or a breach or imminent breach of such covenants without the necessity of proving actual damage.
- 1.1.113. “**Subscribing Investor**” shall have the meaning as ascribed to it in Article 3.5;
- 1.1.114. “**Subsequent Business Plan**” shall have the meaning as ascribed to it in Article 9.2;
- 1.1.115. “**Subsidiary**” or “**Subsidiaries**” shall have the same meaning ascribed to it under the Companies Act at the material time when the term is reckoned;
- 1.1.116. “**Tag Notice**” shall have the meaning ascribed to it in Article 2.4.1;
- 1.1.117. “**Tag Along Right**” shall have the meaning ascribed to it in Article 2.4.2;
- 1.1.118. “**Tag Response Notice**” shall have the meaning ascribed to it in Article 2.4.2;
- 1.1.119. “**Third Party**” shall mean any Person that is not (i) a signatory to this Agreement or the SSA; or (ii) Affiliate of such signatory;
- 1.1.120. “**Third Party Offer**” shall have the meaning ascribed to it in Article 7.6.1;
- 1.1.121. “**Third Party Offeror**” shall have the meaning ascribed to it in Article 7.6.1;
- 1.1.122. “**Third Party Purchaser**” shall have the meaning ascribed to it in Article 2.4.1;
- 1.1.123. “**Transaction Documents**” shall mean any and all deeds, documents, letters executed or proposed to be executed between the Parties to achieve First Completion, this Agreement, the Existing SSA and the SSA;



1.1.124. “**Transfer**” (including the terms “**Transferred by**”, “**Transferring**” and “**Transferability**”) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of the Securities or any interest therein passes from a Person to another Person or to the same Person in a different legal capacity, whether or not for value; and

1.1.125. “**Transferring Investor(s)**” shall have the meaning ascribed to it in Article 2.2.2.1.

## 1.2. INTERPRETATION

1.2.1. In this Articles (unless the context requires otherwise):

1.2.1.1. references to **relevant authority** means any government, or any governmental, quasi-governmental, legislative, executive, administrative, fiscal, judicial or regulatory, authority, body, board, ministry, department, commission, tribunal, agency, instrumentality or other person exercising legislative, executive, administrative, fiscal, judicial or regulatory functions (including any court, tribunal, mediator or arbitrator of competent jurisdiction), having jurisdiction over the matter in question, whether as of the Execution Date or thereafter, in any jurisdiction or political sub-division and includes any relevant taxation authority;

1.2.1.2. references to **relevant taxation authority** means any relevant authority having jurisdiction over or responsibility with respect to, the administration, assessment, determination, collection or imposition of any Tax;

1.2.1.3. references to an individual who is a Shareholder includes his executors, administrators and personal representatives. In the event of transmission of Securities of an individual who is a Shareholder, the Person to whom such Securities are transmitted shall transfer such Securities to any Person in accordance with the directions of the Board and the Investors. If such individual, upon the directions of the Board continues to hold such Securities, he/she shall also be deemed to be bound by the terms and conditions of SHA;

1.2.1.4. references to a Party to SHA include references to the successors and permitted assigns of that Party;

1.2.1.5. the words **including** and **include** shall mean including without limitation and include without limitation, respectively;

1.2.1.6. any reference importing a gender includes the other gender;



- 1.2.1.7. any reference to consent of the Investors shall be construed as consent of each of the Investors;
- 1.2.1.8. any reference to Rs. or INR is to Indian rupees and any reference to US\$ or USD is to United States dollars;
- 1.2.1.9. any reference to writing includes typing, printing, lithography, photography but excludes any form of electronic communication;
- 1.2.1.10. any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of SHA or that document;
- 1.2.1.11. references to the Company's issued share capital shall include equity shares as well as preference shares issued (if any) by the Company;
- 1.2.1.12. references to any body corporate or any other form of a regulatory authority shall be deemed to include its successors as may be prescribed from time to time;
- 1.2.1.13. words importing the singular include the plural and vice versa; and
- 1.2.1.14. words and expressions defined in the Act have the same meaning in the Articles unless otherwise defined.
- 1.3. In this Articles, unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of such period is not a Business Day.
- 1.4. In this Articles, any reference, express or implied, to an enactment includes:
- 1.4.1. that enactment as re-enacted, amended, extended or applied by or under any other enactment (before, on or after the signature of this Agreement);
- 1.4.2. any enactment which that enactment re-enacts (with or without modification); and
- 1.4.3. any subordinate legislation made (before, on or after the signature of this Agreement) under any enactment, as re-enacted, amended, extended or applied as described in Clause 1.4(i) above, or under any enactment referred to in Clause 1.4(ii) above.
- 1.5. Time is of the essence in the performance of the Parties' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence.



- 1.6. Where there is any inconsistency between the definitions set out in Clause 1.1 and the definitions set out in any other Clause or Schedule, then for the purposes of construing such Clause or Schedule, the definitions set out in such Clause or Schedule shall prevail.
- 1.7. Any undertaking by any of the Parties not to do any act or thing shall be deemed to include an undertaking not to permit or suffer or assist the doing of that act or thing (to the extent that such action or omission shall be under the control or influence of the relevant Party).
- 1.8. Any reference to a document in agreed form is to a document in form and substance agreed between the Parties and initialled for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed by or on behalf of the Parties).
- 1.9. Any reference to obtaining regulatory approvals shall be deemed to include an obligation on the concerned Party(ies) to make commercially reasonable efforts to expeditiously obtain such approval.
- 1.10. Unless stated otherwise, in computing the shareholding of any Party, for determining the rights and privileges available to such Party under this Agreement, the Shares held by its Affiliates shall be considered as being held by such Party.
- 1.11. Unless stated otherwise, any and all rights available to the Investors in the Company under this Agreement or the SSA shall mutatis mutandis also be available to the Investors in the Subsidiaries, if any.
- 1.12. The Shareholders Agreement dated May 22, 2015 entered into between the Existing Investors, the Promoters, the Minority Shareholders and the Company shall, on the Effective Date, stand terminated in its entirety, and all the rights of the Parties shall only be as contained in this Agreement.
- 1.13. In the event that any rights that the Investor(s) is entitled to under this Agreement with respect to one class or kind of Shares held by it cannot be given effect due to restrictions under applicable Law, the Investor(s) shall, subject to applicable Law be entitled to exercise and receive the benefit of such rights through one or more other classes or categories of Shares held by it in the Company.
- 1.14. No provision of this Agreement shall be interpreted in favour of or against any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.
- 1.15. Unless the contrary intention appears, a reference to a Clause or Schedule or Annexure is a reference to a clause of or schedule to or an annexure to this Agreement. The Recitals, Annexures and Schedules form an integral part of this Agreement.



- 1.16. The headings in this Agreement do not affect its interpretation.
- 1.17. Words / phrases not defined in this Agreement shall have the same meaning as assigned to them under the SSA.

## 2. SHARE TRANSFERS

### 2.1. Restrictions on Transfers

- 2.1.1. No Shareholder shall Transfer its Securities in the Company, except in accordance with and subject to the terms and conditions set forth in this Articles and more particularly in this Article 2, until an IPO of the Company and with the written approval of the Investors.
- 2.1.2. The Company shall not record any Transfer or agreement or arrangement to Transfer the Securities on its books and shall not recognize or register any equitable or other claim to, or any interest in or pay any dividend or accord any right to vote in the Securities which have been Transferred in any manner other than as permitted under this Articles. Further, the Company shall not permit any transfer on its books of any Securities of the Company in violation of Articles 2.2.2, 2.3 and 2.4, or treat as the owner of Company Securities, or accord any right to vote as an owner or pay dividends to any transferee to whom Company's Securities have been transferred in violation of Articles 2.2.2, 2.3 and 2.4
- 2.1.3. Any Transfer of Securities shall be valid only if prior to such Transfer the relevant Person has executed a Deed of Adherence and a duly executed copy of such Deed of Adherence is placed before the Board prior to such Transfer. Provided in the event of any such Transfer by way of execution of Deed of Adherence, the exit rights related to IPO / offer for sale and Drag along right of the Investors shall be re-negotiated by the Parties.  
  
Provided that nothing in this Article 2.1.3 shall apply in case of a Transfer of Securities through an offer for sale as part of an IPO by the Company.
- 2.1.4. Where an Affiliate of a Party is a Shareholder, if at any point of time, any transaction is contemplated pursuant to which such Affiliate would on successful completion of the said transaction, cease to be an Affiliate of that Party, then prior to completion of the said transaction, the relevant Party and the Affiliate shall take all necessary actions to ensure that the Securities are transferred by the Affiliate back to the relevant Party.
- 2.1.5. Notwithstanding any provisions to the contrary in this Articles, at all times, when an Affiliate is a Shareholder, it shall act together with the relevant Shareholder, as a single class ("**Shareholder Group**"), including but not limited to voting on all Shareholder resolutions as a single block (and not severally). A breach by any one Shareholder in the Shareholder Group of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other members of the Shareholder Group of their



respective rights, obligations, covenants or undertakings hereunder. The Shareholder Group of each Shareholder shall nominate, by written notice to the Company and the other Shareholder Group(s), 1 (*one*) Shareholder within the Shareholder Group who shall: (a) act for and on behalf of each member of the Shareholder Group under this Agreement and the Transaction Documents in respect of any right, action or waiver to be exercised by any member of the Shareholder Group (including the nomination, replacement or removal of the Directors); and (b) be responsible for causing each of the members of the Shareholder Group to perform its obligations, covenants and undertakings hereunder. Any Securities held by an Affiliate or nominee of a Shareholder belonging to a Shareholder Group shall be deemed to be the Securities held by such Shareholder. It is also clarified that any notice served upon any such nominee of a Shareholder Group shall be sufficient and be construed as service of such notice upon the entire Shareholder Group except as may be required by Law to serve notice on all individual Shareholders.

## 2.2. Transfer by the Investors

2.2.1. Subject to Articles 2.1.2 2.1.3 and 2.1.4 above, the Investors may at any time Transfer any of their Securities together with or without any or all rights and/or obligations attached to the Securities to their respective Affiliate and/or by way of one or more affiliated partnerships or funds managed by it or any of its directors, officers or partners at all times on such terms and conditions as the Investors may deem fit freely without any restriction or requirement of consent or approval from any other Shareholder. Provided further that, the Investors shall ensure that, no new legal/ financial liability shall fall on the Company, the Promoters and the Directors of the Company. Provided further that the aforesaid Transfer of Securities held by the Investors shall not be made to a Competitor without the prior written consent of the Promoters. For the purposes of this Articles. it is hereby clarified that after every anniversary of the Execution Date, the Promoters shall have an option to propose the names of a maximum of 3 (*three*) competitors to the Investors to replace the Competitors and the Investors may at their own sole discretion accept such suggestion of replacement and the definition of Competitor shall be construed accordingly. It is hereby further clarified that the Investor(s) shall not transfer the Securities to any of their respective portfolio companies which is a competitor (i.e., which is conducting the business identical to the Business of the Company), except in the event of Exit Option and Event of Default option exercised by the Investor(s) in accordance with Clause 9 and Clause 3.

2.2.2. Right of First Offer in respect of Securities held by the Investor(s)

2.2.2.1. Other than as provided in Article 2.2.1 2.2.1 above, in the event that any of the Investors (“**Transferring Investor(s)**”) proposes to sell any or all of the Securities owned by it to any third party, the Transferring Investor(s) shall, in the manner specified herein provide a written notice to the Promoter 1, as an authorised representative of the Promoters, and also to the non-transferring Investors (if applicable) (“**Non Transferring Shareholder(s)**”) (the “**Initial ROFO Notice**”).



The Initial ROFO Notice shall disclose the number of Securities proposed to be sold by the Transferring Investor(s) (the “**ROFO Offered Shares**”) and call upon the Non Transferring Shareholder(s) to quote a price for the purchase of all (but not less than all) of the ROFO Offered Shares.

- 2.2.2.2. In the event any of the Non Transferring Shareholder(s) propose to purchase all (but not less than all) of the ROFO Offered Shares, it/ they shall each issue a written notice to the Transferring Investor(s) for the purchase of all (but not less than all) of the ROFO Offered Shares (the “**ROFO Confirmation Notice**”) within a period of 15 (*Fifteen*) Business Days from the date of Initial ROFO Notice (the “**Initial ROFO Offer Period**”), setting forth (i) the proposed purchase price per Share (“**Offer Price**”); and (ii) the terms and conditions for purchase of the ROFO Offered Shares (collectively (i) and (ii) referred to as the “**Offer Sale Terms**”)
- 2.2.2.3. If the Non Transferring Shareholder(s) have issued a ROFO Confirmation Notice, the Transferring Investor(s) shall have the right to accept the highest Offer Sale Terms received from amongst the respective bids of the Non Transferring Shareholder(s) amongst the ROFO Confirmation Notice, as the case may be (“**ROFO Sale Terms**”). The Transferring Shareholder shall then issue a notice to the Non Transferring Shareholder(s) with the said highest Offered Sale Terms (“**ROFO Acceptance Notice**”) intimating the ROFO Sale Terms at which the Transferring Investor(s) shall sell the ROFO Offered Shares to the Non Transferring Shareholder(s). In the event of the highest Offer Sale Terms being equal amongst the Non-Transferring Shareholders, the Offer Sale Terms offered by the non-transferring Investors shall have the priority over the Promoters. In the event of equal Offer Sale Terms between the non-transferring Investors, the shares shall be transferred *inter-se* pro rata to their shareholding in the Company on a fully diluted basis.
- 2.2.2.4. Upon receipt of the ROFO Notice, the Non Transferring Shareholder(s), whose Offer Sale Terms have been accepted, shall be under an obligation to purchase its *inter-se* pro rata portion of the ROFO Offered Shares at the ROFO Sale Terms
- 2.2.2.5. If the Non Transferring Shareholder(s) have issued the ROFO Confirmation Notice, the Transferring Investor(s) shall have the right but not the obligation to accept the ROFO Confirmation Notice and shall then intimate to the Non-Transferring Shareholder(s) in writing of such acceptance in terms of Article 2.2.2.3 within a period of 3 (*three*) months of receipt of the ROFO Confirmation Notice.
- 2.2.2.6. Without prejudice to the provisions of Articles 2.2.2.8 and 2.2.2.9, in all cases, the issue of the ROFO Confirmation Notice by the Non Transferring Shareholder(s) whose Offer Sale Terms have been



accepted, shall constitute a valid, legally binding, irrevocable and enforceable agreement for the sale and purchase of their respective pro rata share of the ROFO Offered Shares between the Transferring Investor(s) and the respective Non Transferring Shareholder(s), as applicable, at the ROFO Sale Terms.

2.2.2.7. The payment of consideration by the Non Transferring Shareholder(s), as the case may be, to the Transferring Investor(s) towards the purchase of Securities under the terms of this Article 2.2.2 and the transfer of the ROFO Offered Shares from the Transferring Investor(s) to the Non Transferring Shareholder(s), as the case may be, shall be free of all Encumbrances and shall take place at the registered/corporate office of the Company or any other place that may be mutually agreed between the Transferring Investor(s) and the Non Transferring Shareholder(s), within 30 (*thirty*) days from the date of ROFO Acceptance Notice. The Transferring Investor(s) shall also deliver the original share certificates and duly executed 'instruments of transfer' of such Securities and such other documents as may be reasonably required by the Non Transferring Shareholder(s).

2.2.2.8. In the event that the Non Transferring Shareholder(s) do not deliver to the Transferring Investor(s) a ROFO Confirmation Notice within the Initial ROFO Offer Period or refuses to purchase all (but not less than all) and/or its entitlement of the ROFO Offered Shares at the ROFO Sale Terms, the Transferring Investor(s) shall, subject to Article 2.2.2.11 below, be free to transfer all of the ROFO Offered Shares to any Person at any price as may be acceptable to such Transferring Investor(s). It is clarified for the avoidance of doubt that the Non Transferring Shareholders shall not be entitled to purchase part of the ROFO Offered Shares.

2.2.2.9. In the event that the Offer Sale Terms are not acceptable to the Transferring Investor(s), the Transferring Investor(s) shall within 3 (*three*) months of the ROFO Confirmation Notice intimate to the relevant Non Transferring Shareholder(s) in writing of the rejection of the ROFO Confirmation Notice (the "**Rejection Notice**"). Failure by the Transferring Investor(s) to respond within such time period shall be treated as a deemed rejection by the Transferring Investor(s) of the ROFO Confirmation Notice. Within the expiry of 3 (*three*) months from issue of the Rejection Notice or deemed rejection, the Transferring Investor(s) shall be free to sell all the ROFO Offered Shares to any Person (including any other Shareholder) provided that such sale shall be at terms higher than the higher of (a) the Offer Sale Terms offered by the Promoters, or (b) 10% higher than the Offer Sale Terms offered by the highest Investor.

2.2.2.10. If the Transferring Investor(s) is unable to fully dispose of the ROFO Offered Shares and complete the sale within 3 (*three*) months from issue of the Rejection Notice, or the deemed rejection, such





Transferring Investor(s) shall be obliged to once again comply with the provisions of this Article 2.2.2 in its entirety with respect to any sale of the Securities held by the Investors.

- 2.2.2.11. Notwithstanding anything contained in this Articles, prior to affecting any sale to a third party, the Transferring Investor(s) shall be provided complete details of such third party buyer to the other Investors and the Promoters, and the other Investors and Promoters will have the right to disapprove such sale if such third party buyer is subject to negative findings in the World Check Report. Moreover, Transferring Investor(s) can only sell to third party if Promoters, Transferring Investor and the other Investors together agree is an investor of repute. The other Investors and Promoters shall while assessing the reputation of such third party shall act reasonably. The Promoter and other Investor(s) shall revert on the third party buyer within 10 (ten) Business Days from the date of sharing of World Check Report by the Transferring Investor failing which such third party shall be deemed as accepted.
- 2.2.2.12. Irrespective of whether the Transferring Investor(s) sells the ROFO Offered Shares to the Non Transferring Shareholder(s) or to any other Person, the Promoters along with the Company shall be under an obligation to provide detailed representations, warranties and indemnities including in respect of the Company and its operations. Moreover, the Promoters and the Company shall also have an obligation to provide all support to facilitate such Transfer including for complying with the legal formalities of the Transfer to the Transferring Investor(s) and the purchaser of the ROFO Offered Shares.
- 2.2.2.13. In the event of an Initial ROFO Notice being issued by any of the Investors, such Investor shall not be entitled to issue another Initial ROFO Notice in accordance with Article 2.2.2.1 within 6 (Six) months of such Initial ROFO Notice.

Provided that nothing in this Article 2.2 shall apply in case of a Transfer of Securities through an offer for sale as part of an IPO by the Company.

### 2.3. *Transfer by the Promoters*

- 2.3.1. Notwithstanding anything contained in this Articles, the Promoters shall not be entitled to Transfer or create any Encumbrance on any Securities held by any of them without the specific prior written consent of the Investors, and the Company shall not be entitled to recognise any such transfers. Where the Investors provide consent for any transfer of any Securities by any of the Promoters, the Investors shall be entitled to impose such conditions as they may, in their sole discretion deem fit, and it is agreed by the Promoters that non-compliance with such condition shall render such consent void ab initio, provided however that such conditions shall not be contrary to any of the



provisions of thisArticles. Subject to Articles 2.1.3 and 2.1.44 above, the Minority Shareholder(s) shall be entitled to transfer its/their Securities inter-se, amongst themselves at fair market value with the prior consent of all the Shareholders, including the Investors.

- 2.3.2. Except as provided in Article 2.3.1 above and subject to Articles 2.1.3 and 2.1.4 above, the Promoters and the Minority Shareholders shall not be entitled to Transfer their Securities to any Person, without (i) the prior approval of the Board, and (ii) the prior written consent of the Investors in case of Transfer by Promoters and Minority Shareholders and prior written consent of the Promoters and Investors in case of Transfer by Minority Shareholders; and (iii) complying with the provisions of Articles 2.3 and 2.4 below.
- 2.3.3. Subject to Article 2.3.2 (i) and (ii), Promoter(s) shall have the right but not an obligation to, at his/her/their sole option, require the Minority Shareholder(s) to sell all but not less than all of the Shares held by the Minority Shareholder(s) at a price which shall not be less than the fair market value of the Company, determined by a valuer acceptable to the Investors.
- 2.3.4. Subject to Article 2.3.2 (i) and (ii), in the event the Minority Shareholder(s) are desirous of selling their respective Securities, then the Promoter(s) shall have the right but not an obligation, at his/her/their sole discretion, to make an offer to purchase such Securities of the Minority Shareholder(s), at least at fair market value determined by the valuer approved by the Investors, and in case where any of the Promoter(s) make an offer to purchase such Securities but the same is not accepted by such transferring Minority Shareholder, or do not exercise their right to purchase the Securities of the Minority Shareholders, the Securities of the Minority Shareholders being sold shall then be offered to the Investor(s) who shall have the right but not an obligation, at their sole discretion, to purchase the Securities of the Minority Shareholder(s), at least at fair market value, determined by the valuer approved by the Investors, but always on terms more favourable than those offered by the Promoter, if any. In case any of the Investors make an offer to purchase such Securities offered by the Minority Shareholders, the Promoters shall have the right to match the price offered by the Investors and purchase such Securities from the Minority Shareholders. In case where any of the Promoter(s) and/or the Investors (as the case may be) do not exercise their right to purchase the Securities of the Minority Shareholders, the Minority Shareholders shall be free to sell any or all of its Securities held by it in the Company, at Fair Market Value, to any third Person, not being a Competitor. In the case where the Promoters and/or the Investors have made an offer, the Minority Shareholders shall be free to sell any or all of its Securities held by it in the Company, at a price not less than the higher of (a) the price offered by the Promoters, or (b) 10% (*ten percent*) higher than the price offered by the Investors. Provided in any the event where the Minority Shareholders proposes to sell any or all of its Securities, to any person other than the Investors and/ or the Promoters, then the Investors and Promoters shall have the right to match the price offered by such third Person for the Securities proposed to be sold by the Minority Shareholders, and purchase such Securities in proportion to their shareholding



in the Company. For the avoidance of doubt, it is hereby clarified that any Transfer of Securities by the Minority Shareholders to a third Person shall be subject to the written consent of the Investors and Promoters and such Transfer shall be valid only if prior to such Transfer the third Person has executed a Deed of Adherence and a duly executed copy of such Deed of Adherence is placed before the Board prior to such Transfer.

Notwithstanding the foregoing, the Minority Shareholders shall be entitled to transfer the Securities held by them to the Promoters, without consideration, by way of gift, without any consent from the Investors.

- 2.3.5. In the event any of the Minority Shareholder(s) wish to undertake any Restricted Business, then such Minority Shareholders shall Transfer their respective Securities to the Promoter(s), in proportion to their inter-se shareholding, at Fair Market Value, or without consideration, by way of gift. In case where any of the Promoter(s) do not exercise their right to purchase such Securities, the same shall be offered to the Investor(s) to purchase the Securities of such Minority Shareholders at Fair Market Value pro-rata portion of their inter-se shareholding. Further, such Minority Shareholder, or the nominee(s) of such Minority Shareholders shall resign from the Board or any position then held by such Minority Shareholders or their Affiliates in the Company or otherwise in the Business. Also, such Minority Shareholders agree to execute confidentiality agreement in the form as required by the Investors. Thereafter, such Minority Shareholder(s) shall be entitled undertake such Restricted Business, or any part thereof, after the expiry of a period of 1 (*one*) year from the date Transfer of its Securities to Promoters and/or the Investor(s), as the case maybe. Notwithstanding the aforementioned, the provisions of Article 2.3.5 shall not be applicable to the Minority Shareholders with respect to the current businesses carried on by them as enumerated under **SHA**.

- 2.3.6. Nothing in this Article 2.3 will be applicable to:

- 2.3.6.1. Transfer by Promoter 1 of approximately 1,45,000 (*one lac forty five thousand*) Shares held by him to any acceptable third Person at Fair Market Value of the Company. Provided such third Person signs Deed of Adherence as a “Minority Shareholder” prior to such Transfer and a duly executed copy of such Deed of Adherence is placed before the Board prior to such Transfer.

Provided that nothing in this Article 2.3 shall apply in case of creation of statutory lock-up of Securities held by the Promoters, for the purposes of compliance with the requirements of the ICDR Regulations.

- 2.4. The Transfer restrictions under this Articles shall not be capable of being avoided by the Promoters by holding of Securities indirectly through another Person that



can itself be sold in order to dispose of an interest in Securities free of such restrictions. Any Transfer or other disposal of any securities (or other interest or securities) resulting in any change in the Control of the Promoters or of any person having Control over the Promoters shall be treated as being a transfer of the Securities held by that Promoters.

- 2.5. Any Transfer, issuance or other disposal of any Securities (or other interest) resulting in any change in the Control, directly or indirectly, of any Affiliate of the Promoters which holds, directly or indirectly, any Securities, shall be treated as being a Transfer of the Securities held by such Promoter, and the provisions of this Articles that apply in respect of the Transfer of Securities shall apply in respect of the said Transfer.

### 3. CHANGE IN CONTROL

- 3.1. The Promoters shall not, undertake any action which may result in an occurrence of a change in Control of the Company, without complying with the obligations under this Clause.
- 3.2. In the event, the Company and/or the Promoters and/or any of its officers, employees, directors or shareholders receive a written offer from a bona fide third Person which if consummated would result in a change in Control of the Company, then the Company and/or the Promoters (as applicable) or Promoters on behalf of the officers, employees, directors, shareholders (as applicable) who have received the offer shall promptly and no later than 48 (*forty eight*) hours of receipt of such offer by the Promoters and/or the Company, intimate the Investors in writing of the terms of the offer along with the details of the third Person making such offer.
- 3.3. Any consummation of such transaction which would result in change in Control of the Company would require prior written consent of the Investors. The Company, the Investors shall not be required to recognise or give effect to any part of such transaction resulting in a change in Control where the prior written consent of each of the Investors has not been obtained. Further, in such cases, at the option of the Investors, the Parties shall mutually discuss and agree upon appropriate exit opportunities to the Investors simultaneously with the change in Control of the Company.

### 4. ESOP / SWEAT EQUITY SCHEME

- 4.1. The Company shall put in place an Employee Stock Option Plan/ Sweat Equity Scheme (“**ESOP Scheme**”) in a form and manner acceptable to the Investors, and subject to applicable Law.
- 4.2. The Securities as part of the ESOP Scheme(s) shall in the aggregate constitute up to 7% (*seven percent*) of the share capital of the Company on a fully diluted basis. The grant and vesting of Securities under the terms of the ESOP Scheme shall proportionately dilute all of the Shareholders of the Company.



- 4.3. The ESOP Scheme shall be applicable to eligible employees as approved by the Board and the shareholders of the Company.
- 4.4. The ESOP Scheme shall specify the milestones, eligibility, vesting schedule and other details as agreed by the Investors and approved by the Board.

## 5. ANTI-DILUTION

- 5.1. Notwithstanding anything contained herein, in the event that the Company proposes to issue any Securities (i) at a price lower than the price at which the New Investors Securities were issued to the New Investors; or (ii) at a price lower than the price at which the Existing Investors Securities were issued to the Existing Investors, as the case may be (“**Dilutive Issuance**”) then till the time the Investors Securities have not been converted into Equity Shares, the Investors shall be entitled to a broad based weighted average anti-dilution protection in accordance with the formula as specified in **Annexure III**. The Company and the Promoters shall obtain prior written consent of the Investors before taking up any matters relating to any dilution event before a Board and / or Shareholders meeting. Further, the Company and the Promoters agree that appropriate adjustments to the conversion ratio shall be made to fully reflect on a proportionate basis share splits, share dividends, recapitalizations, reclassification and any other related changes to the capital structure of the Company, or such other mechanism permissible by applicable Law to provide for such protection. It is clarified for the avoidance of doubt that any issuance of Securities to the New Investor and/or the Existing Investor, as the case may be, pursuant to this Article 6 shall be dilutive to the other Shareholders of the Company.
- 5.2. If the Investors’ Securities have already been converted into Equity Shares, the Company shall and the Promoters shall procure that the Company shall, prior to the Dilutive Issuance, issue and allot to the Investors such additional number of Equity Shares at the lowest price permissible under applicable Law or undertake a bonus issuance or transfer of such necessary shares by the Promoters, as is calculated in accordance with the formula as specified in **Annexure III**.
- 5.3. No Person will be offered terms better than the terms offered to the Investors under this Articles without the prior written consent of the Investors. Subject to the provisions of this Articles (including without limitation the Affirmative Vote Items), in the event that, in the view of the Investors, more favourable terms and conditions are proposed to be offered to any Person which subscribes to any Securities, the Promoters and the Company agree and undertake that the terms and conditions applicable to the Investors set forth herein shall be adjusted to mirror the terms offered to the new shareholder with retroactive effect, except that where the new shareholder has any affirmative vote rights, such rights will only be available to the Investors on a prospective basis from the date of issuance of Securities to such Person. The Investors undertake to provide all such cooperation and exercise all such rights, so as to give effect to any adjustments to be carried out by the Company/ Promoters.



- 5.4. The anti-dilution rights shall not be available to the Investors in the event of issuance of additional Securities by the Company in following circumstances (“**Exempted Issuance**”):
- 5.4.1. issuance of stock options in accordance with Article 5 as applicable under the Companies Act;
  - 5.4.2. issuance of Securities upon conversion of Series A CCPS and/or Series C CCPS with the consent of the respective Investors;
  - 5.4.3. issuance of Securities in relation to which the operation of this Clause is specifically excluded by the Investors with their prior written consent; and
  - 5.4.4. issuance of Securities pursuant to public offering of the Securities on a Recognised Stock Exchange.

## **6A. TERMS OF SERIES A CCPS AND SERIES C CCPS**

The terms of SERIES A CCPS and SERIES C CCPS shall be enumerated under **Annexure IV**.

## **7 EXIT OPTIONS**

- 7.1 Each of the Investors shall have the right to require a transaction that would provide the Investors with an exit from the Company in accordance with this Article 7.

For the purpose of this Article the Fair Market Value shall be determined simultaneously by 2 (*two*) independent Big Five Accounting Firms (acting through or represented by their respective audit teams or affiliate audit firms permitted to practice in India under the regulations of the Institute of Chartered Accountants of India), each appointed by the Investors and the Promoters, respectively. In case where the valuation derived by both the independent third party experts differ, the higher valuation shall be binding on the Parties. The costs of such process of valuation shall be borne by the Company.

Provided that nothing in this Article 7.1 shall apply in case of a Transfer of Securities through an offer for sale as part of an IPO by the Company. The valuation and marketing of the IPO shall be undertaken by SEBI registered merchant banker(s) appointed for the IPO, and/ or their affiliates, and the final price, price band, size, terms and timing of IPO shall be determined by the Company and the Investors participating in the offer for sale, in consultation with such merchant banker(s) and approved by the sub-committee of the Board that is authorised to decide all matters pertaining to the IPO (“**IPO Committee**”), in accordance with ICDR Regulations and other applicable Laws. In this regard, it is clarified that the presence of at least 1 (*one*) Investors’ nominee director / representative shall be required to constitute quorum for meetings of the IPO Committee and all matters as agreed in the Existing Investors SHA shall be approved by the IPO Committee, only when such Investors’ nominee director / representative consents to the same in writing

### **7.2 IPO/ Offer for Sale**



- 7.2.1 Subject to applicable Law, the Company shall and the Promoters shall make best efforts to cause the Company to, on or before December 31, 2021 consummate the IPO (the “**IPO Target Date**”). The Company and the Promoters further undertake that the draft red herring prospectus with respect to the IPO shall be filed with the relevant regulatory authorities on such date so that the Company shall achieve the successful IPO by the IPO Target Date.
- 7.2.2 The Company shall constitute an IPO committee which shall be constituted of 1 (*one*) representative of the Promoter, and 1 (*one*) each from the New Investors and the Existing Investors. This IPO committee shall select / propose the merchant banker to the Board and finalize timelines, the terms and conditions of such IPO including the size of the issue, price of the Securities and related matters. Provided however that the Company shall ensure that the terms and conditions of the IPO are sufficient to ensure the valuation as per Article 7.1 above.
- 7.2.3 The Company, the Promoters and the Investors shall discuss in good faith to determine whether the IPO will be by way of an issuance of fresh Shares of the Company, or whether the IPO shall be by way of an offer for sale of the Shares held by the Investors, or a combination of both. In the event that it is determined that the IPO will be by way of an offer for sale or a combination of issuance of fresh Shares of the Company and an offer for sale of the Shares held by the Investors, the Existing Investors shall have priority to offer the Securities held by them for an offer for sale over the New Investors. Subject to the aforesaid statement, the New Investor shall have a right to participate in the offer for sale to the maximum extent permissible as determined by the Merchant Banker registered with Securities Exchange Board of India subject to the valuation being not less than such amount as would not require the consent of the New Investors, after considering the number of Shares offered by the Existing Investors as part of the IPO in priority to the Promoters and the Minority Shareholders. Further, subject to this Clause 7.2.3 and Clause 7.2.4 below, the Investors shall have the right to require the Minority Shareholder and/ or the Promoters to participate in such IPO through offer for sale. The Parties agree that the Promoters and the Minority Shareholder shall not be required to participate in the offer for sale except to the extent necessary under applicable Law to reach the minimum number of shares required to consummate the IPO, and that all of the Securities held by the Minority Shareholders shall be offered, prior to any Securities held by the Promoters being offered in the said offer for sale. Investors not exiting the Company shall not be under the obligation to participate in the IPO through offer for sale or a combination of issuance of fresh Shares of the Company and an offer for sale of the Shares held by the Investors so pursued.
- 7.2.4 In the event the valuation of the Company in the IPO is less than 2 (*two*) times the Post Money Valuation, the prior written consent of the Investors would be required to consummate any IPO of the Company. The Parties further agree that in the event that any of the Shares held by the Minority Shareholders are



being offered as part of an offer for sale, the consent of the Investors would be required in the event the valuation of the Company in the offer for sale is less than 2 (*two*) times the Post Money Valuation. In the event that any of the Shares held by the Promoters are being offered as part of an offer for sale, the consent of the Investors would be required in the event the valuation of the Company in the offer for sale is less than 2.5 (*two point five*) times the Post Money Valuation. In the event that the IPO is not fully consummated by June 30, 2022, then any IPO shall be subject to the consent of the Investors. The Company shall not pursue the completion of any IPO after June 30, 2022 without the consent of the Investors.

- 7.2.5 The Securities of the Investors shall not be subject to any lock in provisions after the completion of the IPO.

“Notwithstanding anything stated in this Articles, the Investors, apart from Phi Capital, which is a Category II Alternate Investment Fund, registered with SEBI and locked-in its Securities for a period of one year from the date of its subscription in accordance with SEBI ICDR Regulations, agree to “lock-up” Securities of the Company held by each of them for 1 (one) year from the date of allotment of the Equity Shares in the IPO (except those Equity Shares which are successfully transferred in the IPO), in accordance with the requirements of the ICDR Regulations.”

- 7.2.6 In the event of a listing outside India, the Investors shall have the right to demand registration rights and unlimited piggyback registration rights at any time the Company files a registration statement.

- 7.2.7 For the purpose of any IPO: a) the Investors are not treated or named as a “**Promoter and/or promoter group**” in connection with the IPO including in any prospectus, offering document, underwriting agreement, memorandum of understanding and/or other agreement; and (b) the Securities held by the Investors shall not be subject to any lock-in or other restriction on Transfer as applicable to Promoter’s shareholding under any applicable Law. If any Securities are to be made subject to any lock-in in connection with any IPO, then the Promoters shall first offer their Securities towards such lock-in and re-organise the structure of the Board to have adequate representation of independent directors as may be required by Law without prejudicing the Investors in relation to their representation rights on the Board. The Company shall cause the Promoters to enter into a separate market stand-off agreement if required at the relevant time.

- 7.2.8 In the event of the Company undertaking an IPO, the Investors shall agree to enter into an agreement for dilution of its rights (excluding the right to nominate its nominee Director and his/her removal from the Board) (such dilution of rights in the aggregate, the “**Affected Rights**”) in the Restated Shareholders Agreement and the Articles, if, and only to the extent necessary to:





- 7.2.8.1 demonstrate to the applicable authorities that the Investors and/or their respective Affiliates do not qualify as “promoter and/or promoter group” of the Company under applicable Laws for the purposes of the IPO; and
- 7.2.8.2 to ensure that the Company complies with the applicable Law and all regulatory requirements (inclusive of the requirement of the stock exchanges and under the listing agreements) for the purposes of listing of the Equity Shares on a Recognized Stock Exchange.
- 7.2.9 The dilution of the Affected Rights (including amendment of the Articles to reflect such dilution) shall be effected on the last date permitted under applicable Law. If the IPO is not completed as contemplated herein, the Shareholders and the Company agree that the dilution of the Affected Rights pursuant to this Article 7.2.9 shall cease to have any effect and such Affected Rights shall be reinstated in the Articles with full force and effect, and it shall be deemed to have never been diluted, and the Promoters shall procure that all the Shareholders shall and the Company shall pass all such resolutions and take all such actions to reinstate the Affected Rights in the Articles. Subject to applicable Law, any action taken by the Company which would have been prohibited, or would have required the consent of the Investors under the Affected Rights shall be reversed on such reinstatement, unless specifically permitted in writing by the Investors.
- 7.2.10 All costs and expenses related to the IPO (including without limitation costs in relation to underwriting, selling and distribution costs and safety net costs) will be borne by the Company, and Promoters shall ensure that the Investors shall not be deemed to be a sponsor or a promoter and/or promoter group of the Company. In the event that applicable Law creates any embargo for such payment to be made by the Company, then the Promoters agree and undertake to make all payments in respect of such issue and / or offer. Notwithstanding anything contained in this Articles or Act, subject to Applicable Law, the Promoters shall jointly and severally indemnify the Investors, in case of, where Investors are liable to incur expenses with respect to offer for sale of their respective Securities in the IPO.
- “Notwithstanding anything contained in this Articles, the Parties agree that the IPO expenses shall be shared proportionately between the Company and the Shareholders participating in the offer for sale , in accordance with the requirements of the Companies Act and other applicable Laws.”
- 7.2.11 The IPO is to be managed and underwritten by a reputable investment banking firm acceptable to the Investors. The Parties also agree and acknowledge that in the event of an IPO not occurring on or before June 31, 2022, then the Investors at their collective discretion shall have the right to cause the Company to declare and pay dividends on the Securities held by the Investors in accordance with and upto such percentage as may be recommended by the majority of the Investors and the Company and the Promoters shall perform all



such necessary actions including but not limited to all corporate secretarial actions to give effect to the same. It is hereby agreed between the Parties that in case if the aforesaid IPO does not consummate on or before the IPO Target Date due to any reason attributable to the Promoters, in such case, the Company shall and the Promoters shall procure that the Company shall declare and pay dividends upto such percentage as may be recommended by the majority of the Investors on the Securities held by the Investors and the Company and the Promoters shall perform all necessary actions including but not limited to all corporate secretarial actions to give effect to the same. It is hereby further agreed between the Parties that in case if the aforesaid IPO does not consummate on or before the IPO Target Date due to withdrawal of the consents of the Investors in writing to consummate the IPO in such cases the Company will not be required to declare and pay dividends on the Securities held by the Investors, as stated under this Article 7.2.11.

7.3 The IPO shall be performed as per the provisions of this Article 7.3 in the following procedure:

7.3.1 The Investors may, at their discretion appoint one of either Big Five Accounting Firm and/or a category – I merchant banker, to assist in initiation and conclusion the IPO. This shall be in addition to any advisors, accounting firms or merchant bankers appointed by the IPO committee under Article 7.2.2 above;

7.3.2 The equity shares to be listed through the IPO shall be listed at a Recognised Stock Exchange as per the sole discretion of Investors.

7.4 The Company and the Promoters shall do all such acts, deeds, matters and things necessary, required or desirable in accordance with applicable Law to facilitate and effectuate the exit of the Investors through such IPO.

7.5 All costs in relation to such IPO or offer for sale (including without limitation underwriting, selling and distribution costs and safety net costs) shall be borne by the Company. In the event that applicable Law creates any embargo for such payment to be made by the Company, then the Promoters agree and undertake to make all payments in respect of such issue and / or offer.

“Notwithstanding anything contained in this Articles, the Parties agree that the IPO expenses shall be shared proportionately between the Company and the Shareholders participating in the offer for sale , in accordance with the requirements of the Companies Act and other applicable Laws.”

#### **7.6 Third Party Sale and Drag along right.**

7.6.1 In the event the Company does not complete an IPO before December 31, 2021 and the Investors propose to Transfer all or part of the Securities then



held by them then, without prejudice to the other rights and remedies available to the Investors under the Restated Shareholders Agreement or under Applicable Law, the Promoters shall cooperate, support and assist the Investors for identifying a third party strategic investor or financial investor (“**Third Party Offeror**”) to buy out (“**Third Party Offer**”) all such Securities (“**Investor Sale Securities**”) (“**Investor Sale**”).

- 7.6.2 In the event any of the Investors proposing to exit the Company (“**Exiting Investors**”), then the Exiting Investors shall provide a right of first offer in respect of the Sale Securities to the other Investors (“**Non Exiting Investors**”) and the Promoters in the manner as set out in Article 2.2.2. The mechanism for right of first offer to be exercised by the Non Exiting Investors and the Promoters (“**Non Exiting Party**”) as the case maybe shall be in accordance with Article 2.2.2 of this Articles. It is hereby clarified that the New Investors can exercise its right of first offer under this Clause either directly or through its Nominee.
- 7.6.3 In the event that any of the Non Exiting Investors determine that the person to whom the Exiting Investor is transferring its Sale Securities is not a person of repute as set out in Article 2.2.2.11, then the Exiting Investor will only be able to make such transfer if such buyer also offers to buy the Securities held by such Non Exiting Investor at a valuation not less than 1.5 (*one point five*) times the Post Money Valuation, or at a price providing such Non Exiting Investor with an IRR of 25% (*twenty five percent*) of its investment.
- 7.6.4 If any of the Non Exiting Investors is not selling its Securities to such Third Party Offeror, such Non Exiting Investor shall continue to have all its rights under this Agreement. For the avoidance of doubt that no Investor(s) shall be obligated to transfer the Securities held by it, to such Third Party Offeror.
- 7.6.5 If the Exiting Investor is transferring all of the Securities held by it to a Third Party Offeror at a valuation equal to or higher than 2.5 (*two point five*) times the Post Money Valuation, till June 30, 2022, and thereafter increased at 5% (*five percent*) per quarter, such increase effective from the first day of such quarter (“**Drag Sale Threshold**”), then such Exiting Investor may at their option require such number of additional Securities (“**Dragged Shares**”) held by the Non Exiting Investors, Promoters and/or Minority Shareholders to be transferred to the Third Party Offeror (“**Drag Along Purchaser**”) at the same price per Security and on the same terms and conditions as applicable to the Drag Along Purchaser (“**Drag Along Right**”) in the following manner



- 7.6.5.1 In the event that the transfer of the Dragged Shares together with all the Securities held by the Exiting Investor would result in a change of Control, then the Non Exiting Investors shall have the first right to transfer all, but not less than all, of their Securities to the Drag Along Purchaser. Further if any of the Non Exiting Investors decides not to transfer the Securities held by it to the Drag Along Purchaser, the Exiting Investor shall require the transfer of all the Securities held by the Minority Shareholders to the Drag Along Purchaser before requiring the transfer of any of the Securities held by the Promoters.
- 7.6.5.2 In the event that the transfer of the Dragged Shares together with all the Securities held by the Exiting Investor would not result in a change of Control, then the Non Exiting Investors shall have the first right to transfer such number of their Securities to the Drag Along Purchaser as would be required to transfer the Dragged Shares. In the event that the Non Exiting Investors do not provide all the required Dragged Shares, the Exiting Investor shall require the transfer of all the Securities held by the Minority Shareholders to the Drag Along Purchaser before requiring the transfer of any of the Securities held by the Promoters, provided that the Exiting Investor shall not be required to transfer such Securities that results in Promoter 1 holding less than 26% (*twenty six*) in the Company on a fully diluted basis. in relation to the Dragged Shares.
- 7.6.6 In the event that the Exiting Investors choose to exercise the Drag Along Right, they shall issue a written notice to the New Investors, Non Exiting Investors, Minority Shareholders and Promoters (“**Drag Along Notice**”) calling upon them to Transfer their Securities, as per Article 7.6.5 above, on a date specified therein (the “**Drag Completion Date**”). In such cases the Promoters shall provide all representations and warranties and indemnities to the Drag Along Purchaser as may be required by the Drag Along Purchaser. The New Investor and the Non Exiting Investors shall not be required to provide any representations and warranties other than relating to the title of such Securities. The New Investors, Non Exiting Investors, Minority Shareholders and Promoters shall be bound and obligated to Transfer all the Securities as required under Article 7.6.5 above to the Drag Along Purchaser on the same terms and conditions including the price as the Exiting Investor. The Promoters shall Transfer the Dragged Shares to the Drag Along Purchaser simultaneously with a Transfer of Securities by the Exiting Investor on the Drag Completion Date. It is clarified for the avoidance of doubt that no Securities shall be transferred unless all the Securities by the Exiting Investor are transferred to the Drag Along Purchaser.
- 7.6.7 Notwithstanding anything to the contrary contained in this Articles or in any other document in the event of a pursuit of a Third Party Sale pursuant to this Article 7.6 the Promoters and the Company shall also have an obligation to provide all support to facilitate such Transfer including for complying with the legal formalities of such Transfer.

## 7.7 Consummation of Exit Opportunities



7.7.1 In the event any of the exit options as specified above are not consummated by the Company and/or the Investors within December 31, 2023 all the restrictions in relation to the valuation in respect of the IPO and Drag Along Right shall fall away, and the Investors shall have the option but not an obligation to either exercise any of its rights under Articles 7.2, 7.3 and 7.6 above in any sequence, as per the discretion of the Investors. Provided further that once the Company / Promoters provide consummation of any of the exit rights to any Investor in accordance with this Article 7 then the Company / Promoters have fulfilled their exit obligations successfully by means of firm written binding documents, and shall not have any further obligation towards such Investor irrespective of whether the Investors (at their sole discretion) decide to exit fully or partially. It is clarified that notwithstanding any rights exercised by any Investor in seeking its exit, the remaining non-exiting Investors shall be fully entitled to their rights under this Article 7.

## **8 TRANSACTIONS WITH CONNECTED PERSONS/ CONCERNS AND CONFLICT OF INTEREST**

- 8.1 All transactions between the Company and Connected Persons/ Concerns shall be on terms that are at least as favorable to the Company as an arms' length arrangement and shall be pre decided and approved by the Board and Investors, before the transactions are undertaken, to ensure that revenues and profits of the Company are not adversely affected.
- 8.2 The Directors, Key Management Team, employees (earning total remuneration of INR 10,00,000 (*Indian Rupees Ten Lac*) or more per annum) periodically shall disclose to the Board in writing any conflict of interest, or direct or indirect personal benefit in contracts with third parties and that they perform their duties in the best interest of the Company and safeguard its Assets at all times.
- 8.3 The Company and the Promoters shall formulate a detailed conflict of interest policy acceptable to the Investors to ensure the compliance of the provisions of this Article 8.

## **9 BUSINESS PLAN AND BUDGET**

### **9.1 Business Plan**

- 9.1.1 The business of the Company will be conducted in accordance with the initial Business Plan prepared by the Company and approved by the Investors.

### **9.2 Subsequent Business Plans**

The initial Business Plan shall be applicable for a period of 5 (*five*) years. Every subsequent business plan ("**Subsequent Business Plan**") shall be prepared for each Financial Year subsequent to the period of applicability of the initial Business Plan. Each Subsequent Business Plan shall be prepared and adopted by the Board, subject



to the approval of the Investors, not less than 30 (*thirty*) days prior to the commencement of the relevant Financial Year.

### 9.3 Budgets

- 9.3.1 The Directors shall prepare an operating and cash flow budget (“**Budget**”) for the Company on an annual basis not later than 30 (*thirty*) Business Days before the commencement of the Financial Year for which the Budget is applicable which shall be approved by the Board in accordance with Article 9.1.1. Each Budget shall be prepared in accordance with the applicable Business Plan.
- 9.3.2 If the Minority Directors and other Directors are unable to agree upon any particular expenditure in the Budget (“**Disputed Expenditure**”), then the Company shall operate such Disputed Expenditure within the same limits provided for such expenditure in the Budget of the preceding Financial Year.
- 9.3.3 Subject to the provisions of Article 9.3.4, any financing or cash usage which is outside the purview of the Budget and exceeds by INR 15,00,000 (*Indian Rupees Fifteen lacs*) from that of the Budget shall only be taken by the Company with the prior written approval of the Minority Directors and/or Investors (as the case may be).
- 9.3.4 If any revenue targets set out in any Budget or any Business Plan are not achieved by the Company, the Company shall endeavour that the fixed expenses, operating and administrative expenses shall also be commensurate with the actual revenue targets achieved vis-a-vis the budgeted revenue targets.

### 9.4 Deviations

Any deviations of more than 10% (*ten percent*) under key elements of the Budget including revenue, expenses, working capital, capex may only be made on prior written approval of the Investors and the Minority Directors.

## 10 RIGHT TO ACCESS COMPANY RECORDS AND INSPECTION

- 10.1 The Company shall provide each Investors and their representatives, and persons informed by the Investors in writing with (i) full access during business hours to the properties, Assets, books, contracts, commitments, reports and records of the Group Company, and furnish to them all such documents, records and information with respect to the properties, Assets and Business of the Group Company and copies of any work papers relating thereto as the Investors shall from time to time reasonably request; and (ii) access during business hours to the Group Company and its Employees as may be necessary or useful to the Investors in connection with its review of the properties, Assets and Business of the Company and the abovementioned documents, records and information, free of cost.



- 10.2 The Company shall also provide the Investors online access to the Company's information materials and reporting tools, subject to patient confidentiality, in the manner acceptable to the Investors.
- 10.3 The Company shall provide to the Investors all material information relating to the Business and affairs of the Company including resignation of any member of the Key Management Team within a maximum period of 5 (*five*) days of the occurrence or a proposed occurrence (where such occurrence is foreseeable) or all information pertaining to notices or offers for purchase of Securities.

## 11 FINANCIAL STATEMENTS, INTERNAL MIS AND AUDITORS

- 11.1 The accounting year of the Group Company shall end on March 31 each year and there should not be any change in the Company's accounting policies without the prior written approval of Investors.
- 11.2 All important financial and accounting records and statements including the financial statements provided to the Investors shall require the approval and signature of the Promoters and the Finance Head of the Company.
- 11.3 The Company shall and shall cause all its Group Companies to maintain complete and accurate books, records and accounts of its operations at their respective registered office or any other place as provided under applicable Laws.
- 11.4 The approval and/ or adoption of the financial statements of the Company, whether audited or unaudited and making any changes in the Company's Financial Year or in its accounting / tax policies shall require the consent of the Investors.
- 11.5 The Finance Head and the Managing Director shall be jointly and severally responsible for the preparation of all the financial and other information in respect of the Company (standalone) and together with that of all its Subsidiaries (as applicable) on a consolidated basis as set forth in Article 11.6 below ("**Financial and Other Information**")
- 11.6 The Company and the Promoters shall provide the Investors the following:
  - 11.7 Monthly reporting package comprising of the following to be circulated within 15 (*fifteen*) calendar days (or such further period as may be mutually agreed) after the end of each calendar month:
  - 11.8 Unaudited consolidated monthly financial statements for each calendar month prepared in accordance with Indian GAAP ("**Monthly Financials**");
    - 11.8.1 Monthly management accounts (including consolidated and unconsolidated income statements, balance sheets and cash flow statements), brief discussions of the operational performance and financial performance of the Group Companies, forecasts of the immediate future performance of the Group Companies, management issues, key performance indicators, and other



matters relevant to the operations, compliance certificates certifying the compliance by the Company and its Subsidiaries of all its obligations under all applicable Law;

- 11.9 Unaudited consolidated quarterly financial statements and variance analysis, cash flow of the Company for such quarter and for the period from the beginning of the current Financial Year to the end of such quarter prepared in accordance with Indian GAAP within 45 (*forty-five*) calendar days after the end of each calendar quarter (“**Quarterly Financials**”);
- 11.10 The Company shall within 30 (*thirty*) days from end of each quarter provide each members of the board with a quarterly reporting package which shall include monthly management accounts, updated cash flow forecasts and operation reports for each Affiliate, subsidiary and divisional activity.
- 11.11 Annual Report for each Financial Year comprising of the audited consolidated annual financial statements for each Financial Year prepared in accordance with Indian GAAP (“**Audited Financials**”) accompanied by a report by the statutory auditor and the following (i) the balance sheet; (ii) the profit and loss statement; (iii) the cash flow statement; (iv) a discussion of key issues and variances to the Annual Operating Plan with comparative figures for the same period during the preceding Financial Year; (v) the management discussion and analysis of the operations for that period; and (vi) a detailed capitalization table that lists the Company’s Shareholders, and vested and unvested warrant-holders and optionees, within 60 (*sixty*) calendar days from the end of each Financial Year, (“**Annual Report**”).
- 11.12 Annual Report circulated to the Investors within 75 (*seventy five*) calendar days from the end of each Financial Year.
- 11.13 All important financial and accounting records and statements including the statements provided in Article 11.5 shall require the approval and signature of the Promoters and the Finance Head.
- 11.14 The Company and the Promoters shall promptly notify the Investors and the Investor’s Minority Directors of the receipt by the Company of any notice of any Insolvency Proceedings or Litigation or any of the following, which could have a Material Adverse Effect on the Company as well as such other financial and accounting reports and information as the Investors may reasonably request on a timely basis:
  - 11.14.1 Copies of any reports submitted for purposes of regulatory compliance and of notices received or reports or notices submitted to any Governmental Authorities;
  - 11.14.2 Copies of any changes to licenses and any material agreements;
  - 11.14.3 Details of any Litigation or Insolvency Proceedings which is likely to adversely affect the Group Company’s business or Assets or otherwise;





- 11.14.4 Details of any event of force majeure or any other event which would have an effect on the Company's profits or business.
- 11.15 The Company and the Promoters shall collectively ensure that they shall share details on the costing structure and components thereof in the respect of services / products which may be procured and/or manufactured from/through the Promoters group or affiliated companies or concerns in the formats provided by Investors or whenever requested by the Investor(s).
- 11.16 The Company shall appoint reputed firms of Chartered Accountants as statutory and internal auditors in consultation with and to the satisfaction of Investors.
- 11.17 The Company shall and the Promoters shall procure that the Company shall prepare the audited financial statements in accordance with the Indian GAAP for the 9 (*nine*) months period from January 1 to September 30 every year along with a certificate of compliance in accordance with international financial reporting standards within 30 (*thirty*) calendar days after the end of September 30 of each year and circulate the same to the Investors within 45 (*forty five*) calendar days from the end of September 30 each year.

## 12 SPECIFIC COVENANTS

- 12.1 All transactions between the Company and its Related Party (ies) shall be on arm's length basis and such basis and norms thereof shall be pre decided and approved by the Board and by Investors in writing before these transactions are undertaken. Further the Company shall ensure that revenues and profits of the Company shall not be adversely affected by such Related Party (ies) transaction. "**Related Party(ies)**" for the purpose of this Article 12.1 shall mean any of the following: (i) any employee, officer, director, key managerial personnel, Shareholder of the Company and their respective Relative(s) (ii) any Affiliate and any *associated enterprise* (as defined under Section 92A of the Income Tax Act, 1961) of any of the foregoing including the Company.
- 12.2 The Company shall be the exclusive owner of all the intellectual properties belonging to the Company including its databases, copyrights, trademarks, brand names from the Execution Date including the intellectual properties belonging to the Company shall be transferred to the Company, if held by the Promoters or any other person to the knowledge of the Promoters and the intellectual properties developed or to be developed, including without limitation employees, director, Promoters, officers, whether individually or jointly during the course of their employment or engagement with the Company and/or the subsidiary(ies).
- 12.3 The Investor's Minority Director(s) shall not be liable for day-to-day management of the Company and for any default or failure of the Company in complying with the provisions of any Law. The Investor's Minority Director(s) shall not be liable to provide any personal guarantee for the Company.



- 12.4 The Company to broad base its Board and finalize and/or strengthen the management set-up in consultation with and to the satisfaction of the Investors.
- 12.5
- 12.6 The Company shall document and implement the system and processes for research and development, procurement, vendor sourcing, strategic tie-up, marketing, payments, etc. to the satisfaction of the Investors.
- 12.7 Any accrued, unpaid dividends to the Investors shall be paid either in cash or subject to the applicable Law, shall be converted into additional shares of the Company at the same conversion price that the face value of the Investors Preference Share converts at or the conversion ratio Investors Preference Shares Securities shall be adjusted in such a manner that the Investors are entitled to receive such number of additional share equivalent to the accrued and unpaid dividend amount.
- 12.8 The Company shall enter into employment agreements with the Key Management Team on terms acceptable to the Investors, including (among others) specific provisions relating to compensation, exclusivity, confidentiality, ownership of work product, non-competition, non-solicitation, vesting, if any. The terms of the employment agreements will be in accordance with applicable Laws.
- 12.9 The Company, its Directors, officers and employees will not divulge or communicate any confidential information concerning the Business, accounts, finance, technology or Intellectual Property rights without the specific approval of the Board except to the extent as may be required to comply with any Law, order, regulation or ruling applicable to the Company or any Party hereto.
- 12.10 The Company shall maintain the insurance policies in relation to all the properties which are essential to the Company's Business.
- 12.11 The Company shall within 30 (*thirty*) days of the end of each Financial Year provide an annual budget to the Investors for the following Financial Year along with the other information sought by the Investors.
- 12.12 The Company shall at all points of time, obtain and be in possession of all licenses, franchises, permits, approvals and other authorizations necessary under applicable Law to entitle it to own or lease, operate and use its Assets and to carry on and conduct its Business as currently conducted.
- 12.13 The Investors will be classified as minority financial investor or non-promoter shareholders of the Company and the existing "**Promoters**" of the Company shall remain in the control of the Company and shall continue to manage the Company. After the Effective Date, the Investors shall be accordingly shown as non-promoter shareholders or minority financial investor in the shareholding pattern, financial results, forms or any other document required to be filed by the Company with the relevant Governmental Authority including in the documents



related to IPO or for any internal filing purposes. The Company shall take all necessary steps to ensure that the Investors shall not be considered as promoters or part of the promoter group of the Company in any filing(s) made or to be made by the Company.

“Notwithstanding the above, the Parties hereby acknowledge that Ms. Bhatevara is not a promoter of the Company (as per the definition of a promoter in the Companies Act and the ICDR Regulations) and shall not be considered as a promoter of the Company and shall not be named as a promoter of the Company in any offer documents filed by the Company in relation to an IPO.”

- 12.14 Mr. Rajendra Mutha and Ms. Pallavi Bhatevara shall undertake to be in day-to-day management and operation of the Company and shall devote their substantial portion of their time to the Company.
- 12.15 The Company shall and the Promoters shall ensure that the Company shall amend the Articles to limit the board member's liability and exposure to damages to the broadest extent permitted by applicable Law.
- 12.16 The Company hereby undertakes that the Minority Directors and the Investors will guide and assist the Company in achieving its objectives by providing access to its network in Indian and overseas. The Company shall provide the Existing Investors with a fee of INR 1,00,000 (*Indian Rupees One Lac*), which shall be exclusive of service tax and tax deducted at source, per month from the Execution Date onwards and such fees shall be received by the Existing Investors either directly or through any person nominated by the Existing Investors. The Company shall provide the New Investors with a fee of INR 1,00,000 (*Indian Rupees One Lac*), which shall be exclusive of service tax and tax deducted at source, per month from the Execution Date onwards as consideration against investment advice and networking opportunities provided by the New Investors to the Company for the purpose of enhancing business growth of the Company. Further, the Company shall provide travel allowance and accommodation facility to each of the Director(s) to attend meetings of the Board as well as committees of the Board, as required.
- 12.17 The Company shall and Promoters shall procure that the Company shall adopt a systematic mechanism in relation to availing the approvals/licenses from the AERB with respect to the existing as well as new centers of the Group Company as acceptable to the Investors within 90 (ninety) days after the First Completion Date. Further, the Company shall provide Investors with quarterly report stating the status including validity, expiration of licenses or approvals with respect to each and every centre of the Group Company.
- 12.18 The Company and the Promoters shall ensure that the Company shall renew the rental agreement for the registered office for 3 (*three*) more years post expiry of the existing rental agreement. After the aforesaid 3 (*three*) years period, until such time as the Investors have had a complete exit from the Company, the Promoters shall ensure that the rental agreement for the registered office (provided the



Company continues to use the same registered office for the same purposes as it is currently in use for) is renewed as required by the Company on terms that reflect the lower of fair market value or a moderate (not more than annual inflation) increase in rent over the prior year.

- 12.19 The Promoters undertake and shall ensure that:
- a) Every centre offering radiology services (CT Scan, MRI, and / or X-ray) shall be managed by a competent person who shall be a full time employee of the Company and shall function out of the respective centres.
  - b) The Radiological Safety Officer (“**RSO**”) of each diagnostic centre shall be a competent, trained person and shall be a full-time employee of the Company.
  - c) Any person holding the Thermoluminescent Dosimeter Badge (“**TLD Badge**”) shall be a competent, trained person and shall be a full-time employee of the Company.
  - d) All radiology images and reports shall be mandatorily processed and saved in the Company’s network and systems.
  - e) Every sample processing centre shall be monitored by a competent person who shall be a full-time employee of the Company and shall function out of the respective centres
  - f) The Company shall put in place sufficient and adequate Company manpower resources, systems and processes to ensure quality of service as per requirements of the agreements executed by the Company with various public and private entities.
  - g) All pathology data and reporting shall be mandatorily processed and saved in the Company’s network and systems.

The above undertakings shall be implemented and adhered to by the Company irrespective of the diagnostic centres being managed and maintained completely by the Company or such centres are managed and maintained by third party service providers by virtue of outsourcing or subcontracting agreements.

- 12.20 The Company shall provide the Board on a quarterly basis an internal audit report prepared by a competent firm appointed to the satisfaction of the Investors. The internal auditor so appointed shall examine the nature of the transactions between the Company and Lokmanya Hospital Medical Store (“**LHMS**”) and certify that such transactions with LHMS are in consonance with the agreements and purchase orders executed between the Company and LHMS. Further, the Promoters shall cause LHMS to provide all access to such information (invoice details, purchase price etc.) required for the purpose of the internal audit.

### 13 RESTRICTIVE COVENANTS OF THE RESTRICTED PERSONS



- 13.1 During the Restrictive Period, the Promoters shall not be engaged in any business other than the business being carried on through the Company, except with the prior written consent of the New Investors.
- 13.2 During the Restrictive Period the Restricted Persons shall not carry on or engage, directly or indirectly in any business which competes with the Restricted Business or participate, or assist any Person, including any Subsidiary, to engage or participate in any business and/or activity in India or overseas which is the same as or similar to the Restricted Business (including any business under evaluation or discussion by any of the Directors or officers of the Group Company with the management of the Company including the Promoters).
- 13.3 The Promoters shall ensure that the Company shall be the exclusive vehicle for the Restricted Persons carrying on the Business worldwide during the Restrictive Period, provided that provisions of this Clause will not be applicable to business of the Minority Shareholders as enumerated under **SHA**.
- 13.4 The Restricted Persons shall not engage in any activity that would breach, in the opinion of the Board, the terms of SHA, provided that provisions of this Article will not be applicable to business of the Minority Shareholders as enumerated under **SHA**.
- 13.5 The Promoters shall devote all their time and effort, on an exclusive basis, for carrying on the business and operations of the Group Companies.
- 13.6 During the Restrictive Period, the Restricted Persons shall not, directly or indirectly, irrespective of whether the relationship between the Group Company and the Restricted Client was originally established in whole or in part through the Restricted Person's efforts: (i) solicit any Business (other than through and / or on behalf of any of the Subsidiary) including any business under evaluation or discussion by any of the directors or officers of the Group Company with the management of the Group Company including the Promoter; by way of definitive plan(s) from any Restricted Client; (ii) persuade any Restricted Client to cease doing Business with the Group Company; or (iii) reduce the amount of business which any Restricted Client has customarily done or might propose doing with the Group Company.
- 13.7 During the Restrictive Period, the Restricted Persons shall not, either directly or indirectly solicit or hire or entice away or endeavour to solicit or to hire or to entice away or assist any other Person to solicit or hire or entice away from the Group Company any Employee or any person who has been an employee of the Group Company during the immediately preceding 12 (*twelve*) months.
- 13.8 The Promoters agree and undertake to cause their respective Affiliates to fully comply with the Restrictive Covenants contained in this Article 14 and shall undertake all best efforts to ensure that their Relatives shall comply with the Restrictive Covenants contained in this Article 13.



- 13.9 In the event that any of the Minority Shareholder(s) wish to undertake any business venture or opportunities in healthcare or other areas adjacent to the business undertaken by the Company, then such business ventures or opportunities must first be offered to the Company. Any such proposed ventures or opportunities shall be offered to the Company in writing, and shall be presented before the Board, at which meeting the Minority Directors shall be present. The Company shall have the right, but not the obligation, to consider to undertake such business ventures / opportunities, and any refusal/ acceptance shall be only with the consent of the Investors.
- 13.10 The restrictions contained in this Article 13 are considered reasonable for the legitimate protection of the business and goodwill of the Group Company and each of the other Parties. However, in the event that such restriction shall be found to be void, but would be valid if some part thereof was deleted or the scope, period or area of application were reduced, the above restriction shall apply with the deletion of such words or such reduction of scope, period or area of application as may be required to make the restrictions contained in this Article 13 to be valid and effective.
- 13.11 Notwithstanding the limitation of this provision by any applicable Law for the time being in force, the Promoters at all times, as applicable, observe and be bound by the spirit of this Article 13 provided, however, that on the revocation, removal or diminution of the applicable Law or provisions, as the case may be, by virtue of which the restrictions contained in this Article 13 were limited as provided hereinabove, the original restrictions would stand renewed and be effective to their original extent, as if they had not been limited by the applicable Law or provisions revoked.
- 13.12 The Restrictive Covenants as set forth in this Article 13 relates to special, unique and extraordinary matters, and that a violation of any other terms of such covenants and obligations will cause the Company and the other Parties irreparable injury. Therefore, each Promoter agrees with respect to itself and for and on behalf of their Affiliates and Relatives that the Company and/or any of the other Parties shall be entitled to a Specific or Injunctive Relief, restraining order or such other equitable relief as a court/tribunal of competent jurisdiction may deem necessary or appropriate to restrain the Restricted Persons from committing any violation of the covenants and obligations contained in this Article 13. These injunctive remedies are cumulative and are in addition to any other rights and remedies that the Company and/or the other Parties may have at Law or in equity.

## **14 BOARD OF DIRECTORS**

### **14.1 Management of the Company**

- 14.1.1 The Promoters shall be responsible for overall management of the Company's operations with operational and strategic assistance from the Investors and under the overall supervision and guidance of the Board and in accordance with applicable Law.



- 14.1.2 Subject to the foregoing the Promoter shall, with the consent of the Investors, be entitled to appoint a Chief Executive Officer who shall be in overall day-to-day management of the Company. The New Investor shall propose a reporting structure, appraisal and compensation structure for the Chief Executive Officer and his / her direct reportees.
- 14.1.3 The Company shall take steps in respect of the following only after consultation with the Investors:
- 14.1.3.1 develop growth strategy and long term business plan;
  - 14.1.3.2 put into place a planning process for development of annual business plan including capital expenditure;
  - 14.1.3.3 strengthen the organization, standardize human resources policies, assist in hiring senior management professional;
  - 14.1.3.4 create review metrics and mechanism for the Company's business and strategy, conduct and participate in their periodic reviews;
  - 14.1.3.5 strengthen business controls and system/quality audits;
  - 14.1.3.6 conclude commercial tie-ups as necessary for existing and new services / businesses;
  - 14.1.3.7 build new competencies in operations, business development as necessary;
  - 14.1.3.8 assist the Company in identifying and engaging with external experts where considered necessary.
- 14.1.4 Further, subject to the requirements of applicable Law, the Board may discharge its duties and responsibilities either by itself or by way of delegation of such duties and responsibilities to a 'Management Committee' comprising the Chairman, and 1 (*one*) Investor Minority Director appointed by the Investors. The Management Committee, may invite such other members including the Chief Executive Officer ("CEO"), Chief Financial Officer etc., as it may deem fit.

## 14.2 Composition and Constitution

- 14.2.1 The number of Directors on the Board immediately following the Effective Date of the SHA shall be 7 (seven). The Directors constituting the Board shall be nominated and appointed between the New Investors, the Promoters and the Existing Investors in proportion to their respective shareholding in the Company on a Fully Diluted Basis. As on the Effective Date, each of the Existing Investors shall be entitled to nominate and appoint minimum 1 (*one*) non retiring Directors each and the New Investors shall be entitled to nominate



and appoint minimum 1 (*one*) non retiring Director on the Board and have the right to proportional representation to their equity percentage holding on the Board (“**Minority Director(s)**”).

- 14.2.2 The Promoters shall be entitled to nominate and appoint minimum 3 (*three*) non retiring Director each on the Board, of whom 1 (*one*) non retiring nominee Director shall represent the Minority Shareholder(s) of the Company.
- 14.2.3 The New Investors, the Promoters and the Existing Investors jointly shall nominate and appoint a Person as the independent Director (“**Independent Director**”) on the Board of the Company who has not been in association with the Company during the 2 (*two*) immediately preceding financial years or during the current financial year.
- 14.2.4 At least 1 (*one*) Director appointed by each of the Investors shall be appointed as a member of all the (existing and future) committees of the Board.
- 14.2.5 The Investors shall appoint their respective Directors by giving a written notice to the Board in accordance with the applicable provisions of the Act.
- 14.2.6 The Directors appointed by the Investors shall not be required to hold any qualification shares.
- 14.2.7 The Board shall appoint a Chairman who shall be a nominee of the Promoters. The Chairman shall not have a casting vote.
- 14.2.8 Subject to the provisions of this Article 14, the right of appointment of the Directors conferred on the Parties shall include the right at any time to remove from office any such persons appointed by them and from time to time determine the period for which such persons shall hold office as Director. If any Party desires that any of the directors nominated by it should cease to be a director of the Company, the other Party shall exercise its voting rights in such manner so as to ensure such removal as soon as may be practicable. No Directors who have been appointed by the Investors shall be removed from office except with the affirmative vote of the respective Investor.
- 14.2.9 The Board may appoint an alternate director to act for a Director (“**Original Director**”) during his/her absence for a period of not less than 3 (*three*) months from India in which the meetings of the Board are ordinarily held. Subject to the provisions of this Article 14 the Party, which appointed such Original Director, shall have a right to recommend any other person to be the alternate director in place of the Original Director. The Parties shall ensure that the Board appoints only such person to be alternate director as is recommended by the Party, which appointed such Original Director. An alternate director shall not hold office for a period longer than that permitted to the Original Director.





- 14.2.10 Subject to the provisions of this Article 14, the Parties shall each have a right to fill in any casual vacancy caused in the office of the directors appointed by them, by reason of his/her resignation, death, removal or otherwise. All appointments and/or nominations made by respective Party shall be in writing and shall take effect on its receipt at the office of the Company or on the date of appointment specified in the notice, whichever is later.
- 14.2.11 The Promoters, the Existing Investors and the New Investors shall be entitled to propose and agree the constitution of sub-committees of the Board. The Minority Director appointed by the New Investor shall be appointed to each of the sub-committees of the Board.

“Notwithstanding anything contained in this Articles, the Board of Directors of the Company shall be reconstituted solely in order to comply with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Companies Act and other applicable Laws. Further, in relation to such reconstituted Board of Directors of the Company, it is hereby agreed that Phi Capital shall have the right to nominate 1 (*one*) nominee as a Director on the board of the Company, in a non-executive capacity. Phi Capital’s right to nominate 1 (*one*) nominee director on the Board of Directors, shall be included in Part A of the Articles of Association of the Company and will be subject to the following (a) an approval by the shareholders of the Company through a special resolution, post completion of the IPO and (b) shall exist till such time Phi Capital holds atleast 5% (five per cent) of the paid up capital of the Company, on a fully diluted basis.

Additionally, Somerset, Kitara and Phi Capital shall have the right to appoint up to 1(*one*) observer each (i.e.in aggregate, 3 (*three*) observers), in a non-participating capacity to the Board. Subject to compliance with necessary confidentiality obligations and applicable Laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and Code of Conduct on Insider Trading formulated by the Company, the observers so appointed shall be provided with the same information rights as would be available to the Directors from time to time in relation to matters to be considered by the Board. Such right to appoint an observer shall terminate upon filing of the red herring prospectus with Registrar of Companies, Maharashtra at Pune and such observers shall not attend any meeting of the Board of Directors of the Company on and after filing of such red herring prospectus.

### 14.3 Meetings and Quorum

- 14.3.1 Subject to the applicable provisions of the Act, the Board shall hold minimum number of 4 (*four*) meetings every year in such a manner that not more than 120 (*one hundred twenty*) days shall intervene between 2 (*two*) consecutive meetings at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the Chairman of the Board.



- 14.3.2 The Directors shall be entitled to receive all notices, agenda, etc. and to attend all board meetings and Meetings of any committees of the Board of which such Directors are members.
- 14.3.3 Written notice of at least 15 (*fifteen*) days of every meeting of the Board of Directors shall be given to every Director and every alternate Director at their usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice with consent of all the Directors.
- 14.3.4 The notice of each Board meeting shall include an agenda setting out the business proposed to be transacted at the meeting. Unless waived in writing by all Directors, any item not included in the agenda of a meeting shall not be considered or voted upon at that meeting of the Board. The Directors appointed by each of the Investors shall have the right to require that any matter be included in the agenda of any meeting of the Board by giving reasonable prior notice to the Company. The Company shall give to the Directors appointed by each of the Investors reasonable prior notice of the proposed agenda of any meeting of the Board and consider the suggestions of such Director (and in case of suggestions made by the Directors appointed by any of the Investor, include such suggestions), if any, prior to finalizing the agenda of the meeting.
- 14.3.5 Subject to provisions of Article 15.1, all decisions of the Board shall be taken by majority vote of the Directors present or represented at the meeting. In the event the provisions of Article 15.1 hereof are unenforceable under Law at the meetings of the Board, all decisions in relation to any of the matters specified in Article 15.1 shall be taken by the Company only at a general meeting.
- 14.3.6 A resolution by circulation shall be as valid and effectual as a resolution duly passed at a meeting of the Directors if the same is in accordance with the relevant provisions of the Act. Provided however that a resolution would be required by each of the Directors constituting quorum under Article 14.3.7 below.
- 14.3.7 Subject to the provisions of Article 14 hereof, a quorum for a meeting of the Board shall be the Independent Director, at least 1 (*one*) Director each appointed by Somerset Group and Kitara respectively and 1(*one*) Director nominated by the New Investors and at least 1 (*one*) Director each nominated by the Promoters and the Minority Shareholders, whether present in person or through an alternate director appointed in accordance with this Agreement, at the beginning and throughout the meeting of the Board. The Parties shall use all reasonable endeavours to procure that a quorum is present at and throughout each meeting of the Board. If within half an hour of the time appointed for the meeting (“**Original Meeting**”), a quorum is not present, the Original Meeting shall automatically stand adjourned by 7 (*seven*) calendar days and reconvene on the 8<sup>th</sup> (*eighth*) calendar day from the date of the Original Meeting (inclusive of the date of the Original Meeting) at the same place and time. If at the adjourned meeting also a quorum as stated above is not present, but the number of Directors present is sufficient to constitute a



valid quorum under the Act, then the Directors present shall be deemed to constitute a valid quorum for that meeting provided however, that no resolution shall be passed in respect to any of the matters specified in Article 15.1 below unless the quorum of the meeting of the Board comprises of the Independent Director, at least 3 (*three*) directors including 1 (*one*) director appointed by the Existing Investors, 1 (*one*) director appointed by the New Investor and 1 (*one*) Director nominated by the Promoters respectively at the beginning and throughout the meeting at any point of time.

14.3.8 The Directors of the Company may in accordance with applicable Law participate in meetings of the Board through Electronic Mode as may be set out in the notice of the meeting. Participation in the meeting of the Board through Electronic Mode shall constitute presence "in person" for purposes of constituting quorum for the meeting of the Board ONLY IF each Director participating in the meetings of the Board by Electronic mode attends at least one 1 (*one*) meeting of the Board physically in every Financial Year. The place where the Chairman of the Board meeting is sitting shall be taken as place of the meeting and all recordings shall be done at that place. In the event any Director participates in a meeting of the Board through the Electronic Mode, the Chairman of the meeting will be responsible for the conduct of such meeting in accordance with applicable Laws.

14.4 The provisions of Article 14.2 and 14.3 above shall *mutatis mutandis* be applicable to the subsidiaries of the Company.

#### 14.5 **Deadlock**

In the event of there being a Deadlock, in respect of any matters relating to (i) the approval, modification or deviation of a Business Plan, and (ii) the employment, removal or modification of terms of employment of any directors or members of the Key Management Team, the matter may be approved with the consent of Phi Fund and any of the Existing Investors. While such Deadlock is pending, the business of the Company will be carried on in the ordinary course, provided that the Company shall not take any steps in relation to the subject to the matter of the Deadlock.

#### 14.6 **Officers in default**

14.6.1 The Directors appointed by the Investors shall not be liable for any default or failure of the Company in complying with the provisions of any Laws. The Directors appointed by the Investors will not be treated as "**Officers in Default**" under the Act. Subject to the applicable provisions of the Act the Directors appointed by the Investors shall be entitle to be indemnified by the Company and/or the Promoters in the following sequence and order (i) to an extent of directors and officers liability insurance policy for a total cover of USD 3,000,000 (*United States Dollars Three Million*) to cover all the members of the Board of the Company (including the Minority Directors), (ii) by the Company, and (iii) by the Promoters shall indemnify, and hold harmless to the fullest extent permitted by Law, the person nominated/appointed by the Investors as Directors from and against any and all threatened pending or



completed actions, suits, claims or proceedings and any and all costs, damages, judgments, amounts paid in settlement and expenses (including without limitation attorney's fees and out of pocket expenses) which such Directors may directly or indirectly incur, suffer, and/or bear due to the failure of the Promoters and/or the Company to comply with any of the provisions of any applicable Laws or by reason of the fact that such person is or was a Director of the Company.

- 14.6.2 The Directors appointed by the Investors shall be non-executive Director and shall have no responsibility for the day-to-day management of the Company and/or its subsidiaries and shall not be liable for any failure by the Company to comply with the applicable Laws or be construed as an “**officer in default**” (under the Act) or as an “**occupier**” (of the Company's premises) under the applicable Laws. In the event that any notice or proceedings have been filed against the any of the Directors appointed by the Investors by reason of him/her being included within the scope of “**officer in default**”, the Company and the Promoters shall use all feasible efforts to ensure that the name of such Director appointed by the Investors is excluded/deleted and the charges/proceedings (civil, criminal or otherwise) against such Director appointed by the Investors is withdrawn and shall also take all steps to defend such Director appointed by the Investors against such proceedings and the Company shall pay for all liabilities, fines, losses or expenses that may be levied against or incurred by such Director appointed by the Investors.
- 14.6.3 The Company and Promoters shall indemnify and hold harmless any outgoing Director appointed by the Investor from and against any loss caused to such Director arising out of, or in relation to or otherwise in respect of such outgoing Director having served as a member of the Board.
- 14.6.4 The Company shall and the Promoters shall procure that the Company shall have at all times a designated Key Managerial Employee as an ‘officer-in default’ for the purpose of allocating the liability prior to the Completion Date and carry out the necessary filing with respect to the same. Further the Company shall ensure that the aforesaid person shall be responsible to look after day-to-day compliance of the Company.
- 14.6.5 The Company and the Promoters shall obtain within 30 (Thirty) days after the First Completion Date, and shall maintain a suitable key man insurance policy from a reputable insurance company for such sum assured as agreed between the Investors (or such other higher cover as may be decided by the Board from time to time). The Company shall not terminate any such policy without the consent of the Investors.

## 15 AFFIRMATIVE VOTE ITEMS AND PROMOTERS CONSULTATION ITEMS

- 15.1 Notwithstanding anything to the contrary contained herein, no resolution shall be passed or decision be taken by:



15.1.1 the Board, at a meeting of the Board, or by circulation; or

15.1.2 the Shareholders, at any meeting of the Shareholders;

in respect of any of the Affirmative Vote Items unless the written consent of:

15.1.3 at least 1 (*one*) Directors appointed by each of the Investors, in case of a matter requiring approval of the Board; and/or

15.1.4 the authorised representative of each of the Investors, in case of a matter requiring approval of the Shareholders,

is obtained prior to any such meeting or by circulation for it to be validly passed or taken. It is hereby clarified that any matter which requires Affirmative Vote Items cannot be considered passed if any of the Investor does not provide their consent.

15.2 If any Minority Director(s) or Investors desires to propose for discussion at a meeting of the Board or at a Shareholders' meeting any of the items listed in **Part B** of **Annexure II**, then such Minority Director(s) shall issue a notice in writing to the Promoters at least 5 (*five*) Business Days' prior to the respective Board meeting or Shareholders' meeting, as the case maybe, and the Minority Director(s) or Investors shall undertake to consult the Promoters of the item(s) proposed for discussion. For avoidance of doubt, it is hereby clarified that the decision to vote on items listed in **Part B** of **Annexure II** shall be at the sole discretion of the Minority Director(s) or Investors, as the case maybe.

## 16 SHAREHOLDERS MEETINGS

16.1 Prior written notice of at least 21 (*twenty one*) days for convening a general meeting of the Shareholders shall be given to all of the Shareholders. A general meeting may however be called by the Board on less than 21 (*twenty one*) days prior written notice, with the prior written consent of not less than 95% (*ninety five percent*) of the Shareholders. Every notice shall be accompanied by the agenda setting out the particular business proposed to be transacted at the general meeting.

16.2 A valid quorum for a meeting of the Shareholders shall be deemed to be constituted only if an authorised representative of each of the Investors, Promoters and of the Minority Shareholders is present at the beginning and throughout such meeting.

16.3 The Investors and the Promoters shall use all reasonable endeavours to ensure that a quorum is present at and throughout each meeting of the Shareholders. If within half an hour of the time appointed for the meeting of the Shareholders, a quorum is not present, the meeting ("**Original Shareholder Meeting**") shall automatically stand adjourned by 7 (*seven*) calendar days and reconvene on the 8<sup>th</sup> (*eighth*) calendar day from the date of the Original Shareholder Meeting (inclusive of the date of the Original Shareholder Meeting) at the same place and time. If at such adjourned meeting of the Shareholders, the quorum as required under Clause 16.2 is not present, but the number of Shareholders present is sufficient to constitute a



valid quorum under the Act, then notwithstanding anything contained in Clause 16.2, the Shareholders present at such adjourned meeting shall deem to constitute a valid quorum for that adjourned meeting. Further, the Shareholders present in the meeting so constituted shall be entitled to decide upon and pass valid resolutions on all matters specifically mentioned in the agenda for the original meeting provided however, that no resolution shall be passed in respect of any of the matters specified in Clause 15.1 above unless the quorum of the meeting of the Shareholders comprises of authorised representative of each of the Investors at the beginning and throughout the meeting. The Shareholders hereby agree and undertake that at any general meeting, if the Investors are desirous of exercising its affirmative vote in relation to any resolution in a particular manner, the Shareholders shall exercise their voting rights in accordance with the instructions of the Investors in relation to such resolution.

- 16.4 The Chairman of the Board shall preside as Chairman of all general meetings of the Company. The Chairman shall in case of equality of votes, not have a second and casting vote.
- 16.5 Voting at a meeting of the Shareholders / members shall only be by poll. Each of the Investors at all times shall have voting rights on their respective shares on a Fully Diluted Basis.
- 16.6 Except as otherwise specifically provided in this Agreement and in the Act, all decisions of the Shareholders of the Company shall be made by simple majority.
- 16.7 With respect to voting rights exercised at any meeting of the Shareholders of the Company, the Investors Securities issued to the Investors shall carry voting rights as if such Investors Securities have been fully converted into Equity Shares.

## 17 LIQUIDATION PREFERENCE

- 17.1 Upon the occurrence of a Liquidation Event or Sale Transaction, subject to Applicable Law, the Promoters and the Company shall ensure that the total proceeds from such Liquidation Event or Sale Transaction remaining after discharging or making provision for discharging the statutory and other third party liabilities of the Company required to be paid in preference to the Investors under Applicable Laws, shall be distributed to the Investors, simultaneously and in preference to all other Shareholders of the Company and before any distribution is made upon any Securities or otherwise to any other Shareholder of the Company, such that each Investor shall receive an amount higher of (hereinafter collectively referred to as the “Liquidation Preference” and the amount specified below shall be referred to as “**Liquidation Preference Amounts**”):
  - (a) The amount invested by each such Investor towards subscription of their respective Securities including all declared and unpaid dividends; or



- (b) Amount receivable by each Investor from the actual proceeds at the time of Liquidation Event or a Sale Transaction, based on their respective shareholding in the Company calculated on as if converted basis; or
  - (c) Fair market value of the assets, as determined by a valuer acceptable to the Investors, at the time of Liquidation Event or a Sale Transaction, distributable to each Investor, based on their respective shareholding in the Company, calculated on as if converted basis. It is clarified that in the event the entire assets of the Company being sold, directly or indirectly, at the time of Liquidation Event or a Sale Transaction, then fair market value of the Investor Securities on as if converted basis, as determined by a valuer acceptable to the Investors shall be distributed to each Investor, based on their respective shareholding in the Company, calculated on an as if converted basis.
- 17.2 Subject to Applicable Law, notwithstanding anything contained in Article 17.1 above, on the occurrence of a Liquidation Event or a Sale Transaction, if the aggregate funds and Assets available for distribution to the Investors are insufficient to pay in full in terms of 17.1 above, the total of the Liquidation Preference Amounts, the Assets and funds available for distribution shall be distributed amongst the Investors in proportion to the respective shareholding in the Company, calculated on as if converted basis, as on such date.
- 17.3 The other Shareholders (excluding the Investors) shall be entitled to participate in the proceeds of a Liquidation Event and Sale Transaction on a pro rata and on a Fully Diluted Basis, only upon the Investors receiving their entire Liquidation Preference Amount under Article 17.1.
- 17.4 The proceeds from such Liquidation Event or Sale Transaction shall be distributed in accordance with this Article 17, and the Promoter and the Company shall not be entitled to use the proceeds for any purpose till such payments are completed.
- 17.5 The Promoter and the Company shall, if required by the Investors, receive all such proceeds in such escrow account as may be specified by the Investors for this purpose.
- 17.6 Notwithstanding anything contained herein, all Equity Shares held by the Investors shall rank *pari passu* in all respects with the existing Equity Shares, in accordance with the Companies Act and other applicable Law.

It is clarified for the avoidance of doubt that in the event that the total proceeds from such Liquidation Event or Sale Transaction are insufficient to make the payments as specified in Article 17.1, the Promoters shall not be required to make any further payments of any amounts to the Investors and that the Investors shall in no manner require the Promoters under any circumstance to sell, transfer, mortgage, charge, pledge, creation of a lien, lease, exchange or create any other sort of Encumbrance on the properties of the Promoters other than the shares of the Company held by the Promoters.



## 18 EVENT OF DEFAULT

On the occurrence of an Event of Default as provided under the SHA, the Investors shall be free to:

- 18.1 exercise any of its rights under Article 7 without following any sequence, as per the discretion of the Investor(s); or
- 18.2 exercise any of the transfer provisions enshrined in Article 2 without giving right of first offer to the Promoters.

## 19 GOVERNING LAW AND ARBITRATION

- 19.1 In the event of a dispute or difference (“**Dispute**”) relating to any of the matters set out in SHA and/or SSA, the Parties shall discuss in good faith to resolve the Dispute. In case the Dispute is not settled within 15 (fifteen) calendar days, it shall be referred to arbitration in accordance with the Clause 19.2 below.
- 19.2 All Disputes that have not been satisfactorily resolved under Clause 19.1 above shall be referred to an arbitral tribunal of 3 (three) arbitrators (“Tribunal”) to be appointed within 10 (ten) calendar days from the expiry of the period mentioned in Clause 19.1 above. The Investors shall jointly appoint 1 (one) arbitrator, the Promoters and the Company shall jointly appoint 1 (one) arbitrator each to the Panel and the 2 (two) arbitrators so appointed by the Parties shall together appoint 1 (one) more arbitrator to the Tribunal. The arbitration shall be conducted in accordance with the procedure specified by the London Court of International Arbitration (India) Rules. The seat and venue of arbitration shall be Mumbai, India. All submissions and awards in relation to arbitration under this Agreement shall be made in English and all arbitration proceedings shall be conducted in the English language. Subject to Clause 19.4 below, the Parties shall equally share the costs of the arbitrator’s fees, but shall bear the costs of their own legal counsel engaged for the purposes of the arbitration.
- 19.3 The Tribunal shall make an award in writing within 30 (thirty) Business Days of the constitution of the Tribunal. The award of the arbitrators shall be final and conclusive and binding upon the Parties and non-appealable to the extent permitted by Law.
- 19.4 The Parties further agree that the arbitrators shall also have the power to decide on the costs and reasonable expenses (including reasonable fees of its counsel) incurred in the arbitration and award interest up to the date of the payment of the award.
- 19.5 During the arbitration proceedings the responsibilities and obligations of the Parties set out in SHA and/or SSA shall subsist and the Parties shall perform their respective obligations continuously except for that part which is the concerned matter of dispute in the arbitration.





## 20 NOTICES

20.1 Any notice or other communication that may be given by one Party to the other shall always be in writing and shall be served either by (i) hand delivery duly acknowledged; or (ii) sent by registered post with acknowledgment due; or (iii) by e-mail at the respective addresses set out herein below or at such other address as may be subsequently intimated by one Party to the other in writing as set out herein.

**i. if to the Company:**

Address : Plot No. 98, Pavananagar, Opp. Fathechand Jain School,  
Chinchwad, Pune - 411033  
Attention : Mr. Rajendra Mutha  
Tel : 020-27350027  
E-mail : rajendra.mutha@krsnadiagnostics.com

**ii. if to Mr. Rajendra Mutha:**

Address : Plot No. 98, Pavananagar, Opp. Fathechand Jain School,  
Chinchwad, Pune - 411033  
Tel : +91 9822083931  
E-mail : rajendra.mutha@krsnadiagnostics.com

**iii. if to Ms. Pallavi Bhatevara:**

Address : Princeton Town, Row House No.1, Kalyani Nagar, Pune -  
411006  
Tel : +91 8605117474  
E-mail : pallavi.jain@krsnadiagnostics.com

**iv. if to Minority Shareholder(s):**

Address : A/B/2, Madhuban Society, Premlok Park, Chinchwadgaon,  
Pune -411033  
Attention : Mr. Sachin Dhoka  
Tel : +91 9822531065  
E-mail : sachin.dhoka@krsnadiagnostics.com

**v. if to Somerset:**

Name : Somerset Indus Healthcare Fund I  
Address : c/o Kross Border Trust Services Ltd., St Louis Business Centre,  
CnrDesroches& St Louis Streets, Port Louis, Mauritius  
Attention : Mr. AvinashKenkare  
Tel : +1 732 296 9963  
E-mail: akenkare@somersetinduscap.com

**vi. if to Kitara:**



Name : Kitara PIIN 1104  
Address : c/o Anex Management Services Limited,9th Floor, Ebene Tower,  
52 Cybercity, Ebene,Republic of Mauritius  
Attention : -  
Tel : (+230) 467 3003  
E-mail : info@kitaracapital.com

**vii. If to Lotus Management Solutions**

Name : Mr. Mayur Sirdesai  
Address : 502, Sea Side Apts, P. Balu Marg, Prabhadevi, Mumbai – 400 025  
Attention : Mr. Mayur Sirdesai  
Tel : +91 9833860455  
E-mail : msirdesai@somersetinduscap.com

**viii. If to New investors**

Name : Mr. Sivaram Padmanabhan  
Address : Phi Capital, A4, Westend Colony, Near Shantiniketan, New Delhi – 110 021  
Attention : Mr. Sivaram Padmanabhan  
Tel : +91 11 49056887  
E-mail : sp@phicapital.in

- 20.2 All notices shall be deemed to have been validly given on (i) the business date immediately after the date of transmission with confirmed answer back, if transmitted by facsimile transmission, or (ii) the business date of receipt, if sent by courier or hand delivery; or (iii) the expiry of 7 (seven) days after posting, if sent by registered post.
- 20.3 Any Party may, from time to time, change its address or representative for receipt of notices provided for in this Agreement by giving to the other Party not less than 7 (seven) days prior written notice.

**21 SEVERABILITY**

- 21.1 Any provision in the SHA and/or SSA and/or Articles, which is or may become prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the SHA and/or SSA and/or Articles or affecting the validity or enforceability of such provision in the same or any other jurisdiction. Without prejudice to the foregoing, the Parties will immediately negotiate in good faith to replace such provision with a proviso, which is not prohibited or unenforceable and has, as far as possible, the same legal and commercial effect as that which it replaces.



Provided that Part B of the articles of association of the Company shall stand immediately and automatically deleted, not having any force under Law and be deemed to be removed from these Articles of Association upon the commencement of listing and trading of the Equity Shares of on any Recognised Stock Exchange in India, pursuant to an IPO

**By way of a resolution of the shareholders of the Company at their extra-ordinary general meeting held on May 14, 2021, Part B of these Articles of Association have been suitably amended by the Waiver and Amendment Agreement dated May 14, 2021, to the Amended and Restated Shareholders Agreement dated December 22, 2018, by and amongst the Company, Rajendra Mutha, Pallavi Bhatevara, Somerset, Kitara, Phi Capital, Mayur Sirdesai (on behalf of Lotus Management Solutions), Sanjay Pandhare, Suvidh Banthia, Sachin Dhoka, Anand Chhajed, Manas Dhoka, Rajendra Bhandari, Narayan Chighalikar, Rohit Karpe and Kirankumar Bhise (“Waiver Agreement”). With the objective of facilitating the proposed initial public offering of equity shares by the Company in accordance with applicable law, the Waiver Agreement, as reproduced in its entirety below, shall be deemed to be included suitably in this Part B of the Articles of Association of the Company.**

**WHEREAS:**

- A. The Parties have executed the Existing Investors SHA to record their *inter-se* rights and obligations as the shareholders of the Company.
- B. The Company is proposing to undertake an initial public offering of its equity shares of face value of INR 5 each (“**Equity Shares**”) in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, (“**ICDR Regulations**”), the Companies Act, 2013, as amended (the “**Companies Act**”), and rules made thereunder and other applicable Laws. The initial public offering will comprise a primary issue of Equity Shares by the Company (“**Fresh Issue**”) and an offer for sale by certain existing shareholders of the Company (“**Selling Shareholders**”, and such offer for sale, the “**Offer for Sale**”). The Fresh Issue along with the Offer for Sale shall collectively be referred to as the “**Offer**”. The Company, in consultation with the BRLMs, and subject to the prior written approval of the Investors, may consider a further issue of Equity Shares through a preferential issue or any other method as may be permitted in accordance with applicable Law to any person(s), aggregating up to ₹ 2,000.00 million, at its discretion, prior to filing of the red herring prospectus with the Registrar of Companies, Maharashtra at Pune (the “**Pre-IPO Placement**”). The Offer includes such Pre-IPO Placement, if any, subject to applicable laws. Pursuant to the Offer and subject to receipt of relevant regulatory approvals, the Equity Shares are proposed to be listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”, and together with BSE, the “**Stock Exchanges**”).
- C. The Board of Directors and shareholders of the Company, pursuant to resolutions each dated May 13, 2021 and May 14, 2021 respectively, approved the Offer and Fresh Issue, respectively.
- D. The Selling Shareholders have consented to participate in the Offer by way of the Offer for Sale of their respective portion of Equity Shares as determined by each such Selling Shareholder.



- E. For the purposes of the Offer, the Company shall file the draft red herring prospectus, the red herring prospectus and the prospectus with the Securities and Exchange Board of India (“SEBI”) and the Registrar of Companies, Maharashtra at Pune (“RoC”), to comply with the requirements of the ICDR Regulations, the Companies Act and other applicable Laws.
- F. In order to facilitate the Offer, and as required under applicable Laws, the Parties have now decided to waive and amend certain terms of the Existing Investors SHA in terms of the provisions mentioned hereunder.

**NOW THEREFORE**, in consideration of the foregoing, and the premises, mutual covenants, promises, agreements and provisions set forth hereinafter, the Parties hereby agree as follows:

## 1. DEFINITIONS AND INTERPRETATION

- 1.1. Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Existing Investors SHA.
- 1.2. “CCPS” shall mean, collectively, the Series A CCPS, Series B CCPS and Series C CCPS.
- 1.3. “Preference Shares” shall mean the preference shares issued by the Company from time to time.
- 1.4. “IPO” shall mean the Offer and the Pre-IPO Placement.

## 2. AMENDMENT TO THE EXISTING INVESTORSSHA

- 2.1. The following proviso is incorporated in clause 3.1.3 of the Existing Investors SHA:  
“Provided that nothing in this clause 3.1.3 shall apply in case of a Transfer of Securities through an offer for sale as part of an IPO by the Company.”
- 2.2. The following proviso is incorporated in clause 3.2 of the Existing Investors SHA:  
“Provided that nothing in this clause 3.2 shall apply in case of a Transfer of Securities through an offer for sale as part of an IPO by the Company.”
- 2.3. The following proviso is incorporated in clause 3.3 of the Existing Investors SHA:  
“Provided that nothing in this clause 3.3 shall apply in case of creation of statutory lock-up of Securities held by the Promoters, for the purposes of compliance with the requirements of the ICDR Regulations.”
- 2.4. Clause 6.3 of the Existing Investors SHA shall be replaced with following:  
“The ESOP Scheme shall be applicable to eligible employees as approved by the Board and the shareholders of the Company.”
- 2.5. The following proviso is incorporated in clause 9.1 of the Existing Investors SHA:



“Provided that nothing in this clause 9.1 shall apply in case of a Transfer of Securities through an offer for sale as part of an IPO by the Company. The valuation and marketing of the IPO shall be undertaken by SEBI registered merchant banker(s) appointed for the IPO, and/ or their affiliates, and the final price, price band, size, terms and timing of IPO shall be determined by the Company and the Investors participating in the offer for sale, in consultation with such merchant banker(s) and approved by the sub-committee of the Board that is authorised to decide all matters pertaining to the IPO (“**IPO Committee**”), in accordance with ICDR Regulations and other applicable Laws. In this regard, it is clarified that the presence of at least 1 (*one*) Investors’ nominee director / representative shall be required to constitute quorum for meetings of the IPO Committee and all matters as agreed in the Existing Investors SHA shall be approved by the IPO Committee, only when such Investors’ nominee director / representative consents to the same in writing.”

2.6. The following sub-clause is incorporated in clause 9.2.5 of the Existing Investors SHA:

“Notwithstanding anything stated in this Agreement, the Investors, apart from Phi Capital, which is a Category II Alternate Investment Fund, registered with SEBI and locked-in its Securities for a period of one year from the date of its subscription in accordance with SEBI ICDR Regulations, agree to “lock-up” Securities of the Company held by each of them for 1 (*one*) year from the date of allotment of the Equity Shares in the IPO (except those Equity Shares which are successfully transferred in the IPO), in accordance with the requirements of the ICDR Regulations.”

2.7. The following sub-clause is incorporated in clause 9.2.10 and clause 9.5 of the Existing Investors SHA:

“Notwithstanding anything contained in this Agreement, the Parties agree that the IPO expenses shall be shared proportionately between the Company and the Shareholders participating in the offer for sale, in accordance with the requirements of the Companies Act and other applicable Laws.”

2.8. The following sub-clause is incorporate in clause 15.14 of the Existing Investors SHA:

“Notwithstanding the above, the Parties hereby acknowledge that Ms. Bhatevara is not a promoter of the Company (as per the definition of a promoter in the Companies Act and the ICDR Regulations) and shall not be considered as a promoter of the Company and shall not be named as a promoter of the Company in any offer documents filed by the Company in relation to an IPO.”

2.9. The following sub-clause is incorporated in clause 17.2 of the Existing Investors SHA:

“Notwithstanding anything contained in this Agreement, the Parties agree that the Board of Directors of the Company shall be reconstituted solely to comply with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Companies Act and other applicable Laws. Further, in relation to such reconstituted Board of Directors of the Company, it is hereby agreed that Phi Capital shall have the right to nominate 1 (*one*) nominee as a Director on the board of the Company, in a non-executive capacity. Phi Capital’s



right to nominate 1 (one) nominee director on the Board of Directors, shall be included in Part A of the Articles of Association of the Company and will be subject to the following (a) an approval by the shareholders of the Company through a special resolution, post completion of the IPO and (b) shall exist till such time Phi Capital holds at least 5% (five per cent) of the paid-up capital of the Company, on a fully diluted basis.

Additionally, Somerset, Kitara and Phi Capital shall have the right to appoint up to 1 (one) observer each (i.e., in aggregate, 3 (three) observers), in a non-participating capacity to the Board. Subject to compliance with necessary confidentiality obligations and applicable Laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and Code of Conduct on Insider Trading formulated by the Company, the observers so appointed shall be provided with the same information rights as would be available to the Directors from time to time in relation to matters to be considered by the Board. Such right to appoint an observer shall terminate upon filing of the red herring prospectus with Registrar of Companies, Maharashtra at Pune and such observers shall not attend any meeting of the Board of Directors of the Company on and after filing of such red herring prospectus.”

2.10. The following is incorporated as clause 22.6 of the Existing Investors SHA:

“Notwithstanding anything contained herein, all Equity Shares held by the Investors shall rank *pari passu* in all respects with the existing Equity Shares, in accordance with the Companies Act and other applicable Law.”

2.11. The following proviso is incorporated in clause 25 of the Existing Investors SHA:

“Provided that Part B of the articles of association of the Company shall stand immediately and automatically deleted, not having any force under Law and be deemed to be removed from these Articles of Association upon the commencement of listing and trading of the Equity Shares of on any Recognised Stock Exchange in India, pursuant to an IPO.”

2.12. The following proviso is incorporated in Part A, Part B and Part C of Annexure IX of the Existing Investors SHA:

“Notwithstanding the above, from the date of conversion of the Company into public limited company till conversion of the CCPS, the CCPS shall be treated at par with and rank *pari passu* the Preference Shares of the Company in all respects.”

### 3. **WAIVER**

3.1. The Investors agree to waive all their rights under Clause 3.4 (*Tag Along Rights*), Clause 3.5, Clause 3.6, Clause 4 (*Pre-Emptive Rights*), Clause 15.5, Clause 15.11 and Clause 17.2.8 of the Existing Investors SHA for the duration of the Term, in relation to and for the purposes of facilitating the IPO. Notwithstanding anything stated in this Agreement, or elsewhere, the Investors’ right to receive information under Clause 12, 13 and 15 of the Existing Investors SHA shall at all times be subject to compliance with the applicable Law, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and Code of Conduct on Insider Trading formulated by the Company.



3.2. The Parties hereby agree and acknowledge that the Investors have agreed to execute this Waiver and Amendment Agreement only to facilitate the Offer. Therefore, the Company hereby undertakes that the Company shall not issue Equity Shares to any Person other than pursuant to: (a) the IPO, and (b) exercise of employee stock options granted under the ESOP Scheme.

#### 4. **CONSENT**

4.1. Notwithstanding anything contained in the Existing Investors SHA, each Party consents to disclose the terms of the Existing Investors SHA and this Waiver and Amendment Agreement, in the draft red herring prospectus, red herring prospectus, prospectus and all other documents in relation to the Offer, to the extent required under applicable Law and make such documents available as material contracts available for inspection at the registered office of the Company, to the extent required under applicable Law.

#### 5. **TERM AND TERMINATION**

5.1. This Waiver and Amendment Agreement shall become effective and binding on the Parties on and from the Execution Date until the earlier of: (i) withdrawal of the Offer or the draft red herring prospectus; (ii) December 31, 2021, unless otherwise extended in writing by the Parties hereto; or (iii) consummation of the Offer, i.e., date of receipt of final listing and trading approvals of each of the Stock Exchanges on which the Equity Shares of the Company will be listed pursuant to an IPO (such period referred to as “**Term**”), on which date, this Waiver and Amendment Agreement shall cease to have any force and effect, without any further act or deed required by any Party. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the Existing Shareholders SHA shall be reinstated as of the date immediately prior to this Waiver and Amendment Agreement and the Amendment Agreement.

5.2. In the event of any conflict, ambiguity or discrepancy between the provisions of this Waiver and Amendment Agreement and the Existing Investors SHA, the provisions of this Waiver and Amendment Agreement shall prevail.

#### 6. **REPRESENTATIONS AND WARRANTIES**

6.1. Each Party represents that it has the power and authority and is competent to enter into and perform this Waiver and Amendment Agreement and this Waiver and Amendment Agreement constitutes legal, valid and binding obligation on it, enforceable against it in accordance with the terms of the Waiver and Amendment Agreement. Each Party further represents that it is not restrained, prevented or inhibited by any contract or arrangement to which it is a party, or under applicable Law, from entering into this Waiver and Amendment Agreement or such other documents incidental hereto and undertaking the obligations herein mentioned.

#### 7. **GENERAL PROVISIONS**

7.1. This Waiver and Amendment Agreement, together with the Existing Investors SHA, constitutes the entire agreement between the Parties with respect to the subject matter thereof and shall remain valid, operative, binding, subsisting and in full force and effect during the



Term. The provisions of the Existing Investors SHA, to the extent not amended by this Waiver and Amendment Agreement, shall apply *mutatis mutandis* to this Waiver and Amendment Agreement, as if set out specifically herein.

- 7.2. No changes or additions to, or modifications of, this Waiver and Amendment Agreement shall be valid unless made in writing and signed by all the Parties hereto.
- 7.3. Any term or provision of this Waiver and Amendment Agreement that is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Waiver and Amendment Agreement.
- 7.4. This Waiver and Amendment Agreement shall be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which will constitute one and the same instrument. The delivery of signed counterparts by facsimile transmission or electronic mail in “portable document format (.pdf)” shall be as effective as signing and delivering the counterparts in person.





## ANNEXURE I

### NAME OF THE MINORITY SHAREHOLDERS

1. Mr. Sanjay Bhaskar Pandhare
2. Mr. Suvidh Sunil Banthia
3. Mr. Sachin PukhrajDhoka
4. Mr. Anand Chandrakant Chhajer
5. Mr. Manas PukhrajDhoka
6. Mr. Rajendra Hemchand Bhandari
7. Mr. Narayan Raghunath Chighlikar
8. Mr. Rohit Dinanath Karpe
9. Dr.Kirankumar Prabhakar Bhise



## ANNEXURE II

### PART A

#### AFFIRMATIVE VOTE ITEMS

The following matters shall be referred to as Affirmative Veto Items:

- i. the sale, transfer, mortgage, charge, pledge, creation of a lien, lease, exchange or other disposition of material assets or any interest therein or sale or disposition of any part of the undertaking, intellectual property, and/ or goodwill of the Company except to the extent approved in the Business Plan;
- ii. amend the Memorandum of Association and/or Articles of Association of the Company;
- iii. raising of equity beyond projected Business Plan;
- iv. debt/lease financing and capital expenditure, other than as envisaged under the Annual Business Plan;
- v. Inter-Company financial transactions in excess of INR 10,00,000 (*Indian Rupees Ten Lacs*) and investment by the Company in any other Company or business in excess of INR 25,00,000 (*Indian Rupees Twenty five Lacs*);
- vi. the pricing and timing and all other terms and conditions of an IPO or an offer for sale of shares;
- vii. any changes in the Company's Financial Year or in its accounting policies;
- viii. management changes to positions of Senior Management Positions CEO and his / her direct reports;
- ix. mergers, acquisitions, disinvestments, creation of subsidiaries, consolidation, reconstitution, reconstruction, recapitalization, reorganization or other business combination involving the Company and/ or its subsidiaries; or a merger, sale of substantially all assets or shares, re-organization or other transaction in which there is a change in Control of the Company;
- x. the institution, withdrawal or settlement of any litigation, legal action or proceedings or dispute in which the Company is a party (other than any such proceedings between the Investor and the Company), where the value of the subject matter of such litigation, legal action, proceedings or dispute is in excess of INR 15,00,000 (*Indian Rupees Fifteen Lacs*);
- xi. distribution of capital or profits by dividends, capitalization of reserves or otherwise;



- xii. issuance or grant of Securities, equity-linked instruments or any option in any form to acquire/ subscribe to equity shares of the Company or any form of capital restructuring and altering rights of any class of shareholders including the Investors;
- xiii. incurrence of debt (of whatever nature) or guarantee in excess of INR 20,00,000 (*Indian Rupees Twenty Lacs*) except as agreed to in the Business Plan;
- xiv. early repayment of debt or guarantee of any amount in excess of INR 20,00,000 (*Indian Rupees Twenty Lacs*) except as agreed to in the Business Plan;
- xv. any action that has the effect of altering or changing the rights and privileges of the holders of the Investors Securities;
- xvi. dismissal, removal or appointment of the key employees withdrawing total remuneration in excess of INR 24,00,000 (*Indian Rupees Twenty Four Lacs*) per annum or adoption of or any material amendments to employment contracts of the key employees of the Company;
- xvii. utilization of free reserves, securities premium amount and the proceeds of the issue of any shares or other specified securities other than as envisaged under the Annual Business Plan;
- xviii. capital expenditure or investment decisions by the Company in excess of INR 5,00,00,000 (*Indian Rupees Five crore*) regardless of the approval of the Business Plan, and capital expenditure or investment decisions by the Company in excess of INR 1,00,00,000 (*Indian Rupees One crore*) other than as envisaged under the Annual Business Plan);
- xix. any contract for material or services whole value is in excess of INR 36,00,000 (*Indian Rupee Thirty six lacs*);
- xx. any change in business scope, any diversification into business areas unrelated to its existing businesses and/or acquisition, disposition or dilution of a substantial interest in any other business, company, partnership or sole proprietorship and/or material deviations in operating expenses from the mutually agreed Business Plan or adoption of any new business plan by the Company;
- xxi. affiliated party transactions or any matter relating to the execution of an agreement or any contract or arrangement between the Company and any or all of the Promoters, Management Team or their affiliates/relatives or matters relating to termination of such agreements, contracts or arrangements
- xxii. voluntary liquidation or dissolution of the Company;
- xxiii. entering into, variation or termination of any material agreement or arrangement outside the ordinary scope of business by the Company;
- xxiv. approval of the annual accounts and the annual operating budget for any Financial Year of the Company;



- xxv. appointment, removal, change of any independent directors on the Board, the approval of or payment of any fee, compensation or other remuneration (in cash, in kind or otherwise) to any of the directors in his capacity as director of the Company;
- xxvi. entering into any compromise with any of the creditors or any class of them by the Company with regard to any material debts;
- xxvii. appointment or removal or change of the statutory auditors and internal auditors of the Company or change in any policy on financial matters such as significant accounting practices and depreciation practices;
- xxviii. Any change in (i) the Company's accounting policy(ies), except as required by a change in the applicable accounting standards, (ii) any change to the Company's Anti-Corruption / ESG / Anti Bribery Policies and Procedures;
- xxix. the sale, transfer or grant of any trade secret or intellectual property right except in the ordinary course of business or the grant of any license in respect of any distributorship, agency, reselling arrangement or franchise by the Company;
- xxx. approve the timing, structure, pricing and other details relating to any initial public offering or any trade sale of the Company;
- xxxi. the increase, reduction, sub-division, cancellation or variation of the Company's authorized or issued share capital or creation of any new class of securities which have a preference over the Investor Securities or the variation of any rights attaching to any share in the Company;
- xxxii. approval of the terms of any stock option plans / sweat equity shares for employees or directors of the Company;
- xxxiii. any purchase or other acquisition of any share capital or other securities, or any assets of any entity/ body corporate or establish any subsidiaries
- xxxiv. declaration or payment of any dividend (including interim dividend) on any securities issued by the Company;
- xxxv. change of Control over the Company or any part of any transaction in relation to a proposed change in Control of the Company;
- xxxvi. utilisation by the Company of its working capital and operating reserves;
- xxxvii. any and all matters relating to the investments by the Company in any of its subsidiaries and issues relating to sale or divestment of investments or holdings by the Company in any of its subsidiaries;
- xxxviii. any further/ additional issue of shares or stock options, over and above the shares/ stock options issued under the Annual Business Plan;



- xxxix. any increase or decrease in the composition of the Board;
- xl. provision of loans to any of the Directors;
- xli. any action leading to an initial public offering including appointment of investment banking firm for such purpose;
- xlii. delegation of authority to any individual Director or committee of the Board in respect of any of the above matters or otherwise;
- xliii. conversion of the Company from a private company to a public company; and
- xliv. each of the above with respect to each subsidiary of the Company.



## PART B

### PROMOTERS CONSULTATION ITEMS

The following matters shall be referred to as Promoters Consultation Items:

- i. Sale, transfer, mortgage, charge, pledge, creation of a lien, lease, exchange or other disposition of material assets or any interest therein or sale or disposition of any part of the undertaking, and/ or goodwill of the Company except to the extent approved in the Business Plan, prior to the Exit Transaction;
- ii. Amend the Memorandum of Association and/or Articles of Association of the Company;
- iii. the pricing and timing and all other terms and conditions of an IPO or an offer for sale of shares;
- iv. Mergers, acquisitions, divestments, creation of subsidiaries, consolidation, reconstitution, reconstruction, recapitalization, reorganization or other business combination involving the Company and/ or its subsidiaries; or a merger, sale of substantially all assets or shares, re-organization or other transaction in which there is a change in Control of the Company;
- v. distribution of capital or profits by dividends, capitalization of reserves or otherwise;
- vi. alteration of rights more favorable to the Investors;
- vii. any change in business scope, any diversification into business areas unrelated to its existing businesses and/or acquisition, disposition or dilution of a substantial interest in any other business, company, partnership or sole proprietorship and/or material deviations in operating expenses from the mutually agreed Business Plan or adoption of any new business plan by the Company;
- viii. voluntary liquidation or dissolution of the Company;
- ix. approval of the annual operating budget for any Financial Year of the Company;
- x. appointment or removal or change of the statutory auditors and internal auditors of the Company;
- xi. the sale, transfer or grant of any trade secret or intellectual property right except in the ordinary course of business;
- xii. approval of the terms of any stock option plans for employees of the Company and the allocation of options thereunder or any issue and allotment of sweat equity shares to the employees or directors of the Company;
- xiii. any increase or decrease in the composition of the Board;



- xiv. conversion of the Company from a private company to a public company; and
- xv. each of the above with respect to each subsidiary of the Company.



## ANNEXURE III

### FORMULA FOR BROAD BASED WEIGHTED AVERAGE ANTI DILUTION

The number of additional Shares to be issued to each of the holder of the Investor Securities shall be calculated in following manner:

1. New price for Investor Securities shall be calculated as per below formula (“**New Price**”):

$$NP = CP * ((FD + CSE-A) / (FD + CSE-Actual))$$

Where,

NP = New Price

CP = Price paid per Investor Security

FD = the aggregate number of Shares in the Company calculated on Fully Diluted Basis outstanding immediately prior to the new issue (assuming for this purpose the exercise and/or conversion of all then-outstanding Securities)

CSE-A = such number of Equity Shares which are purchasable with Price paid per Investor Security

CSE-Actual = Equity Shares actually purchased or purchasable with the per share price at which additional Securities are being issued by the Company

FD = (a) + (b) + (c), where

(a) = Equity Shares

(b) = Equity Shares issuable upon conversion of preference shares

(c) = Number of Equity Shares which could be obtained by converting all other options, rights, and securities, including employee options granted / allocated (but excluding employee options which are unallocated)

2. The number of Investor Securities that the Investor would have received if the Investor had paid the New Price for the Investor Security would be calculated as per following formula:

$$AS = AC/NP$$

where,

AS = Number of Investor Securities that the Investor would have received if the Investor had paid the New Price;

AC = Aggregate consideration paid by the Investor for the Investor Securities

NP = New Price

3. The number of additional Shares available to be purchased by Investor (“**Additional Shares**”) shall be calculated as per below formula

$$ASP = AS - OS$$

Where, OS = number of Investor Securities issued to the Investor originally.





## ANNEXURE IV

### TERMS AND CONDITIONS OF CCPS

The rights attached to the Series A and Series C Investors Preference Shares allotted to the Existing Investors are as follows and shall *mutatis mutandis* be reproduced in the Articles:

#### Part A

#### Terms and Conditions of Series A CCPS

1. Redemption

The Series A Investors Preference Shares issued to the Existing Investors shall be compulsorily converted into Equity Shares and shall not be redeemable in any other manner.

2. Series A Conversion

- a) The Series A Investors Preference Shares shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events:
- i. At the latest time permitted under applicable Law, when considering the listing of the Equity Shares of the Company pursuant to a Qualified IPO;
  - ii. Expiry of 19 (*nineteen*) years and 11 (*eleven*) months from the Series A Completion Date (“**Investment Period**”); or
  - iii. Any time prior to the expiry of the Investment Period at the option of the respective Existing Investor.
- b) In the event the Existing Investors exercises its/their rights to convert any of the Series A Investors Preference Shares in accordance with Clause 2(a)(iii) of this **Annexure IV**, then the Existing Investor(s) can notify the Company of the date on which Series A Conversion needs to take place (“**Series A Conversion Notice**”).
- c) In the event of occurrence of events under **Clause 2 a) (i) and (ii)** of this **Annexure IV**, the Company shall at the relevant time (as the case may be) automatically proceed for Series A Conversion.
- d) The Series A Investors Preference Shares shall be converted at in accordance with the ratio determined in accordance with Clause 3 of this **AnnexureIV**.
- e) The Company and the Promoters hereby agree and undertake that within 15 (fifteen) days of receiving the Series A Conversion Notice, or expiry of 15 (fifteen) days from the Investment Period, or the relevant time of the Qualified IPO (as the case may be) (“**Series A Conversion Date**”), the Company shall



and the Promoters shall cause the Company to convert the Series A Investors Preference Shares in accordance with the ratio specified in **Clause 3** of this **Annexure IV**. For such purpose, the Company shall hold a meeting of the Board or shareholders, as may be required, and pass necessary resolutions issuing the Equity Shares to the Existing Investors.

- f) In the event upon Series A Conversion, the Equity Shares proposed to be issued to the relevant Existing Investor(s) are fractional in number, then the number of Equity Shares shall be rounded off to the next whole number.
- g) The Equity Shares so issued and allotted to the Existing Investors shall carry, from the date of Series A Conversion, all rights *pari passu* with the Equity Shares of the Company existing as of date.
- h) The Company shall take all necessary approvals and requisite steps under applicable law to ensure that the aforesaid number of Equity Shares are issued to the Existing Investors including increase in the authorised capital of the Company before conversion of the Series A Investors Preference Share to accommodate the issuance of Equity Shares upon conversion.

3. Series A Conversion Ratio

- a) Subject to the provisions relating to 'Anti-Dilution' in the SHA and this Clause 3, the Existing Investors shall be entitled to convert each Series A Investors Preference Share into 2 (*two*) Equity Share of Rs. 5/- each without any additional payment for such conversion.
- b) It is further clarified that that the Promoter Group shall indemnify the Company against any claim brought upon the Company by any Governmental Authority pursuant to this Clause 3.

4. Dividend

The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend equal to 0.0001% (*zero point zero zero zero one per cent*) of the value of the Series A Investors Preference Shares, subject to applicable law, calculated on and from the Series A Completion Date till the exit of the Investors in accordance with the SHA (as may be contextually applicable). The holders of the Series A Investors Preference Shares shall be entitled to pro-rata participate in any dividend declaration on the Equity Shares on an As Converted Basis.

5. Voting

The Series A Investors Preference Shares shall carry such voting rights as are exercisable by persons holding equity shares in the Company and shall be treated *pari passu* with the Equity Shares on all voting matters. The Parties hereby agree that in case if the Existing Investors are unable to exercise the voting rights on the Series A



Investors Preference Shares in accordance with applicable Law, in such circumstances the Promoters agree to provide the Existing Investors with voting rights in relation to such number of Equity Shares so as to ensure that the Existing Investors shall exercise the voting right on the CCPS on a Fully Diluted Basis. In connection to such voting rights, the Promoters shall execute a power of attorney in favour of the Existing Investors to exercise voting rights in respect of such Equity Shares.

6. Priority

The terms, preferences, rights and privileges of the Series A Investors Preference Shares shall be *pari passu* to all other CCPS Shareholders, including liquidation preference.

7. Alteration of terms of issue

For any amendment/alteration of the terms of issuance of the Series A Investors Preference Shares, the prior written consent of the Existing Investors shall be necessary.

8. SHA

Subject to applicable Law, the Existing Investors shall be entitled to all the rights, entitlements and benefits as stated in the SHA and incorporated in the amended Articles of Association.

9. Notices

All notices and other communications given to or made in connection with the Series A Investors Preference Shares shall be in writing.

10. Governing Law

The Series A Investors Preference Shares shall be governed by and construed as per the Articles of Association of the Company, the Series A Share Subscription Agreement and the SHA and in accordance with the Applicable Law. The Series A Investors Preference Shares shall be governed by the laws of India and all disputes arising out of or in connection with the Series A Investors Preference Shares shall be resolved in accordance with the provisions of this Articles and the SHA.

11. Taxes

The Company shall pay any present or future stamp or documentary taxes and similar fees and taxes which arise from any payment made hereunder or from the execution, delivery, registration or transfer of, or otherwise with respect to the Series A Investors Preference Shares.

12. Severability of Provisions



Any provision of the Series A Investors Preference Shares that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of the Series A Investors Preference Shares or affecting the validity or enforceability of the provision in any other jurisdiction.

Notwithstanding the above, from the date of conversion of the Company into public limited company till conversion of the CCPS, the CCPS shall be treated at par with and rank pari passu the Preference Shares of the Company in all respects.

## **Part B**

### **Terms and Conditions of Series C CCPS**

#### 1. Redemption

The Series C CCPS issued to the New Investors shall be compulsorily converted into Equity Shares and shall not be redeemable in any other manner.

#### 2. Series C CCPS Conversion

- a) The Series C CCPS shall compulsorily convert into Equity Shares of the Company upon the occurrence of any of the following events:
  - i. At the latest time permitted under Applicable Laws, when considering the listing of the Equity Shares of the Company pursuant to a Qualified IPO;
  - ii. Expiry of 19 (*nineteen*) years and 11 (*eleven*) months from the First Subscription Completion Date (“**Investment Period**”); or
  - iii. Any time prior to the expiry of the Investment Period at the option of the New Investors.
- b) In the event the New Investors exercises its/their rights to convert any of the Series C CCPS in accordance with Clause 2(a)(iii) of this **Annexure IV**, then the New Investors can notify the Company of the date on which Series C CCPS Conversion needs to take place (“**Series C CCPS Conversion Notice**”).
- c) In the event of occurrence of events under Clause 2(a) (i) and (ii) of this **Annexure IV**, the Company shall at the relevant time (as the case may be) automatically proceed for Series C CCPS Conversion.
- d) The Series C CCPS shall be converted at in accordance with the ratio determined in accordance with **Clause 3** of this **Annexure IV**.



- e) The Company and the Promoters hereby agree and undertake that within 15 (*fifteen*) days of receiving the Series C CCPS Conversion Notice, or expiry of 15 (*fifteen*) days from the Investment Period, or the relevant time of the Qualified IPO (as the case may be) (“**Series C CCPS Conversion Date**”), the Company shall and the Promoters shall cause the Company to convert the Series C CCPS in accordance with the ratio specified in **Clause 3** of this **AnnexureIV**. For such purpose, the Company shall hold a meeting of the Board or shareholders, as may be required, and pass necessary resolutions issuing the Equity Shares to the New Investors.
- f) In the event upon Series C CCPS Conversion, the Equity Shares proposed to be issued to the New Investors are fractional in number, then the number of Equity Shares shall be rounded off to the next whole number.
- g) The Equity Shares so issued and allotted to the New Investors shall carry, from the date of Series C CCPS Conversion, all rights *pari passu* with the Equity Shares of the Company existing as of date.
- h) The Company shall take all necessary approvals and requisite steps under applicable law to ensure that the aforesaid number of Equity Shares are issued to the New Investors including increase in the authorised capital of the Company before conversion of the Series C CCPS to accommodate the issuance of Equity Shares upon conversion.

3. Series C CCPS Conversion Ratio

- a. Subject to the provisions relating to ‘Anti-Dilution’ in the SHA, the New Investors shall be entitled to convert Series C CCPS into 2 (*two*) Equity Share of Rs. 5/- each without any additional payment for such conversion.



4. Dividend

The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend equal to 0.0001% (*zero point zero zerozero one percent*) of the value of the Series C CCPS, subject to Applicable Laws, calculated on and from the First Completion Date till the exit of the New Investors in accordance with Clauses 8 and/or 22 of the SHA (as may be contextually applicable). The holders of the Series C CCPS shall be entitled to pro-rata participate in any dividend declaration on the Equity Shares on an As Converted Basis.

5. Voting

The Series C CCPS shall carry such voting rights as are exercisable by persons holding equity shares in the Company and shall be treated *pari passu* with the Equity Shares on all voting matters. The Parties hereby agree that in case if the New Investors are unable to exercise the voting rights on the Series C CCPS in accordance with Applicable Laws, in such circumstances the Promoters agree to provide the New Investors with voting rights in relation to such number of Equity Shares so as to ensure that the New Investors shall exercise the voting right on the Series C CCPS on a Fully Diluted Basis. In connection to such voting rights, the Promoters shall execute a power of attorney in favour of the New Investors to exercise voting rights in respect of such Equity Shares.

6. Priority

Subject to the provisions of the Transaction Documents, the terms, preferences, rights and privileges of the Series C CCPS shall be *pari passu* to all other CCPS Shareholders, including liquidation preference.

7. Alteration of terms of issue

For any amendment/alteration of the terms of issuance of the Series C CCPS, the prior written consent of the New Investors is mandatory.

8. Issue of Series C CCPS

The Promoters and the Company hereby agree to take all such steps as are required, including passing of all necessary resolutions to ensure that the Series C CCPS are issued to the New Investors in accordance with all necessary Applicable Laws and this Articles.

9. SHA

Subject to Applicable Laws, the New Investors shall be entitled to all the rights, entitlements and benefits as stated in the SHA and incorporated in the amended Articles.



10. Notices

All notices and other communications given to or made in connection with the Series C CCPS shall be in writing.

11. Governing Law

The Series C CCPS shall be governed by and construed as per the Articles of the Company and Transaction Documents and in accordance with the Applicable Law. The Series C CCPS shall be governed by the laws of India and all disputes arising out of or in connection with the Series C CCPS shall be resolved in accordance with the provisions of this Agreement and the SHA.

12. Taxes

The Company shall pay any present or future stamp or documentary taxes and similar fees and taxes which arise from any payment made hereunder or from the execution, delivery, registration or transfer of, or otherwise with respect to the Series C CCPS.

13. Severability of Provisions

Any provision of the Series C CCPS that is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of the Series C CCPS or affecting the validity or enforceability of the provision in any other jurisdiction.

Notwithstanding the above, from the date of conversion of the Company into public limited company till conversion of the CCPS, the CCPS shall be treated at par with and rank pari passu the Preference Shares of the Company in all respects.



We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of these Articles of Association.

Names, addresses, description and occupation of the subscribers	Signature	Name, address, description and occupation of the Witness
<p>1. Rajendra Mutha</p> <p>S/o: Khivraj Mutha</p> <p>R/a: A 2, 19+20, Shantibhan Society, Chinchwad, Pune- 411033</p> <p>Occ: Business</p>	<p>Sd/-</p>	<p>"WITNESS TO BOTH" Sd/- Parag Dasarwar</p> <p>S/o: Sharadrao Dasarwar R/a: Tal- Rajura, Dist- Chandrapur- 442905</p> <p>Occ: Practicing Company Secretary</p>
<p>2. Sunita Mutha</p> <p>W/o: Rajendra Mutha</p> <p>R/a: A 2, 19+20, Shantibhan Society, Chinchwad, Pune- 411033</p> <p>Occ: Business</p>	<p>Sd/-</p>	

Date: 15.12.2010

Place: Nagpur

