

**(THE COMPANIES ACT, 2013) (COMPANY LIMITED BY SHARES)  
(INCORPORATED UNDER THE COMPANIES ACT, 1956)**

**ARTICLES OF ASSOCIATION**

**OF**

**PARAS HEALTHCARE LIMITED<sup>1</sup>**

The following regulations comprised in these Articles of Association were adopted pursuant to Section 14 of the Companies Act, 2013 and by a special resolution passed by the members in their extraordinary general meeting held on July 25, 2024 in substitution for, and to the entire exclusion of all the existing Articles of Association of Paras Healthcare Limited (the “**Company**”).

The Articles of Association of the Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to the applicable laws, prevail and be applicable. However, Part B shall automatically terminate and cease to have any force and effect from the date of receipt of the final listing and trading approval from the stock exchanges, for the listing and trading of the Equity Shares of the Company pursuant to the initial public offering of the Equity Shares of the Company, without any further corporate or other action by the Company or by the shareholders of the Company.

**I. PRELIMINARY**

**1. APPLICABILITY OF TABLE F**

The Regulations contained in Table ‘F’ in the Schedule-I to the Companies Act, 2013 and rules made thereunder, as amended (“**Companies Act**” or “**Act**”) shall not apply to the Company except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Companies Act.

2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to addition, alteration, substitution, modification, repeal and variation thereto by Special Resolution as prescribed or permitted by the Companies Act be such as are contained in these Articles.

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<sup>1</sup> The name of the Company was changed from Paras Healthcare Private Limited to Paras Healthcare Limited pursuant to conversion into public limited company vide special resolution dated June 04, 2024 and thereafter by passing a special resolution on September 05, 2025, period/full stop at the end is removed.

## **PART A**

### **I. INTERPRETATION**

- 1) In these regulations –
  - a. “**Act**” means the Companies Act, 2013 and any rules, regulations, circulars and notifications framed and issued thereunder;
  - b. “**Articles**” shall mean the articles of association of the Company as amended from time to time;
  - c. “**Board of Directors**” or “**Board**” shall mean the board of directors of the Company, as constituted from time to time;
  - d. “**Company**” means “PARAS HEALTHCARE LIMITED”;
  - e. “**Director**” means a director for the time being of the Company and includes any person appointed as a director of the Company in accordance with these Articles and the provisions of the Act, from time to time;
  - f. “**Seal**” means the common seal of the Company;
  - g. “**General Meeting**” shall mean any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary general meeting;
- 2) Words importing the singular number shall include the plural number and vice versa and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- 3) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act, or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

### **I. PUBLIC COMPANY**

The Company is a public company limited by shares within the meaning of sections 2(71) and 3(1)(a) the Act.

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

### **4) Authorized share capital:**

The authorized share capital of the Company shall be such amount and be divided into such classes, denominations and number of shares as may from time to time, be provided in Clause V of memorandum of association of the Company, with power to reclassify, subdivide, consolidate, increase and reduce such capital from time to time, with power to issue any shares of the original capital or any new capital to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential convertible, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of the applicable law for the time being in force.

### **5) New Capital part of the Existing Capital**

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### **6) Shares under control of Board:**

Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with section 52, 53 and 54 and other provisions of the Act) and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting.

### **7) Board may allot shares otherwise than for cash:**

Subject to the provisions of the Act, these Articles and with the sanction of the Company in the 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 think fit, the Board may issue allot or otherwise dispose shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued,

shall be deemed to be fully paid-up or partly paid-up shares, as the case may be, provided that the option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

8) Kinds of share capital:

The Company may issue the following kinds of shares in accordance with these Articles, the Act, and the applicable laws:

- (a) Equity share capital:
  - with voting rights; and / or
  - with differential rights as to dividend, voting or otherwise in accordance with the Act; and
- (b) Preference share capital.

9) Issue of certificate:

Subject to the provisions of the Act, every person whose name is entered as a member in the register of members shall be entitled to receive within two months of the allotment or within one month after the application for the registration of transfer or transmission, sub-division, consolidation or renewal of any of its shares as the case may be or within or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as any other applicable law for the time being in force may provide-

- a. one or more certificates in marketable lots for all his shares of each class or denomination registered in his name without payment of any charges; or
- b. several certificates, each for one or more of his shares, upon payment such charges as may be fixed by the Board for each certificate after the first.

Option to receive share certificate or hold shares with depository:

Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe and approve.

Issue of share certificate in case of joint holding:

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

The provisions of these Articles shall mutatis mutandis apply to the debentures (except where the Act otherwise requires) of the Company.

## 10) Securities in dematerialized Form

- (i) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, the Company may exercise an option to issue (in case of the Company only), 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, 1996 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 laws.

- (ii) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any, and other applicable law.

- (iii) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

- (iv) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

- (v) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of

any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(vi) Register and index of beneficial owners

- a) The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of Members resident in that state or country.

11) Issue of new certificate in place of one defaced, lost or destroyed:

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate or such other maximum permissible amount prescribed under applicable law, and as may be amended from time to time. 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 no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to debentures (except where the Act otherwise requires) of the Company.

12) Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any

way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

13) Terms of issue of debentures:

Subject to the applicable provisions of the Act and other applicable laws, any debentures, debenture-stock or other securities may be issued at a premium, discount or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of directors, etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by special resolution.

14) Power to pay commission in connection with securities issued:

(i) Subject to the provisions of the Act and other applicable Laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of the Company, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act.

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

(iii) The Company may also, in any issue, pay such brokerage as may be lawful.

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

15) Variation of members' rights:

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

(ii) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

16) Issue of further shares not to affect rights of existing members:

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) Preference Shares

Subject to the provisions of section 55 and other provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares on such terms and in such manner as the Board before the issue of the shares may determine.

### **III. FURTHER ISSUE OF SHARE CAPITAL**

18) Where any increase of subscribed capital through further issue of shares is proposed by the Board or the Company then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

A.

- a. Such further shares shall be offered to the persons who, at the date of offer, are holders of equity shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (b) to (d) below;
- b. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than seven days (or such lesser number of days as may be prescribed under the Act or the rules made thereunder, or other applicable law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice 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, or such other time prescribed under applicable law, before the opening of the issue;

- 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 time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the members and the Company; or
- B. employees under any scheme of employees' stock option subject to special resolution passed by the shareholders of the Company and subject to the applicable rules and such other conditions, as may be prescribed under applicable law; or
- C. any persons, if authorized by a special resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, subject to such conditions as may be prescribed under the Act and the rules made thereunder and any other applicable law

Unless the terms of the offer or issuance of shares otherwise provide, 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 favor of any other person.

- (ii) Nothing in sub-clause (c) of Clause (A) 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 compromised in the renunciation.
- (iii) Nothing in this Article 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 loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a special resolution passed by the shareholders of the Company in a general meeting.

- (iv) Notwithstanding anything contained in this Article, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order,

appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

Where the Government has, by an order, directed that any debenture or loan or any part thereof shall be converted into shares in a company and where no appeal has been preferred to the National Company Law Tribunal or where such appeal has been dismissed, the memorandum of the Company shall, stand altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(v) Mode of further issue of shares

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act.

- (vi) The provisions contained in these Articles shall be subject to the provisions of Section 42 and Section 62 of the Act, other applicable provisions of the Act, any SEBI regulations or guidelines.

#### **IV. LIEN**

- (i) The Company shall, subject to applicable law, have a first and paramount lien upon every share / debenture (not being a fully paid share / debenture) registered in the name of each member (whether solely or jointly with others) 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 that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures. Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.
- (ii) The fully paid shares will be free from all lien, while in the case of partly paid shares, the company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares
- (iii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

- 19) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made –

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

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20) (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 in any such transfer.

(iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(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. and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Upon any such sale as aforesaid, the existing certificate in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate(s) in lieu thereof to the purchaser or purchasers concerned.

21) (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.

22) The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company.

23) In exercising its lien, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by applicable law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any

other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

## **V. CALLS ON SHARES**

- 24) (i) The Board may, subject to the provisions of the Act and any other applicable laws, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times; Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting and as may be permitted by applicable law.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one (1) or more members as the Board may deem appropriate in any circumstances.

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

- 25) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments. If no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

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

- 27) (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, or any such extension thereof as aforesaid, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. Nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

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

28) (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these 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.

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

29) The Board –

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

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing in this Article shall confer a right on the member any right to participate in profits or dividends. The Board may at any time repay the amount so advanced.

30) The members 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.

31) If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

32) All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

33) The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

## **VI. TRANSFER OF SHARES**

34) A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing and be executed by or on behalf of both the transferor and transferee and all provisions of section 56 of the Act and statutory modification

thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(ii) The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer of any share. 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.

35) Shares or other securities of any Member shall be freely transferable, provided that any contract or arrangement between two or more persons in respect of transfer of securities shall be enforceable as a contract.

36) In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

37) The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register-

- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.

38) The Board may decline to recognise any instrument of transfer unless –

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

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

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

40) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) 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, or such other period as may be prescribed, 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., 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. Transfer of shares/debentures in whatever lot shall not be refused.

If the Company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the Company, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the Company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to the National Company Law Tribunal.

41) Until the name of the transferee is entered in the register of members or the register and index of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996, the transferor shall be deemed to be the holder of the shares concerned.

42) The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

## **VII. TRANSMISSION OF SHARES**

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

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

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

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

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

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

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

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

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

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

47) The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

48) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

49) 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 document.

## **VIII. FORFEITURE OF SHARES**

- 50) If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or a decree in respect thereof remains unsatisfied in whole or in part, 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 and all expenses that may have been incurred by the Company by reason of non-payment.
- 51) The notice aforesaid shall –
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 52) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 53) (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 54) (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 55) (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

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

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

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

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

57) The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures issued by the Company.

## **IX. ALTERATION OF CAPITAL**

58) 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.

59) Subject to the provisions of Section 61, the Company may, by ordinary resolution, -

- (a) consolidate, divide and sub-divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act.
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

60) Where shares are converted into stock, --

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

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

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

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

61) The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -

- (a) its share capital;
- (b) any capital redemption reserve account;
- (c) any share premium account; and/or
- (d) any other reserve in the nature of share capital

## **X. CAPITALISATION OF PROFITS**

62) (i) The company in General Meeting may, upon the recommendation of the Board, resolve -

- (a) 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
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained herein either in or towards -

- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
- B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

- D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - E. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 63) (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-
- (a) 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
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power -
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to 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;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

## **XI. GENERAL MEETINGS**

- 64) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the dates of two annual general meetings. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 65) (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

## **XII. PROCEEDINGS AT GENERAL MEETINGS**

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

(ii) The quorum for the general meetings shall be as provided in Section 103 of the Act.

67) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.

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

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

### **XIII. ADJOURNMENT OF MEETING**

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

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

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

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

### **XIV. VOTING RIGHTS**

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

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

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

72) 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.

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

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

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

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

76) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid, or in regard to which the Company has lien and has exercised any right of lien.

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

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

78) A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

79) Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

## **XV. PROXY**

80) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. 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 of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less

than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

81) An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

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

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

## **XVI. BOARD OF DIRECTORS**

83)

- (a) Subject to applicable laws and unless otherwise determined by the General Meeting, the number of Directors shall not be less than three and not more than fifteen, and at least one director shall be resident of India in a previous year.
- (b) The Directors shall not be required to hold any qualification shares in the Company.
- (c) The first Directors of the Company shall be:

- |                           |                     |
|---------------------------|---------------------|
| 1. Mr. Sunil Kapur        | 2. Mr. Ashok Narang |
| 3. Mrs. Veena Chandok     | 4. Mr. G.K.Sahni    |
| 5. Mr. Shailendra Chandok |                     |

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

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them

--

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.

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

86) The company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions

of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

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

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

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

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

## **XVII. PROCEEDINGS OF THE BOARD**

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

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

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

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

92) 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.

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

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

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

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

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

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

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

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

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

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

## **XVIII. BORROWING POWERS**

99) Subject to Section 73, 74, 179 and 180 of the Act, and Rules made thereunder and directions issued by the Reserve Bank of India, the Board may and shall have power, at any time and from time to time, to raise or borrow any sum or sums of money and may secure the repayment of such moneys in such manner and upon such terms and conditions, in all respects, as they may deem fit and, in particular, by the issue of the debentures or debenture stock or bonds or by making, drawing, accepting or endorsing promissory notes or bills of exchange, giving or issuing, if deemed necessary, any properties, assets, or revenues of the Company, present or future,

including its uncalled capital, as security and may guarantee the whole or any part of the loan or debt raised or incurred or any interest payable thereon by means of mortgage or hypothecation of/or charge upon any such property, assets or revenues. However, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180 (1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a special resolution at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board.

- 100) Subject to the applicable provisions of the Act and other applicable law, any of the debentures, debenture stock or bonds mentioned above, may be issued at a discount, premium or otherwise and may be issued on condition that they or any part of them shall be convertible into shares of any denomination and with any privileges as to redemption, surrender, drawings, allotment of shares and attending (but not voting) at general meetings of the Company, appointment of directors or otherwise as the Board may deem fit. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.
- 101) The rights and powers of raising or borrowing money may, with the approval of the Directors, be exercised by any Director or any person authorized by the Board, and any such money may be raised or borrowed from any person, firm, Company, bank or shareholders of the Company.

#### **XIX. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

- 102) Subject to the provisions of the Act, -

- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, if permitted under applicable laws, an individual may be appointed or reappointed or continue as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

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

## **XX. DIVIDENDS AND RESERVE**

- 104) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 105) Subject to the provisions of Section 123 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.
- 106) (i) 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 equalizing 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.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 107) (i) 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.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (iii) 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.
- 108) 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 of the Company. The Board may retain dividends payable upon shares in respect of which any person is, under Articles 43 to 49 hereinbefore contained,

entitled to become a member, until such person shall become a member in respect of such shares.

109) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque 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, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

110) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

111) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

112) No dividend shall bear interest against the Company.

113) Unpaid or Unclaimed Dividend

(a) Where the Company has declared a dividend but which has not been paid or claimed within thirty days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Paras Healthcare Limited Unpaid Dividend Account"

(b) The Company shall, within a period of ninety days of making any transfer of an amount under (a) above to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.

(c) If any default is made in transferring the total amount referred to in (a) above, or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

- (d) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of 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 and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (e) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.
- (f) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

#### **XXI. ACCOUNTS**

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

#### **XXII. WINDING UP**

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

### **XXIII. INDEMNITY**

- 116) Subject to applicable law, 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.

### **XXIV. POWER TO MERGE/AMALGAMATE/DEMERGE**

- 117) Subject to the applicable provisions of the Act, the company can acquire or amalgamate with any other company or person, transfer one or more of its undertaking to one or more Company or person. To acquire and undertake the whole or any part of the business, good-will and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage or deal with any shares, debentures, debenture stock or securities so received.
-

## **PART B**

### **OVERRIDING EFFECT**

1. Notwithstanding anything contained in these Articles:
  - (a) All actions under these Articles shall be carried on in abidance with applicable law.
  - (b) In the event of any inconsistency between the provisions of these Articles and the Act, the provisions of the Act shall prevail, unless the Act itself permits these Articles to prevail or to have different or more stringent requirements than those of the Act.

### **PRELIMINARY**

#### **2. APPLICABILITY OF PART B**

Save as provided herein, the regulations contained in Table "F" in Schedule I to the Act or any statutory modification thereof, shall apply to the Company. In the event of any conflict or inconsistency, these Articles (defined below in PART B) shall prevail over the regulations contained in Table "F" in Schedule I to the Act. Further, in the event of any inconsistency between Part A and Part B of these Articles, the provisions of this Part B shall prevail.

#### **3. Definitions and Interpretation**

##### **3.1 Definitions**

In the construction of these Articles unless inconsistent with the context, the following words or expressions shall have the following meanings:

**"Acceptance Notice"** shall have the meaning as set forth in Article 46.2;

**"Act"** means the Companies Act, 2013 with reference to such sections as are notified and made applicable on the relevant date and delegated legislation made thereunder, or the Companies Act, 1956 (with respect to such sections that continue to remain in force) including any other statutory amendment or re-enactment thereof;

**"Additional Capital Shares"** shall have the meaning as set forth in Article 46.1;

**"Affiliates"** shall mean, with respect to any Person, any company, corporation, association or other Person, which, directly or indirectly, Controls, is Controlled by or, is under common Control with the first named Person. If the first named Person

is an individual, the term "Affiliate" shall include a Relative of such individual. In relation to the Investor, in addition to the foregoing, the term "Affiliate" shall also mean (I) any fund, collective investment scheme, trust, partnership (including, without limitation, any co-investment partnership), special purpose or other vehicle or any subsidiary of any of the foregoing, which is (a) managed/advised by the Investor or by the Investor's current investment manager as on the Execution Date; or (b) in which the Investor is a limited partner; but shall exclude any portfolio companies of the Investor or its Affiliates and any Prohibited Transferees and Restricted Persons;

**"AGM"** shall mean an annual general meeting of the Shareholders of the Company convened and held in accordance with the Act and the Articles;

**"Annual Budget"** shall have the annual business plan prepared by the Company at the end of each Financial Year, for the following Financial Year, in a format acceptable to the Investor, which includes:

- a) Estimated sources and applications of funds;
- b) Estimated profit and loss account, unit-wise;
- c) Estimated balance sheet;
- d) Detailed assumptions underlying the forecasts for the above along with explanations; and
- e) Operating and capital budgets.

**"Anti-Corruption Laws"** shall mean the (Indian) Prevention of Corruption Act 1988 as amended and any other Law related to anti-corruption applicable in India or any other relevant jurisdictions;

**"Anti-Money Laundering Laws"** shall mean any Law related to anti-money laundering in India or in other relevant jurisdictions;

**"Articles"** shall mean these articles of association of the Company, as amended from time to time;

**"Assets"** shall mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise) as held, owned or leased by the Company from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, plant and machinery, equipment, patents, copyright, domain names, trademarks, brands and other intellectual property held by the Company, raw materials, inventory, furniture and fixtures;

**"Big Five Accounting Firm"** shall mean KPMG, Price water house Coopers, Ernst & Young, Deloitte Touche Tohmastu and Grant Thornton LLP or such Indian firm of chartered accountants associated with any of them, and their respective successors;

**"Board"** shall mean the board of directors of the Company as nominated and appointed from time to time in accordance with the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the agreement between the Shareholders and these Articles;

**"Business"** shall mean the business of establishing, operating and / or managing healthcare delivery centers, including clinics and hospitals (whether single-specialty or multi-specialty), and conducting clinical research, as carried out at present or to be carried out at any time in the future;

**"Business Day"** shall mean a day (other than a Saturday or a Sunday) on which the scheduled commercial banks are open for business in Delhi, India, Gurgaon, India and Port Louis, Mauritius;

**"Charter Documents"** shall mean, collectively, the memorandum of association of the Company and these Articles, as amended from time to time;

**"Change in Control"** means a transaction pursuant to which a Transfer by the Promoter or his Affiliates of Equity Shares results in more than 50% (fifty per cent) of the Share Capital being held by a Third Party;

**"Closing Date"** shall mean 14 July 2017;

**"Committee"** shall mean a committee of the Board constituted from time to time in accordance with applicable Law, and these Articles;

**"Company"** means Paras Healthcare Limited and, unless it be repugnant to the subject or context, include its successors and permitted assigns;

**"Company Appointed Valuer"** shall have the meaning as set forth in **Schedule III**;

**"Consents"** shall mean, with respect of a particular action or purpose, any approval, consent, ratification, waiver, notice or other authorization of or from or to any Person (including a Governmental Approval) that may be required for such purpose;

**"Consummation of the IPO"** shall mean the receipt of final listing and trading approval from each of the Recognized Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the IPO.

**"Contract"** shall mean, with respect to a Person, any agreement, contract or legally binding commitment entered into by such Person;

**"Control"** (including with correlative meaning, the terms **"Controlled by"** and

**"under common Control with")** shall mean the holding or control of more than 50% (fifty per cent) of the voting rights exercisable at shareholder meetings (or the equivalent) of such Person or the right to appoint and/or remove all or the majority of the members of the board or other equivalent governing body of such Person, or the power to control the management or policies of such Person, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights through Contract or otherwise;

**"Deed of Adherence"** shall mean a deed of adherence in an Agreed Form;

**"Director"** shall mean a director on the Board of the Company, appointed from time to time in accordance with these Articles;

**"EGM"** shall mean an extraordinary general meeting of the Shareholders of the Company convened and held in accordance with the Act and these Articles;

**"Encumbrance"** shall mean any mortgage, hypothecation, pledge, non-disposal undertaking, escrow, power of attorney (by whatever name called) charge, lien, negative lien, or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect, option, pre-emptive right, adverse claim, title retention agreement, conditional sale agreement, co-sale agreement, trust (other title exception of whatsoever nature) or other encumbrance of any kind, or a Contract to give or refrain from giving any of the foregoing, including any restriction imposed under applicable Law, and the term **"Encumber"** shall be construed accordingly;

**"Equity Shares"** shall mean fully paid-up equity shares of face value of Re. 1 (Rupee One only) each of the Company;

**"Fall-Away Threshold"** means the Investor Securities at any point constituting less than 10% (ten per cent) of the Fully Diluted Share Capital;

**"Fair Market Value"** shall mean the fair market value of the Securities calculated on a going concern basis between a willing buyer and a willing seller, taking into account the then existing market conditions, rights attached to a particular class of Securities, the Company's net assets (market value of the assets) and goodwill and the then present value of the Company's future cash flows determined by a Valuer in accordance with Schedule III of these Articles;

**"Financial Investor"** shall mean a private equity fund, proprietary capital fund, hedge fund, a venture capital fund or any entity carrying on business under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, and shall specifically exclude the Persons listed in **Schedule IV**. It is clarified that (i) any special purpose investment vehicle which is set up by a Financial

Investor to make such financial or portfolio equity-related investments and which is Controlled, either directly or indirectly, by such Financial Investor shall also be a Financial Investor; and (ii) operating portfolio companies of a Financial Investor; or any Person in the same or similar Business, shall not be a Financial Investor;

**"Financial Statements"** of a Person, with respect to a period, shall mean the balance sheet, profit and loss account, statements of income and cash flows and statement of changes in shareholders' equity (prepared on a consolidated basis or otherwise, as may be applicable, in accordance with Indian Accounting Standards ("**Ind AS**"), as applicable), in each case, of such Person for such period;

**"Financial Investor Sale"** shall have the meaning as set forth in Article 103.1;

**"Financial Year"** shall mean the period commencing from April 1 of each year and ending on March 31 of the subsequent year;

**"First Adjourned Board Meeting"** shall have the meaning as set forth in Article 94.3;

**"First Adjourned General Meeting"** shall have the meaning as set forth in Article 95.6;

**"Fully Diluted Basis"**, with respect to any share, security, note, option, warrant or instrument convertible into equity shares, shall mean the deemed conversion of such share, security or convertible instrument into Equity Shares in accordance with the provisions of applicable Law and the terms of issue of such share, security, note, option, warrant or instrument as of the relevant date. It is clarified that until such time that the Series A CCPS are converted into Equity Shares in accordance with the terms thereof, the Fully Diluted Basis shall be calculated assuming that the Subscription Securities held by the Investor had converted to Equity Shares in accordance with the terms of the Series A CCPS at such time;

**"Fully Diluted Share Capital"** shall mean the Share Capital calculated on a Fully Diluted Basis;

**"General Meeting"** shall mean either an EGM or an AGM;

**"Governmental Approvals"** shall mean any permission, approval, consent, license, permit, order, decree, authorization, registration, filing, notification, exemption or ruling to or from or with any Governmental Authority;

**"Governmental Authority"** shall mean any national, state, provincial, local or similar government, governmental, regulatory or administrative authority, branch, agency, any statutory body or commission or any non-governmental regulatory or

administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of Law, or any court, tribunal, arbitral or judicial body, or any stock exchange of India or any other country, having jurisdiction over the relevant Shareholders;

**"Ind AS"** shall mean the Indian Accounting Standards (Ind AS), as notified under Section 133 of the Act

**"INR" or "Rupees" or "Rs."** shall mean Indian rupees, the currency and legal tender of the Republic of India;

**"IPO" or "Initial Public Offering"** shall mean an initial public offering comprising a fresh issuance of equity shares and/or an offer for sale by certain existing shareholders, undertaken by the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Act;

**"IRR"** shall mean the pre-taxation internal rate of return of a specified percentage per annum, on the Investment Amount, calculated commencing on the Closing Date up to the date on which the binding offer pursuant to which an IRR computation is necessitated is received, using the Microsoft Excel 'XIRR' function (or if such program is no longer available, such other software program for calculating internal rate of return). It is clarified that all distributions or payments received by the Investor shall be factored in the computation of the IRR (other than indemnification payments made by the Company or the Promoters to the Investor);

**"Investor"** means Commelina Limited, and, unless it be repugnant to the subject or context, includes its successors and permitted assigns;

**"Investor Appointed Valuer"** shall have the meaning as set forth in Schedule III;

**"Investor Attendee"** shall have the meaning as set forth in Article 93.11;

**"Investor Director"** shall have the meaning as set forth in Article 93.8 (ii);

**"Investor Securities"** shall mean the Securities held by the Investor at the relevant time, including the Subscription Securities and the Sale Shares;

**"Investment Amount"** shall mean such amount as has been paid by the Investor toward the subscription to the Subscription Securities and the purchase of 62,245 Equity Shares from the Promoter;

**"Key Employee"** shall mean the Managing Director and employees reporting

directly to the Managing Director and / or the Board and that also includes the officials as defined under Section of 203 of the Act;

**"Law"** shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, order, decree, bye-law, Government Approval, directive, guideline, requirement or other governmental restriction having the force of law, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law, by any Governmental Authority having jurisdiction over the matter in question;

**"Long Stop Date"** shall mean the earlier of (a) the date of expiry of 12 months from the date of issuance of the final observations by SEBI in relation to the IPO or such other extended date as may be mutually agreed to amongst the Parties in writing or (b) the date on which the IPO is withdrawn by the Board of the Company or when the Company decides not to undertake the IPO pursuant to a resolution of the Board.

**"Non-Selling Shareholder"** shall have the meaning as set forth in Article 64.3.1;

**"Offer Notice"** shall have the meaning as set forth in Article 46.1;

**"Offer Period"** shall have the meaning as set forth in Article 46.2;

**"Offer Shares"** shall have the meaning as set forth in Article 46.1;

**"Offer Terms"** shall have the meaning as set forth in Article 46.1;

**"Ordinary Course"** means an action taken by or on behalf of a Person that is recurring in nature and is taken in the ordinary course, in a manner not contrary to applicable Law;

**"Outstanding Offer Period"** shall have the meaning as set forth in Article 46.3(a);

**"Outstanding Offer Shares"** shall have the meaning as set forth in Article 46.3;

**"Permitted Transferees"** shall have the meaning as set forth in Article 64.2.1;

**"Person"** shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, Governmental Authority or any agency or political subdivision thereof or any other entity that may be treated as a legal person under applicable Law;

**"Prohibited Transferees"** shall mean: (i) any Person undertaking business which competes with or is similar to the Business which is carried on by the Company as

on the Closing Date; or (ii) any Person specified in **Schedule IV**; or (iii) any Person (not being a Financial investor, unless otherwise listed in **Schedule IV**) who directly or indirectly Controls any such entity specified in (i) above or is an Affiliate of any such entity specified in (i) above;

**"Promoter"** means Dr. Dharminder Kumar Nagar, and, unless it be repugnant to the subject or context, includes his heirs, executors, administrators and permitted assigns;

**"Promoter Directors"** shall have the meaning as set forth in Article 93.8(i);

**"Proposed Purchaser"** shall have the meaning as set forth in Article 64.4.1;

**"Recognized Stock Exchange"** shall mean the National Stock Exchange of India Limited (NSE), the Bombay Stock Exchange Limited (BSE) or any other national or international exchange that is approved by the Board in accordance with the terms of these Articles;

**"Related Party"** shall have the meaning ascribed to the term under Section 2(76) of the Act;

**"Related Party Transactions"** with respect to the Company, shall mean transactions between the Company and any Related Parties;

**"Relatives"** shall have the meaning as set forth in Section 2(77) of the Act;

**"Relevant Representatives"** shall have the meaning as set forth in Article 95.4;

**"Reserved Matters"** shall have the meaning ascribed to the term in Article 96;

**"Restricted Persons"** shall mean: (i) any entity engaged in the business of operating multi-specialty hospitals or single specialty hospitals specializing in cardiology, gastroenterology, neurology, oncology, gynecology and/or obstetrics, and / or mother and child centers, and which derives more than 50% (fifty per cent) of its Revenues (in the aggregate), directly or indirectly, from any one or more of Gurgaon, Patna, Darbhanga, Panchkula, East Delhi, Noida, Faridabad, Kanpur, Lucknow, Ranch] and / or Meerut (or any combination of these locations); or (ii) any Person who directly or indirectly Controls any such entity specified in (i) above;

**"Revenues"** shall mean, in relation to any Person, revenues determined from the fast-available audited financial statements of such Person;

**"Right of First Offer"** shall have the meaning as set forth in Article 64.3.1;

**"ROFO Exercise Notice"** shall have the meaning as set forth in Article 64.3.1(b);

**"ROFO Exercise Securities"** shall have the meaning as set forth in Article 64,3,1(b);

**"ROFO Notice"** shall have the meaning as set forth in Article 64.3.1(a);

**"ROFO Period"** shall have the meaning as set forth in Article 64.3.1(b);

**"ROFO Price"** shall have the meaning as set forth in Article 64.3.1(b);

**"ROFO Sale Securities"** shall have the meaning as set forth in Article 64.3.1;

**"ROFO Terms"** shall have the meaning as set forth in Article 64.3.1(b);

**"Sale Response Notice"** shall have the meaning as set forth in Article 64.4.2;

**"SEBI"** shall mean the Securities and Exchange Board of India;

**"Second Adjourned Board Meeting"** shall have the meaning as set forth in Article 94.4;

**"Second Adjourned General Meeting"** shall have the meaning as set forth in Article 95.6;

**"Securities"** shall mean Equity Shares, preference shares and other securities and instruments convertible into Equity Shares, issued by the Company from time to time in accordance with the Act and these Articles;

**"Selling Shareholder"** shall have the meaning as set forth in Article 64.3.1;

**"Series A CCPS"** shall mean compulsorily convertible preference shares having a face value of Rs.10 (Rupees Ten only) each, subscribed to by the Investor as issued in accordance with the terms of issuance as listed out in Schedule V;

**"Series A Conversion Notice"** shall have the meaning as set forth in Schedule V;

**"Series A Conversion Ratio"** shall have the meaning as set forth in Schedule V;

**"Share Capital"** shall mean the total issued, subscribed and fully paid-up share capital of the Company;

**"Shareholder"** shall mean any Person holding Securities of the Company;

**"Subject Matter"** shall have the meaning as set forth in Article 96.4;

**"Subject Obligation"** shall have the meaning as set forth in Article 3.2.13;

**"Subscribing Party"** shall have the meaning as set forth in Article 46.3(a);

**"Subscription Securities"** shall mean 10,22,182 Series A COS issued and allotted to the Investor by the Company in accordance with such terms and conditions as are agreed among the Promoter, the Company and the Investor;

**"Tag Along Right"** shall have the meaning as set forth in Article 64.4.2(a);

**"Tag Along Securities"** shall have the meaning as set forth in Article 64.4.4;

**"Tax"** shall mean all taxes (Indian and where applicable non-Indian) (including without limitation income tax, sales tax, customs duty, capital gains tax, goods and services tax, property tax, excise, service tax, professional tax, value added tax or transfer taxes, governmental charges, fees, levies or assessments or other taxes, stamp duties, withholding obligations and similar charges of any jurisdiction payable to a Governmental Authority and shall include any interest, fines, and penalties related thereto;

**"Third Party"** shall mean any Person other than the Company, the Promoter and the Investor;

**"Threshold Exit Price"** means such price per Security which results in the Investor being entitled to receive a return equivalent to the higher of: (i) 2.5 (two point five) times the Investment Amount; or (ii) an IRR of 25% (twenty-five per cent) on the Investment Amount;

**"Transaction"** refers to the transactions of issuance of the Subscription Securities and sale and purchase of the Sale Shares in terms hereof;

**"Transfer"** (including with correlative meaning, the terms "Transferred by" and "Transferability") shall mean to transfer, sell, assign, 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 and whether directly or indirectly (pursuant to the transfer of an economic or other interest, the creation of a derivative security or otherwise);

**"Transfer Notice"** shall have the meaning as set forth in Article 64.4.1;

**"Valuer"** shall mean any one of the Big Five Accounting Firms other than the current statutory auditor of the Company and the statutory auditor of the Company at the time when a Valuer is appointed.

## **3.2 Interpretation**

- 3.2.1 Headings, subheadings, titles, subtitles to articles, sub-articles and paragraphs and index are only for convenience and shall not form part of the operative provisions of these Articles, and shall be ignored for the purpose of interpretation;
- 3.2.2 Unless the context of these Articles otherwise requires:
- a) Words using the singular or plural number also include the plural or singular number, respectively; and
  - b) Words of any gender are deemed to include the other gender;
- 3.2.3 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to these Articles as a whole or specified clause of these Articles, as the case may be;
- 3.2.4 The terms "Article", "Annexures", "Paragraphs", and "Schedule" refer to the specified article, clause, annexure, paragraph, preamble and schedule, respectively, of these Articles, all of which form part of these Articles;
- 3.2.5 Reference to any legislation or Law or to any provision thereof shall include references to any such Law as it may, from time to time, be amended, supplemented or reenacted, and any reference to statutory provision shall include any subordinate legislation made from time to time under that provision;
- 3.2.6 Reference to the word "include" shall be construed without limitation;
- 3.2.7 Any word or phrase defined in the body of these Articles as opposed to being defined in Article 3.1 shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context;
- 3.2.8 Unless otherwise specified, when any number of days is prescribed in these Articles, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day which is a Business Day;
- 3.2.9 Time is of the essence in the performance of the Company's and Shareholders' respective obligations. If any time period specified herein is extended, such extended time shall also be of the essence;
- 3.2.10 Except as otherwise provided in these Articles, any right of the Investor to purchase Securities under these Articles will include the right of the Investor to have such Securities purchased by an Affiliate, subject to the execution by such Affiliate of a

Deed of Adherence;

- 3.2.11 Any requirement to (a) obtain the consent or approval of any Shareholder or the Company, and/or (b) for any of the Shareholders or the Company to mutually agree to any matter, under these Articles shall, unless otherwise agreed by the Shareholders and the Company in writing, refer to the prior written consent or approval of such Shareholder (or the Company, as the case may be), and the prior written agreement of the Shareholders (and / or the Company, as the case may be), respectively;
- 3.2.12 Any reference to a document in "Agreed Form" is to a document in a form agreed between the Shareholders and the Company (in each case with such amendments as may be agreed by or on behalf of the Shareholders and the Company);
- 3.2.13 Where any obligation of a Shareholder or the Company under these Articles ("Subject Obligation") requires consent (including from any Governmental Authority) in order for the Subject Obligation to be performed validly, then the Subject Obligation shall be deemed to include, unless otherwise required under applicable Law to be obtained by the other party, the obligation to apply for, obtain, maintain and comply with the terms of, all such consents and the time provided for the completion of the Subject Obligation shall be extended for the time required to obtain such Consent and the other parties shall extend their reasonable co-operation to obtain such consent in furtherance of a Subject Obligation;
- 3.2.14 No provisions shall be interpreted in favour of, or against, any Shareholder or against the Company by reason of the extent to which such Shareholder (or the Company) 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.
- 3.2.15 If there is any conflict or inconsistency between a term in the body of these Articles and a term in any of the schedules or any other document referred to or otherwise incorporated in these Articles, the term in the body of these Articles shall take precedence.
- 3.2.16 Any reference to "writing" shall include printing, typing, lithography, electronic mails, transmissions by facsimile and other mean of reproducing words in visible form, but excluding the text messaging via mobiles or smart phone applications; and
- 3.2.17 All references to days, weeks, months and years under these articles shall mean days, weeks, months and years as per Gregorian calendar.

#### **PUBLIC COMPANY**

4. The Company is a public company as defined in Section 2(71) of the Act.

## CAPITAL

5. The Authorized Share Capital of the Company shall be such amounts and be divided as may, from time to time, be provided in Clause V of the memorandum of association of the Company. The share capital shall be payable in the manner as may be determined by the Board, from time to time, The Board shall have the power to increase, reduce, subdivide repay or divide the share capital into several classes and to attach thereto any rights and to consolidate or subdivide or re-organize the shares, subject to the provisions of the Act, and to vary such rights as may be determined in accordance with the Articles of the Company.
6. Subject to the provisions of these Articles, the Company may issue such kinds of shares and other securities as may be determined by the Board, in accordance with these Articles, the Act, the Rules and other applicable laws.
7. Subject to the provisions of the Act and these Articles, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act and these Articles.
8. Subject to the provisions of the Act and these Articles, the Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Sections 68 to 70 of the Act and other applicable rules made thereunder.
9.
  - (a) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:
    - (i) Persons who, at the date of offer, are holders of equity shares of the Company, such offer 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; or
    - (ii) employees under any scheme of employees' stock option; or
    - (iii) Any person whether or not those persons include the persons referred to in (i) or (ii) above.
  - (b) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with these Articles, the Act and the Rules.
10. Except as required by law or ordered by a Court of competent jurisdiction no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when

having notice thereof) any benami, equitable, contingent, future or partial interest in any share, or except only as by these regulations or by law otherwise provided any interest in any fractional part of a share) or any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.

11. The shares in the Company shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided. Every forfeited or numbered share shall continue to bear the number by which the same was originally distinguished.
12. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit and subject to the provisions of the Act either at a premium or at par. The Directors may in accordance with the provisions of the Act and Rules made thereunder allot and issue shares in the Capital of the Company as payment or part payment for any property, goods or machinery supplied, sold or transferred or for services rendered to the Company.
13. 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.
14. 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 provision 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.
15. 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) any capital redemption reserve account, in any manner as the Board may deem fit.
16. Subject to the provisions of the Act, the Company may capitalise its profits or reserves for the purpose of issuing fully paid-up Bonus Shares.

## **SHARE CERTIFICATES**

17. Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after allotment or within one months after the application for the registration of transfer or transmission (or within such other period as the conditions of issue shall provide) -

- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- 18. Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid up thereon.
- 19. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 20. Issue of new certificate in place of one defaced, lost or destroyed:

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate or such other maximum permissible amount prescribed under applicable law, and as may be amended from time to time. 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 no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall mutatis mutandis apply to debentures (except where the Act otherwise requires) of the Company.

- 21. The provisions of above-mentioned Article shall mutatis mutandis apply to preference shares, debentures and any other securities of the Company.

## **LIEN**

22.

- (i) The Company shall, subject to applicable law, have a first and paramount lien upon every share / debenture (not being a fully paid share / debenture) registered in the name of each member (whether solely or jointly with others) 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 that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this Article will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures. Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

- (ii) The fully paid shares will be free from all lien, while in the case of partly paid shares, the company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such shares
- (iii) The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

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

Provided that no sale shall be made –

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

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

24. (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 in any such transfer.

(iii) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

(iv) 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. and the remedy of any person aggrieved by the

sale shall be in damages only and against the Company exclusively. Upon any such sale as aforesaid, the existing certificate in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Board shall be entitled to issue a new certificate(s) in lieu thereof to the purchaser or purchasers concerned.

25. (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.

26. The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other securities including debentures of the Company.

27. In exercising its lien, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by applicable law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

## **CALLS ON SHARES**

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

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

The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting and as may be permitted by applicable law.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one (1) or more members as the Board may deem appropriate in any circumstances.

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

29. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments. If no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

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

31. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, or any such extension thereof as aforesaid, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. Nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

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

32. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these 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.

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

33. The Board –

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

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance. Nothing in this Article shall confer a right on the member any right to participate in profits or dividends. The Board may at any time repay the amount so advanced.

34. The members 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.

35. If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.
36. All calls shall be made on an uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

37. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

#### **FORFEITURE OF SHARES**

38. If any Member fails to pay any call or installment of a call on the day appointed for the payment of the same, the Directors may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
39. The notice aforesaid shall – (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited
40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
41. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
42. (i) A person whose shares have been forfeited shall cease to be a member in respect

of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

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

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

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

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

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

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

45. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures issued by the Company.

46. **ADDITIONAL CAPITAL**

46.1 In the event that the Company decides to issue any additional Equity Shares or Securities ("Additional Capital Shares") to any Person, such issue being approved in accordance with Article 96, the Company shall first offer to issue to each of the Promoter and the Investor, such part of the Additional Capital Shares as is equivalent to the proportion of the Equity Shares held by each of them in the Fully Diluted Share Capital the "Offer Shares"), on the same terms and conditions on which any Additional Capital Shares are offered to such other Person the "Offer Terms"), which terms and conditions shall be set out in a written notice issued by the Company to the Investor and the Promoter (the "Offer Notice"). For the avoidance of doubt, the shareholding of the Investor on a Fully Diluted Basis would be the aggregate of the

Equity Shares held by the Investor and the Equity Shares that would be held by the Investor assuming that the Series A CCPS held by the Investor had converted to Equity Shares in accordance with these Articles and the terms of such Series A CCPS at such time. The term Additional Capital Shares, for the purposes of this Article 46, shall not include (i) proportionate Equity Shares issued in connection with any stock split, stock dividend, distribution, reclassification or recapitalization of the Company in accordance with these Articles, (ii) Equity Shares issued pursuant to an IPO; (iii) issuance of stock options or shares issued upon exercise of employee stock options which are approved by the Investor; (iv) shares issued pursuant to any mergers, acquisitions, restructurings, amalgamations and related actions, which has been approved by the investor in accordance with Article 96; and (v) conversion any of the Series A CCPS into Equity Shares.

- 46.2 The Promoter and the Investor shall have the right to accept the Offer Terms within a period of 21 (twenty one) Business Days from the date of issuance of the Offer Notice (the "Offer Period"). If the Promoter and/or the Investor agrees to subscribe to all or some of the Offer Shares within the Offer Period, such Person shall deliver a written notice stating its acceptance to subscribe to all or such number of the Offer Shares that it wishes to subscribe to (the "Acceptance Notice"). The Company shall complete the issuance and allotment of such number of the Offer Shares as are stated in the Acceptance Notice within a period of 40 (forty) Business Days from the date of the Acceptance Notice.
- 46.3 In the event that any of the Additional Capital Shares remains unsubscribed by either or both of the Promoter and / or the Investor at the expiry of the Offer Period ("Outstanding Offer Shares"), such Outstanding Offer Shares shall be allotted (on the Offer Terms) In the following manner:
- (a) In the event either the Promoter or the Investor has subscribed to their portion of Offer Shares (the relevant Person being a "Subscribing Party"), the Company shall first offer the Outstanding Offer Shares to the Subscribing Party. The Subscribing Party shall have the right to subscribe to all or part of the Outstanding Offer Shares within 15 (fifteen) Business Days of the date of offer ("Outstanding Offer Period") on the Offer Terms;
  - (b) In the event that: (i) neither the Promoter nor the Investor has responded to the Offer Notice within the Offer Period; or (ii) both the Promoter and the Investor respond to the Offer Notice conveying their refusal to subscribe to the Offer Shares; or (iii) a Subscribing Party does not respond to an offer made by the Company in accordance with Article 46.3(a) above for subscribing to the Outstanding Offer Shares within the Outstanding Offer Period; or (iv) any Outstanding Offer Shares remain unsubscribed at the expiry of the Outstanding Offer Period due to partial subscription by a Subscribing Party or otherwise, then the Outstanding Offer Shares or any

remainder thereof may be offered to a Third Party identified by the Company and / or the Promoter, on terms no more favorable than the Offer Terms. If the Outstanding Offer Shares are not subscribed to by a Third Party within 180 (one hundred eighty) days from the expiry of the Outstanding Offer Period, the Outstanding Offer Shares shall not be issued without following the procedure set out in this Article 46.

#### **47. ANTI DILUTION**

47.1 If the Company issues Securities to any person, other than the Investor and the price per Equity Share underlying the Securities paid by such person is less than the price at which the Subscription Securities are issued to the Investor, then the Investor shall be entitled to a broad-based weighted average anti-dilution protection in accordance with the terms and procedure described in Schedule II. The anti-dilution protection shall be effected by an adjustment to the Series A Conversion Ratio, or if such adjustment is not permitted by applicable Law, any other manner permitted under applicable Law as would have the same substantive effect. An illustration of the calculation for such broad-based weighted average anti-dilution protection is specified in Part B of Schedule II.

47.2 In the event that the Company proposes to undertake an issuance of Securities that would result in the anti-dilution provisions herein being effected, the Company shall notify the Investor of the extent of adjustment required (calculated in accordance with the terms and procedure in Schedule II).

47.3 The Company shall take all such actions and do all such things as may be required by the investor, including (i) obtaining any necessary Governmental Approvals, (ii) entering into any contractual arrangements, (iii) supporting all such decisions and actions, exercising their respective voting and other rights to ensure that all the necessary, required or requested resolutions are validly passed, to give effect to the provisions of this Article 47 and, in the event Equity Shares are issued to the investor pursuant to this Article 47, the Company shall make necessary statutory filings and update the statutory registers of the Company.

47.4 Nothing contained in this Article 47 shall apply in respect of any issuance of Securities undertaken pursuant to:

- i. Any bonus issuance of securities of the Company;
- ii. Any stock split, consolidation or other similar action in respect of the Share Capital;
- iii. Any issuance of Securities of the Company pursuant to any restructuring of debt of the Company;
- iv. Any issuance of Securities pursuant to an initial public offering.

#### **TRANSFER AND TRANSMISSION OF SHARES**

48. Subject to the provisions of the Act, and these Articles, no transfer of shares in, or debentures of, the Company 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 and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures or if no such certificate is in existence, along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.
49. The instrument of transfer shall be in writing and all the provisions of section 56 of the Act and any statutory modification thereof applicable at the time of the transfer shall be duly complied with in respect of all transfers of shares and of the registration thereof.
50. The Board has the absolute discretion to decline to register or acknowledge any transfer of any shares in the Company in accordance with Section 58 of the Act. No transfer of share shall be made or registered without the previous sanction of the Directors.
51. No shares shall in any circumstances be allotted or transferred to any minor, insolvent or person of unsound mind.
- 52.
- (a) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
  - (b) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
  - (c) For the purpose of paragraph (b) hereof, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
  - (d) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the

transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) 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, or such other period as may be prescribed, 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, subject to provisions of Article 32, 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. Transfer of shares/debentures in whatever lot shall not be refused.

If the Company without sufficient cause refuses to register the transfer of securities within a period of thirty days from the date on which the instrument of transfer or the intimation of transmission, as the case may be, is delivered to the Company, the transferee may, within a period of sixty days of such refusal or where no intimation has been received from the Company, within ninety days of the delivery of the instrument of transfer or intimation of transmission, appeal to the Tribunal.

(e) Nothing in these Articles shall prejudice any power of the Company to register as a Member any person to whom the right to any shares of the Company has been transmitted by operation of law.

53. Every instrument of transfer duly executed and stamped shall be submitted at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.
54. All instruments of transfer, which are registered, shall be retained by the Company, but any instrument of transfer, which the Company declines to register, shall on demand be returned to the person depositing the same. The Company may cause to be destroyed all transfer deeds lying with the Company after such period as it may determine but not being less than six years.
55. The Company may after giving not less than seven days' previous notice by advertisement as required by Section 91 of the Act, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45 (forty-five) days in each year, but not exceeding 30 (thirty) days at any one time.
56. Subject to the provisions of Section 72 of the Act, in case of death of a Member, the survivor or survivors where the Member was a joint holder and his legal

representatives where he was sole holder, shall be the only persons whom the Company may recognize as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estates of a joint holder from any liability to the Company on shares held by him jointly with any other person.

57. Subject to the provisions of the Act and these Articles, the heir, executor or administrator of a deceased Member shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate or letters of administration or succession certificate.
58. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares as a consequence of the death, bankruptcy or insolvency of any Member, or by any lawful means other than by a transfer in accordance with these presents, may upon producing such evidence as the Company thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him, registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify to the election by executing in favor of his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares.
59. The Company shall, subject to the provisions of these Articles, have the same right to refuse to register a person entitled by transmission to any share, or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.
60. Every transmission of shares shall be verified in such manner as the Company may require and, if the Company so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be so verified or requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Company at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company to accept any indemnity.
61. A transfer of a share in the Company of a deceased Member made by his legal representative shall, although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
62. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent owner thereof (as shown or appearing in

the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer.

63. The person becoming entitled to a share by reason of the death or insolvency of the holders shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares 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 shares and if notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share until the requirements of the notice have been complied with.

64. **RESTRICTIONS ON TRANSFER OF SECURITIES**

**64.1 Non-Disposal of Shareholding**

Save and except to the extent provided under Article 64.2, the Promoter and his Affiliates shall not Transfer or Encumber in any manner, and shall continue to hold all his existing Equity Shares and those that might be allotted or Transferred to him in the future (by way of bonus, rights or otherwise).

**64.2 Promoter's Permitted Transfers**

- 64.2.1 Notwithstanding anything to the contrary contained in these Articles, the Promoter and his Affiliates shall be entitled to Transfer the Securities held by them, without the prior approval of the Investor, to the following Persons (the "Permitted Transferee"):

- a) Subject to the execution by such Permitted Transferee of a Deed of Adherence agreeing to undertake all rights and obligations as are applicable to the Promoter, the Promoter and his Affiliates who hold Securities in the Company shall be entitled to Transfer the respective Securities held by them to their respective spouse and / or children, provided that no such Transfer shall result in the Promoter's resultant shareholding percentage in the Share Capital (held directly or through any entity which is Controlled by the Promoter) below 51% (fifty one per cent) of the Share Capital of the Company;
- b) Subject to the execution by such Permitted Transferee of a Deed of Adherence, the Promoter and his Permitted Transferees and Affiliates who hold Securities in the Company shall be entitled to Transfer the respective Securities held by them to any (i) Persons which are solely Controlled by the Promoter or such Affiliates; or (ii) to any trusts to which the Promoter and / or such Affiliate and

/ or their respective spouse and / or children are sole beneficiaries; provided that, in the event such Person ceases to be Controlled by the Promoter, such Persons shall Transfer any Equity Shares held by them to the Promoter or to any other Person who is Controlled by the Promoter;

- c) The Promoter and his Permitted Transferee and Affiliates who hold Securities in the Company shall be entitled to create Encumbrances on the Securities held by them in favour of any banks or financial institutions for the purpose of securing any loan facilities obtained or proposed to be obtained by or on behalf of the Company in accordance with the Annual Budget and / or the Business Plan.

and the Investor shall not have a Right of First Offer or a Tag Along Right with respect to any Transfers undertaken or Encumbrances made pursuant to this Article 64.2.1.

64.2.2 Notwithstanding anything to the contrary contained herein but except as otherwise specified in Article 64.2.1 above and subject to the execution of a Deed of Adherence, the Promoter and his Affiliates shall, with the prior written consent of the Investor, which consent shall not be unreasonably withheld, be entitled to Transfer the respective Securities held by them to any Person for the purposes of their personal Tax planning, restructuring or organization, and the Investor shall not have a Right of First Offer or a Tag Along Right with respect to any Transfers undertaken pursuant to this Article 64.2.2.

64.2.3 Notwithstanding anything to the contrary contained in these Articles but subject to the Investor's Right of First Offer in accordance with Article 64.3, the Promoter and his Affiliates shall, without the prior approval of the Investor, be entitled to Transfer any Securities held by them to up to an aggregate of 5% (five per cent) of the Share Capital of the Company (calculated on a Fully Diluted Basis), whether in a single tranche or pursuant to multiple transactions, to any Person or Persons identified by the Promoter, unless as otherwise specified in Articles 64.2.1 and 64.2.2 above. It is clarified that the Investor shall not have a Tag Along Right with respect to any Transfers undertaken pursuant to this Article 64.2.3.

### **64.3 Right of First Offer**

64.3.1 Except as otherwise specified in Article 64.2 and 64.5.1 (ii) but subject to Articles 64.1 and 64.5, in the event that the Promoter or the Investor (such Person, a "Selling Shareholder") proposes to sell any of the Securities held by it ("ROFO Sale Securities") to any Person, such Selling Shareholder shall first offer the ROFO Sale Securities to the Promoter or the Investor (as relevant) who is not selling its Shares pursuant to the same transaction (hereinafter referred to as a "Non-Selling Shareholder" and the right to the Non-Selling Shareholder being hereinafter referred to as a "Right of First Offer"). The process to be followed for the exercise of the right of first offer is set out below;

- a. The Selling Shareholder shall first give a written notice ("ROFO Notice") to the Non-Selling Shareholder indicating the Selling Shareholder's intention to Transfer the ROFO Sale Securities and stating the number of ROFO Sale Securities proposed to be Transferred.
- b. The Non-Selling Shareholder shall be entitled to respond to the ROFO Notice by serving a written notice (the "ROFO Exercise Notice") on the Selling Shareholder prior to the expiry of 21 (twenty one) Business Days from the date of receipt of the ROFO Notice by the Non-Selling Shareholder (the "ROFO Period"), communicating to the Selling Shareholder: (I) its acceptance (either directly or through an Affiliate) to purchase all or part of the ROFO Sale Securities and specifying the number of ROFO Sale Securities that the Non-Selling Shareholder is willing to purchase ("ROFO Exercise Securities"), the per Security price ("ROFO Price") and the terms ("AOKI Terms") at which the Non-Selling Shareholder may purchase the ROFO Sale Securities; or (ii) its refusal to purchase the ROFO Sale Securities.

The delivery of the ROFO Exercise Notice by the Non-Selling Shareholder shall constitute a binding and irrevocable offer from the Non-Selling Shareholder to purchase the ROFO Exercise Securities at the ROFO Price and the ROFO Terms.

- c. Within 15 (fifteen) Business Days of receipt by the Selling Shareholder of acceptance by the Non-Selling Shareholder pursuant to a ROFO Exercise Notice, the Selling Shareholder shall respond to the Non-Selling Shareholder indicating in writing its acceptance or refusal to sell the ROFO Exercise Securities at the ROFO Price and the ROFO Terms specified in the ROFO Exercise Notice. If the ROFO Price and the ROFO Terms (including the number of ROFO Exercise Securities) specified in the ROFO Response Notice are acceptable to the Selling Shareholder, the Transfer of the ROFO Exercise Securities to the Non-Selling Shareholder shall be completed at the ROFO Price and on the ROFO Terms within 40 (forty) Business Days from the date of receipt by the Selling Shareholder of the ROFO Exercise Notice.
- d. In case a Non-Selling Shareholder has served a ROFO Exercise Notice and in the event the Selling Shareholder:
  - (i) does not issue a notice in accordance with Article 64.3.1(c) accepting the offer made by the Non-Selling Shareholder; or
  - (ii) indicates its refusal of the ROFO Price and the ROFO Terms specified in the ROFO Exercise Notice within the timelines specified in Article 64.3.1(c) above,

the Selling Shareholder shall, subject to Articles 64.4 or 64.5 below (as applicable to the Selling Shareholder), be entitled to sell all (but not less than all) the ROFO Sale Securities to any Third Party at a price higher than and on terms no more favourable to the third party than those specified in the ROFO Exercise Notice. Such sale to a Third Party shall be completed within a period of 180 (one hundred and eighty) days from the expiry of the ROFO Period failing which the ROM Sale Securities shall be only sold by following the procedure as set forth under this Article 64.3.

e. In the event the Non-Selling Shareholder:

- (i) does not send a ROFO Exercise Notice within the ROFO Period; or
- (ii) issues a ROFO Exercise Notice indicating its refusal to purchase any ROFO Sale Securities; or
- (iii) issues a ROFO Exercise Notice indicating its acceptance to purchase any ROFO Sale Securities and the ROFO Price and the ROFO Terms specified in the ROFO Exercise Notice are accepted by the Selling Shareholder, but is unable or unwilling to complete such purchase within the timelines specified in Article 64.3.1(c) above,

then, subject to the Third Party executing a Deed of Adherence, the Selling Shareholder shall, subject to Articles 64.3.1(f) and 64.3.1(g), and Articles 64.4 or 64.5 below (as applicable to the Selling Shareholder), be entitled to sell all (but not less than all) the ROFO Sale Securities to any Third Party at such price and on such terms as are acceptable to the Selling Shareholder within a period of 180 (one hundred and eighty) days from the expiry of the ROFO Period failing which the ROFO Sale Securities shall be only sold by following the procedure as set forth under this Article 64.3.

f. In the event the Investor issues a ROFO Exercise Notice indicating its acceptance to purchase any ROFO Sale Securities and the ROFO Price and the ROFO Terms specified in the ROFO Exercise Notice are accepted by the Selling Shareholder, but is unable or unwilling to complete such purchase within the timelines specified in Article 64.3.1(c) above, then the Tag Along Right of the Investor specified in Article 64.4 below shall fall away with respect to the relevant ROFO Sale Securities in respect of which the Investor has failed to complete a purchase as above.

g. In the event the Selling Shareholder proposes to Transfer any ROFO Sale Securities to a Third Party in the manner specified in Article 64.3.1(e) above, the Selling Shareholder may, at its sole discretion and without the obligation to do so, provide the Non-Selling Shareholder prior written notice ("Third

Party Sale Notice") of such proposed Transfer, specifying the identity of the proposed Third Party purchaser and the price and terms at which the ROFO Sale Securities are proposed to be sold. Within 7 (seven) Business Days of the receipt of the Third-Party Sale Notice, the Non-Selling Shareholder may, either directly or through his Affiliates, by written notice to the Selling Shareholder, offer to purchase all (but not less than all) the ROFO Sale Securities from the Selling Shareholder at a price and on terms no less favourable than those offered by the proposed Third-Party purchaser. It will be at the discretion of the Selling Shareholder to either:

- (i) accept such offer, and upon such acceptance, Transfer the ROFO Sale Securities to the Non-Selling Shareholder within 45 (forty-five) Business Days of the Issuance of the Third-Party Sale Notice, at a price and on terms no less favourable to the Selling Shareholder than those offered by the proposed Third-Party purchaser; or
- (ii) reject such offer, and upon such rejection, Transfer the ROFO Sale Securities to the Third-Party purchaser within 180 (one hundred and eighty) days from the expiry of the ROFO Period at the price and on terms specified in the Third-Party Sale Notice, subject to the Third-Party purchaser executing a Deed of Adherence.

64.3.2. In the event the Non-Selling Shareholder issues a ROFO Exercise Notice indicating its acceptance to purchase only part (and not all) of the ROFO Sale Securities, then, upon the completion of the sale and purchase of such ROFO Exercise Securities in accordance with Article 64.3.1(c) above, the Selling Shareholder shall be entitled to sell the remaining ROFO Sale Securities to any Third Party at such price and on such terms as may be acceptable to the Selling Shareholder, within 180 (one hundred and eighty) days from the expiry of the ROFO Period failing which such remaining ROFO Sale Securities shall be only sold by following the procedure as set forth under this Article 64.3.

#### **64.4 Tag-Along Right**

64.4.1 Subject to Articles 64.1 to 64.3 above, if the Promoter (being a Selling Shareholder) receives an offer for the purchase of the ROFO Sale Securities from a Third Party ("Proposed Purchaser") in accordance with Articles 64.3.1(d) and (e), the Promoter shall, subject to Article 64.3.1(f) above, deliver a notice in writing to the Investor (the "Transfer Notice") which shall specify:

- (a) The number of ROFO Sale Securities proposed to be purchased by the Third Party;

- (b) The price at which the Promoter intends to Transfer such ROFO Sale Securities, such price being higher than the ROFO Price offered by the Investor if it has served a ROFO Exercise Notice;
  - (c) The identity of the Proposed Purchaser;
  - (d) Other terms and conditions of the proposed Transfer; and
  - (e) A confirmation to the Investor that the Proposed Purchaser has been made aware of the rights of the Investor and the obligations of the Promoter under these Articles.
- 64.4.2 Within 21 (twenty-one) Business Days of its receipt of the Transfer Notice, the Investor shall deliver a written notice to the Promoter (the "Sale Response Notice") notifying the Promoter of its decision to either:
- (a) Exercise its right to sell such number of the Investor Securities as permitted under this Article 64.4 ("Tag Along Right") alongside the sale of the ROFO Sale Securities to the Proposed Purchaser; or
  - (b) Decline to exercise its Tag Along Right.
- 64.4.3 In the event that the Investor declines to exercise its Tag Along Right, or does not serve a Sale Response Notice within 21 (twenty-one) Business Days of receipt of the Transfer Notice, the Promoter shall be entitled to Transfer the ROFO Sale Securities to the Proposed Purchaser at the price mentioned in the Transfer Notice.
- 64.4.4 In the event that the Investor issues a Sale Response Notice exercising its Tag Along Right, the Investor shall have the right to require the Promoter to ensure that the Proposed Purchaser purchases such number of Securities held by the Investor as may be specified in the Sale Response Notice computed in accordance with and to the extent permitted under Article 64.4.5 (the "Tag Along Securities"). The Proposed Purchaser shall simultaneously purchase the Tag Along Securities and the ROFO Sale Securities at the same price (including the cash equivalent of any non-cash component) and, except to the extent permitted under Article 64.4.8 below, on identical terms as specified in the Transfer Notice.
- 64.4.5 The maximum number of Tag Along Securities that the Investor is permitted to Transfer pursuant to its exercise of the Tag Along Right in terms of this Article 64.4 shall be determined by multiplying the number of Securities held by the Investor in the Fully Diluted Share Capital by a fraction, (x) the numerator of which shall be the number of Securities (on a Fully Diluted Basis) the Promoter proposes to Transfer and (y) the denominator of which shall be the total number of Securities then held by the Promoter in the Fully Diluted Share Capital, the resultant number representing the permitted

number of Tag Along Securities. In the event that the Transfer of the ROFO Sale Securities will result in a Change in Control, the Investor shall have the right to require the Promoter to ensure that the Proposed Purchaser purchases up to all of the Securities held by the Investor as indicated by the Investor in the Sale Response Notice, provided that, in the event the Proposed Purchaser makes a binding offer signifying that the proposed Purchaser is willing to purchase all the Securities held by the Investor, at a price equal to or higher than the Threshold Exit Price and the Investor does not Transfer the Securities held by it to such Proposed Purchaser, the exit rights available to the Investor under these Articles shall fall away.

- 64.4.6 In the event the Investor delivers a Sale Response Notice exercising its Tag Along Right, the Transfer of Sale Securities and Tag Along Securities to the Proposed Purchaser by the Selling Promoter shall be completed within 180 (one hundred and eighty) days of the expiry of the ROFO Period or 60 (sixty) days from the date of delivery of such Sale Response Notice, whichever is later. In the event the Investor declines to exercise its Tag Along Right or fails to issue a Sale Response Notice within the timelines specified in Article 64.4.2 above, the Transfer of Securities by the Promoter shall be completed within a period of 180 (one hundred and eighty) days from the date of expiry of the ROFO Period. In the event that in either of the circumstances above, the Promoter does not conclude the Transfer within the timelines specified, the Promoter shall not Transfer the ROFO Sale Securities without again following the steps as set forth under Articles 64.3 and 64.4.
- 64.4.7 The Promoter shall also ensure that the Proposed Purchaser executes a Deed of Adherence simultaneously with the Transfer of the Sale Securities and the Tag Along Securities in the event that the Investor continues to hold any Securities in excess of the Fall-Away Threshold pursuant to the completion of the sale of the Tag Along Securities in accordance with Article 64.4.4.
- 64.4.8 The Investor shall not be required to provide to the Proposed Purchaser any representations, warranties or indemnities in relation to the business and operations of the Company.
- 64.4.9 Notwithstanding anything to the contrary in this Article 64.4, the Promoter shall not be entitled to Transfer any ROFO Sale Securities to any Proposed Purchaser, unless the Proposed Purchaser simultaneously purchases and pays for all of the Tag Along Securities on the terms of the Transfer Notice, if the Investor has exercised its Tag Along Right in accordance with this Article 64.4; provided that, in the event the Investor exercises its Tag Along Right but fails to Transfer any Tag Along Securities as a result of any actions or omissions of the Investor or its representatives, the Promoter shall not be restricted from Transferring the ROFO Sale Securities to the Proposed Purchaser.
- 64.4.10 Notwithstanding anything to the contrary contained herein, in the event the Investor exercises its Tag Along Right in accordance with this Article 64.4, the Investor shall be required to mandatorily convert such number of Series A CCPS into Equity Shares as

correspond to the number of Tag Along Securities proposed to be Transferred in accordance with this Article 64.4, at least 7 (seven) days prior to the completion of such Transfer.

#### **64.5 Transfers by Investor**

64.5.1 (i) Subject to applicable Law and these Articles, including Articles 64.3 and 64.6.2, the Investor shall be entitled to freely Transfer the Securities held by it, provided that: (a) no Transfer shall be permitted by the Investor, directly or indirectly, to a Prohibited Transferee without the prior written consent of the Promoter except as otherwise provided in Article 64.5.2; and (b) any Person to whom the Investor Transfers Securities shall execute a Deed of Adherence.

(ii) It is clarified that the Promoter's Right of First Offer shall not apply to a Transfer by the investor of the Investor Securities to an Affiliate.

64.5.2 Subject to applicable Law and these Articles, the Investor shall be entitled to Transfer any Securities to a Prohibited Transferee after the completion of an IPO pursuant to an on-market transaction only if such Transfer is:

- (a) A sale of Investor Securities on a stock exchange with the Investor having no knowledge of the identity of the purchaser;
- (b) A sale made pursuant to the investor tendering Investor Securities in an open offer pursuant to the 5E81 (Substantial Acquisition of shares and Takeovers) Regulations, 2011 provided that such open offer has not been solicited or prompted or otherwise initiated by the Investor;
- (c) A sale made to a Prohibited Transferee following any Transfer by the Promoter of its Securities to a Prohibited Transferee pursuant to a negotiated agreement or off-market arrangement.

It is clarified that no Transfer to a Prohibited Transferee shall be undertaken pursuant to an agreement or arrangement with such Prohibited Transferee in relation to the price and terms of such Transfer.

64.5.3 In the event the Investor Transfers any Investor Security to any Person who holds any investment (either directly or through its Affiliates) in an entity which competes with the Business, the Investor shall ensure that the transferee agrees to (a) confidentiality covenants with the Company to preserve confidentiality of any confidential information relating to the Company that such Person becomes privy to, and (b) prevent conflicts of interest between the Company and its other investment in a competing business, including by ensuring that common directors are not appointed and other 'Chinese Wall' methods as may be necessary.

#### **64.6 Miscellaneous**

64.6.1 The Company shall not register any Transfer of Securities in violation of the provisions of these Articles, and shall not recognize as a shareholder or owner of Securities, nor accord any rights (whether relating to payment of dividend or voting) to the purported transferee of any Securities in violation of the provisions of these Articles. Any Transfer of Securities in violation of the provisions of these Articles shall be void, shall not be binding on the Company and the Company shall not permit any such Transfer on its books.

**64.6.2 Exercise of Investor Rights**

- (i) In the event the Investor continues to hold any Securities in excess of the Fall-Away Threshold pursuant to the consummation of any Transfer to a Third-Party purchaser in accordance with the term of these Articles, the Investor and the third party purchaser shall act as a single bloc for the purposes of exercising any rights in relation to the management and governance of the Company (including the right to appoint an Investor Director and fulfilling quorum requirements for meetings) and Reserved Matters.
- (ii) The obligations of the Investor under these Articles shall apply mutatis mutandis to any such Third-Party purchaser.
- (iii) Except as otherwise specified in Article 64.6.2(iv) below, in the event the shareholding of the Investor (calculated on a Fully Diluted Basis) falls below the Fall-Away Threshold pursuant to the consummation of any Transfer to a Third Party purchaser in accordance with the terms of these Articles, the Investor shall be entitled to assign its rights pursuant to a Transfer of Investor Securities to any Person who acquires the Investor Securities, provided that, upon such assignment, only such acquirer shall be entitled to exercise such rights, to the exclusion of the Investor.
- (iv) Notwithstanding anything to the contrary specified herein, any rights in connection with exit, right of indemnification and anti-dilution rights available to the Investor shall be available to and exercisable only by Commelina Limited and its Affiliates who hold Securities in the Company, in accordance with these Articles and cannot be assigned to any Third Party. It is clarified that any rights available to the Investor in connection with exit, indemnification and anti-dilution under these Articles shall, notwithstanding the Transfer of any Investor Securities to any Third Party, be exercisable only by Commelina Limited and its Affiliates who hold Securities in the Company and shall survive until the achievement of the Fall-Away Threshold.

64.6.3 Pursuant to the consummation of any Transfer of Securities by the Promoter to a Third-Party purchaser in accordance with the terms of these Articles, the Promoter and the Third-Party purchaser shall act as a single bloc for the purposes of the exercise of the rights and obligations under these Articles.

64.6.4 Except as otherwise provided under these Articles, any Person acquiring Securities by way of a transfer permitted under these Articles shall execute a Deed of Adherence on or prior to such Transfer of Securities.

64.6.5 A copy of all notices required to be given under this Article 64 shall be delivered concurrently to the Company.

**65. SWEAT EQUITY**

Subject to the provisions of the Act and rules made there-under, Company may issue sweat equity shares.

**ALTERATION OF CAPITAL**

66. The Company may, from time to time, with the approval of the Board and 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.

67. Subject to the provisions of Section 61 of the Act, the company may, by ordinary resolution:

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject, nevertheless, to the provisions of the Act; and
- (d) Cancel any shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**BORROWING POWERS**

68. Subject to Section 73, 74, 179 and 180 of the Act, and Rules made thereunder and directions issued by the Reserve Bank of India, the Board may and shall have power, at any time and from time to time, to raise or borrow any sum or sums of money and may secure the repayment of such moneys in such manner and upon such terms and conditions, in all respects, as they may deem fit and, in particular, by the issue of the debentures or debenture stock or bonds or by making, drawing, accepting or

endorsing promissory notes or bills of exchange, giving or issuing, if deemed necessary, any properties, assets, or revenues of the Company, present or future, including its uncalled capital, as security and may guarantee the whole or any part of the loan or debt raised or incurred or any interest payable thereon by means of mortgage or hypothecation of/or charge upon any such property, assets or revenues. However, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180 (1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a special resolution at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board.

69. Subject to these Articles, the payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by the issue of 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 and Debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
70. If any uncalled capital of the Company is included in or charged by any mortgage or other security interest, the Directors may subject to the provisions of the Act and these presents, make calls on the Members in respect of such uncalled capital in trust for the person in whose favor such mortgage or security is executed.
71. The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the Debentures of the Company and the register required to be kept in respect of such mortgages, charges and Debentures.

#### **DIVIDEND AND RESERVE**

72. Subject to these Articles, the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
73. The Board may at its discretion, before recommending any dividend, set aside out of the profits of the Company such sums as it may think 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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company) as the Board

may, from time to time, thinks fit.

74. Subject to these Articles, 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.
75. The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve.
76. 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 of 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.
77. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on share.
78. 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 dividends is paid, but if any share is issued on terms providing that it shall rank for the purposes of dividend entitlement as from a particular date such shares shall rank for dividend accordingly.
79. 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 of the Company.
80. No dividend shall be payable except in cash provided that nothing in the foregoing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the Members of the Company.
81. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque 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, or to such person and to such address as the holder or joint holders may in writing direct.
82. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.

84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the Company.
86. Unpaid or Unclaimed Dividend
- (a) Where the Company has declared a dividend but which has not been paid or claimed within thirty days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Paras Healthcare Limited Unpaid Dividend Account"
- (b) The Company shall, within a period of ninety days of making any transfer of an amount under (a) above to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed.
- (c) If any default is made in transferring the total amount referred to in (a) above, or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.
- (d) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of 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 and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.
- (e) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investors Education and Protection Fund subject to the provisions of the Act and Rules.

- (f) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.
87. A transfer of shares shall not pass the rights to any dividend declared therein before the registration of the transfer by the Company.
88. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of the registered Members to make a separate application to the Company for the payment of the dividend.
89. Any General Meeting, may upon the recommendation of the Board resolve that any undivided profits of the Company, standing to the credit of the Reserves/ any Capital Redemption Reserve Account or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account, be capitalized and distributed amongst such of the Members as would be entitled to receive the same if distributed by way of dividend and in the same proportions or that all or any part of such capitalized fund be applied on behalf of such Members in paying up in full any unissued shares, debentures or debenture-stock of the Company or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such Members in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Account may, for the purposes of this provision, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
90. For the purpose of giving effect to any resolution under the preceding provision the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates. Where requisite, a proper contract shall be filed in accordance with the Act, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.
91. **INFORMATION AND INSPECTION RIGHTS**
- 91A.1 The Investor shall also be entitled to inspection and visitation rights in respect of the Company at reasonable times during business hours, without disrupting the business of the Company. The Company shall, upon receipt reasonable advance notice of not less than 7 (seven) days, give such access as may be reasonably requested, to the Investor and its authorized representatives (including the Investor Director, lawyers, accountants, auditors and other professional advisers) to visit and inspect the Company's properties, Assets, corporate, financial and other records, reports, books, Contracts and commitments of the Company, and to discuss the

Business, action plans, budgets and finances with the Directors, statutory auditors and executive officers of the Company.

- 91A.2 All the Financial Statements delivered by the Company shall be prepared under Ind AS. All management reports shall include a comparison of financial results with the corresponding quarterly and annual budgets.

**92. ANNUAL BUSINESS PLAN AND BUDGET**

- 92B.1 The Annual Budget for every Financial Year shall be placed at meeting of the Board, for approval as a Reserved Matter, at least 15 (fifteen) days prior to the end of the preceding Financial Year.

- 92B.2 No later than 30 (thirty) days prior to the end of each Financial Year, the Company shall prepare and submit to the Investor the Annual Budget.

**93. BOARD OF DIRECTORS**

**93.1**

- (a) Subject to applicable laws and unless otherwise determined by the General Meeting, the number of Directors shall not be less than three and not more than fifteen, and at least one director shall be resident of India in a previous year.
- (b) The Directors shall not be required to hold any qualification shares in the Company.
- (c) The first Directors of the Company shall be:

- |                           |                     |
|---------------------------|---------------------|
| 2. Mr. Sunil Kapur        | 2. Mr. Ashok Narang |
| 4. Mrs. Veena Chandok     | 4. Mr. G.K.Sahni    |
| 6. Mr. Shailendra Chandok |                     |

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

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them --

- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.

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

- 93.4 The company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of

that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

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

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

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

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

93.8 Subject to applicable Law, the number of Directors comprising the Board shall not be less than three (3) and not more than fifteen (15) Directors. The Board shall be reconstituted in the following manner:

- (i) The Promoter shall be entitled to nominate 3 (three) Directors (each such Director and any alternate to such Director, a “**Promoter Director**” and together, the “**Promoter Directors**”);
- (ii) Subject to Article 104, the Investor shall be entitled to nominate 1 (one) Director (such Director, and any alternate to such Director, the “**Investor Director**”) and
- (iii) The Board shall consist of such number of independent Directors as may be required under the applicable Law, who shall be appointed in a General Meeting.

Provided that, the composition of the Board shall, at all times, be in compliance with the corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

93.9. The Investor Director shall not be appointed on the board or any other governing body of a Restricted Person. In the event the Investor Director is appointed on the board or other equivalent governing body of a Person which becomes a Restricted Person after the Closing Date, the Investor shall ensure that the Investor Director shall resign from the Board or from the board of directors or governing body of such Restricted Person within a period of 10 (ten) Business Days from the date on which such Person becomes a Restricted Person. The Investor Director shall not be a

director on the board or equivalent governing body of any Prohibited Transferee. In the event the Investor Director is proposed to be appointed on the board or other equivalent governing body of a Prohibited Transferee, the Investor shall intimate the Company prior to such appointment and shall consult with the Company and the Promoter and undertake such actions as may be reasonably required pursuant to such consultation in connection with such appointment of the investor Director on the board or equivalent governing body of a Prohibited Transferee.

93.10. Subject to Article 93.8 above and compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Act and other applicable law, the Investor Director shall have the right to be appointed on any Committee that may be constituted by the Board.

93.11. Notwithstanding anything contained in this Article 93 but subject to Article 104, till such time as the Investor has a right to appoint an Investor Director and where a casual vacancy is created on the Board by virtue of the resignation or removal of the Investor Director, the Investor shall be entitled to nominate a Person to attend any meeting of the Board or any Committee thereof ("Investor Attendee") until such time as a new Investor Director is appointed to the Board, provided that the Investor shall appoint a new Investor Director as soon as practicable and in any event within 30 (thirty) days from the date of resignation or removal of an Investor Director from the Board, and the term of nomination of such Investor Attendee shall not exceed 30 (thirty) days. The Investor Attendee shall be entitled to receive all notices, minutes, consents, and other materials that the Company provides its Directors, at the same time and in the same manner as so provided, However, the Investor Attendee shall not have the right to participate in discussions or cast any votes at meetings of the Board and the Committees.

**93.11. No Liability of the Investor Director**

(a) Subject to applicable law, the Investor Director shall not be liable for any default or failure of the Company in complying with the provisions of any applicable Law, including defaults under the Act. Subject to applicable law, the Investor Director shall not be identified by the Company as an "officer in default" of the Company, or occupiers of any premises used by the Company or employers under applicable law.

(b) The Directors (including the Investor Director) shall be indemnified, out of the Assets, insurance and capital of the Company, against any liability incurred by any Director in defending any civil or criminal proceedings initiated against the Company by a third party in accordance with the instructions of the Board.

The above Article 93.11(b) shall stand deleted in its entirety, with effect from the effective date of the insurance policy as set out in the Article 102A (IPO Insurance Policy) hereinbelow.

**94. MEETINGS OF THE BOARD**

- 94.1. The Board shall hold regular meetings at the registered office of the Company or at such other place as is determined by the Board and communicated to the Investor Director at least once every quarter, and at least 4 (four) such meetings shall be held in every calendar year provided that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board. Unless otherwise agreed to in writing by the Investor Director, the notice, agenda, detailed notes and explanations to specific items on the agenda including draft resolutions to be discussed or voted, if any, for each meeting of the Board shall be sent to the Investor Director and all other Directors at least 7 (seven) Business Days prior to such meeting. No meeting of the Board shall be convened at a shorter notice period without the prior written consent of the Investor Director, provided that, the notice and the agenda for such Board meeting may be delivered to the Investor Director and all other Directors at least 1 (one) Business Day in advance. Other than with the prior written consent of the Investor Director, no matter other than the matters included in the agenda accompanying the notice provided to the Investor Director shall be subsequently included in the agenda in relation to, or considered in, any meeting of the Board. Notwithstanding the preceding, no meeting of the Board at which a Reserved Matter is proposed to be considered and / or discussed shall be held at shorter notice.
- 94.2. Subject to the provisions of the Act, the quorum for any meeting of the Board shall require the presence, in person or through video-conferencing or other audio-visual means, of the Investor Director and any one of the Promoter Directors unless the requirement of presence of such Directors is waived in writing by the Promoter or Investor, as relevant.
- 94.3. In the event that the quorum as set forth above is not achieved at any meeting of the Board within 1 (one) hour from the time appointed for the meeting, such meeting shall stand adjourned to the 7<sup>th</sup> (seventh) day following the day on which such meeting was adjourned, at the same time and venue (the "First Adjourned Board Meeting"), If such day is not a Business Day, then the First Adjourned Board meeting shall be held on the next Business Day immediately following such 7<sup>th</sup> (seventh) day. The First Adjourned Board Meeting shall consider the same matters as were on the agenda for the meeting that was adjourned.
- 94.4. In the event that the quorum as set forth above is not achieved at the First Adjourned Board Meeting, such meeting shall further stand adjourned to the 7<sup>th</sup> (seventh) day following the day on which the First Adjourned Board Meeting was to be held, at the

same time and venue (the "Second Adjourned Board Meeting"). The Second Adjourned Board Meeting shall consider the same matters as were on the agenda for the Adjourned Board Meeting.

- 94.5. Subject to the provisions of the Act, the Directors present (including at least one Promoter Director) at the commencement of the Second Adjourned Board Meeting shall constitute valid quorum, and it shall not be necessary for the Investor Director to be present at such meeting to constitute quorum, and all matters as specified in the agenda shall be voted upon in such meeting, provided however, in the event the Investor Director is not present in the Second Adjourned Board Meeting, no Reserved Matter related items shall be taken up for discussion unless the Investor has provided its affirmative approval to approve relevant Reserved Matters in accordance with Article 96 prior to such Second Adjourned Meeting. It is clarified that decisions on Reserved Matters shall be only taken following the procedure set out in Article 96.
- 94.6. Subject to the provisions of Article 96, a decision shall be said to have been made and a resolution passed at a meeting of the Board only if passed at a validly constituted meeting in accordance with this Article 94, and such decision and resolution is approved of by a majority of the Directors, which, unless otherwise mandated by applicable Law, shall mean approval by a majority of the Directors present and voting at such meeting of the Board. The chairman of the Board meeting shall be appointed by the Promoter. In the event that the designated chairman is not present at a validly convened meeting, the persons present and voting may nominate any other Promoter Director as the chairman for the purposes of such meeting. The chairman of a meeting of the Board shall have a casting vote on any matter taken up by the Board in its meetings in case of equality of vote.
- 94.7. Subject to applicable Law, Directors or members of any Committee may participate in meetings of the Board or any Committee through video or telephonic conference or other audio-visual means permissible and recognized under applicable Law and such participation shall be counted for the purpose of quorum.
- 94.8. Subject to Article 96, a written resolution circulated to all Directors or members of committees, whether in India or overseas and signed by a majority of them as approved shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board or of any committee, called and held in accordance with these Articles (provided that such written resolution has been circulated in draft form, together with the relevant papers, if any to all the Directors and has been approved by the Investor Director and a Promoter Director); provided however, that in the event such circular resolution includes any Reserved Matter, the affirmative approval of the Investor shall be required to be obtained in accordance with Article 96 for such resolution to be validly passed.

- 94.9. The Company shall reimburse reasonable expenses of the Investor Director for costs incurred in attending meetings of the Board and other meetings or events attended on behalf of or at the instance of the Company. The Company shall not pay any sitting fees to or reimburse any other expenses (except as set forth in this Article 90.9) incurred by the Investor Director.

**95. SHAREHOLDER MEETINGS**

- 95.1. The Company shall hold at least 1. (one) General Meeting in any given calendar year. All General Meetings shall be governed by the Act and the Articles.
- 95.2. The AGM shall be held in each calendar year, within 6 (six) months following the end of the previous Financial Year. The Board shall provide the audited Financial Statements of the Company's previous Financial Year to all Shareholders at least 30 (thirty) days before the AGM is held. All other General Meetings, other than the AGMs shall be EGMs.
- 95.3. Prior written notice of 21 (twenty-one) days for a General Meeting shall be given to all Shareholders, provided however that any General Meeting may be held upon shorter notice in accordance with the provisions of the Act and subject to the prior written approval of the Investor. All notices for General Meetings shall be in writing and shall be accompanied by an agenda setting out the particular business proposed to be transacted at such meeting.
- 95.4. The quorum for a General Meeting shall be the presence, in person or through proxy or authorised representation, of such number of shareholders as are required under the Act, provided that the presence of at least 1 (one) authorized representative of each of the Promoter and the Investor ("Relevant Representatives") shall be necessary to constitute the quorum (unless waived in writing by the Investor or the Promoter, as relevant).
- 95.5. In the event that the quorum as set forth above is not achieved at a General Meeting, such meeting shall stand adjourned to the 7<sup>th</sup> (seventh) day following the day on which such meeting was adjourned, at the same time and venue (the "First Adjourned General Meeting"). If such day is not a Business Day, then the First Adjourned General Meeting shall be held on the next Business Day immediately following such 7<sup>th</sup> (seventh) day. The First Adjourned General Meeting shall consider the same matters as were on the agenda for the meeting that was adjourned.
- 95.6. In the event that the quorum as set forth above is not achieved at the First Adjourned General Meeting, such meeting shall further stand adjourned to the 7<sup>th</sup> (seventh) day following the day on which the Adjourned General Meeting was to be held, at the same time and venue (the "Second Adjourned General Meeting"). Notice of the

Second Adjourned General Meeting shall be given to all Shareholders by electronic mail and shall necessarily be followed by written notice by way of courier at least 5 (five) days prior to the date of such adjourned meeting. Subject to the provisions of the Act, the members present at a Second Adjourned General Meeting shall constitute quorum and may consider the same matters as were on the agenda for the General Meeting that was adjourned provided however, in the event an authorised representative of the Investor is not present in the Second Adjourned Board Meeting, no Reserved Matter related items shall be taken up for discussion unless Investor has provided its affirmative approval to approve relevant Reserved Matters in accordance with Article 96 prior to such Second Adjourned General Meeting. It is clarified that decisions on Reserved Matters shall be only taken following the procedure set out in Article 96.

- 95.7 Subject to the provisions of Article 96, all resolutions at a General Meeting shall be voted upon by way of a poll, and not by a show of hands and shall be decided by a simple majority or special majority as provided under the Act.
- 95.8 Subject to applicable Law, Shareholders may participate in General Meetings through video or telephonic conference or other audio-visual means permissible and recognized under applicable Law and such participation shall be counted for the purpose of quorum.

96. **RESERVED MATTERS**

- 96.1. Notwithstanding anything contained in these Articles, no obligation of the Company shall be entered into, no decision shall be made and no action shall be taken by or with respect to the Company, whether in meetings of the Board (including Committees) or General Meetings or otherwise, in relation to any of the matters set forth in Schedule I ("Reserved Matters") without following the procedure set forth in this Article 96,
- 96.2. If any matter, decision, action or resolution relating to a Reserved Matter is proposed to be considered or passed in respect of the Company:
  - (a) In a meeting of the Board or any Committee;
  - (b) By written circulation;
  - (c) In a General Meeting; or
  - (d) In any other manner,

then the Company shall, simultaneously with the issuance of the agenda for such meeting, notify the Investor of such proposal to consider or pass a Reserved Matter. In the event a Reserved Matter is proposed to be considered or passed through written circulation or in any other manner (other than at a meeting of the Board or Committee or at a General Meeting), the Company shall notify the Investor of such proposed resolution or action and shall provide the Investor at least 15 (fifteen)

Business Days (or such shorter period as may be consented to by the investor in writing).

- 96.3. At a meeting of the Board where a Reserved Matter is tabled for discussion, the Investor Director shall either: (a) communicate to the Board the approval or dissent of the Investor to such Reserved Matter; or (b) require that such Reserved Matter be considered at a meeting of the Shareholders. In the event a Reserved Matter is required to be taken up at a meeting of the Shareholders at the request of the Investor Director, the Investor shall provide its approval or dissent to such Reserved Matter at such meeting. It is clarified that no meeting of the Board or of the Shareholders at which a Reserved Matter is proposed to be discussed shall be held at shorter notice.
- 96.4. A Reserved Matter shall be considered approved only if it has been approved (i) at a Board Meeting, by an affirmative vote cast by the Investor Director; or (ii) at a General Meeting, by a vote cast by the Relevant Representative of the Investor in such General Meeting, or (ii) by the prior written consent of the Investor within the timelines specified in Article 96.2 above. Where a Reserved Matter has not received the affirmative approval of the Investor Director or the Investor, no further action shall be taken in respect of such matter without complying with the procedure set out in this Article 96. In the event the approval of the Investor Director and / or the Investor has been obtained in relation to any matter (each such matter specifically, a "Subject Matter") pursuant to this Article 96 read with Schedule I at a meeting of the Board or otherwise, the approval of the Investor Director and / or the Investor shall not be required to be subsequently obtained in respect of the same Subject Matter.
- 96.5. Without prejudice to the requirements under this Article 96, in the event and for the time period that the Investor has not appointed an Investor Director on the Board, all Reserved Matters shall be referred to the Shareholders for approval and transacted only at General Meetings following the process set out in this Article 96.
- 96.6. In the event any decision and/or resolution is effected without complying with the provisions of this Article 96, such decision or resolution shall be void and not valid or binding on any Person including the Company.

#### **FOR THE PROTECTION OF DIRECTORS AND OFFICERS**

97. Subject to relevant provisions of the Act, no Director of the Company shall be liable to the Company for:
- (a) the act, receipts, neglects or defaults of any other Director or officer or employee;

- (b) any loss, damages or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company or for or on behalf of the Company;
- (c) the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Company shall be placed out or invested;
- (d) any loss or damage arising from bankruptcy, insolvency or tortuous act of any person including any person with whom any money securities or effects shall be lodged or deposited;
- (e) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Company; or
- (f) any other loss damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto;

unless the same happens by or through his negligence, default, misfeasance, breach of duty, breach of trust of which he may be guilty in relation to the Company or his failure to exercise the power in good faith with a view to the best interests of the Company with care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

98. Nothing herein contained shall relieve a Director officer from the duty to act in accordance with the Act or relieve him from liability for a breach thereof. Subject to provisions of the Act, if any Director or officer of the Company is employed by or performs services for the Company otherwise than as a Director or officer or is a member of a firm or a shareholder, director or officer or officer of body corporate which is employed by or performs services for the Company, the fact of his being a Member, Director or officer of the Company shall not disentitle such Director or officer or such firm or body corporate, as the case may be from receiving proper remuneration for such services.

## **INDEMNITIES TO DIRECTORS AND OFFICERS**

99. Subject to any applicable provisions of the Act, except in respect of any action by or on behalf of the Company to obtain a judgment in its favor, the Company shall indemnify a Director or officer of the Company, a former Director or officer of the Company against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in defending any proceedings whether civil or criminal to which he is made a party by the reason of being or having been a Director or officer of the Company, in which judgment is given in his favor or in which he is acquitted or in connection with any application

under Section 463 of the Act in which relief is granted to him by court.

**100. EXIT**

- 100.1. Prior to the expiry of the Long Stop Date, the Company and the Promoter shall make best efforts to provide an exit to the Investor by undertaking an IPO in accordance with Article 102.
- 100.2. Without prejudice to Article 100.1, the Company and the Promoter shall make best efforts to provide the Investor an exit prior to the expiry of the Long Stop Date, by way of a Financial Investor Sale in accordance with Article 103.
- 100.3. All costs relating to the obligations of the Company under Article 103 shall be borne by the Company.

**100.4. Fall Away of Exit Rights**

- 100.4.1. Notwithstanding anything contained herein, in the event the investor has been offered a complete exit:
- (i) by way of a sale of all the Investor Securities through a binding offer (including, without limitation, pursuant to the exercise by the Promoter of his Right of First Offer pursuant to Article 64.3, sale to a Proposed Purchaser pursuant to Article 64.4.5 or any sale to a Financial Investor pursuant to Article 103) which results in the Threshold Exit Price being achieved;
  - (ii) by any other mode of exit contemplated herein except by way of Consummation of the IPO which results in the Threshold Exit Price being achieved;

and if the Investor does not accept such offer or otherwise breaches its obligations to effect such offer and undertake actions necessary to give effect to such exit, the Investor's exit rights under these Articles shall fall away.

- 100.4.2. The preceding Article 100.4.1(i) shall not apply in the event the Investor does not accept an offer to sell its Securities to any Person (other than a Financial Investor) pursuant to Article 100.4.1(i) above after having conducted a due diligence on such Person and: (i) having identified such Person to have been convicted of any offences under applicable Anti-Money Laundering Laws or Anti-Corruption Laws or (ii) if the purchaser is a Person listed on the Specially Designated Nationals And Blocked Persons List published by the Office of Foreign Assets Control of the United States Department of Treasury.

**101. INITIAL PUBLIC OFFERING**

- 102.1 The decision to undertake an IPO (including any other decisions required to be taken in furtherance of the IPO) shall be made by the Company, in consultation with the book running lead managers, subject to the approval of the Shareholders, as may be required under applicable Law, having due regard to the prevailing market conditions and to the advice of the book running lead managers appointed by the Company.
- 102.2 An IPO may be either through a new issue of Equity Shares or subject to Article 102.3, through an offer for sale of the Equity Shares held by certain existing Shareholders of the Company, or a combination of both, as may be advised by the book running lead managers, which shall be in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable Law. It is clarified that the price in any IPO shall be subject to the book building process under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. Further, the price band and all the pricing and allocation related decisions, inter alia, including the allocation to anchor investors shall be taken by the Company, in consultation with the book running lead managers and in accordance with applicable Law.
- 102.3 In the event that an IPO undertaken by the Company under this Article 102, is through or includes an offer for sale of Equity Shares, the Investor will retain priority to transfer its Equity Shares in the IPO over other selling shareholders, subject to minimum subscription in the fresh issue component of the IPO, as required under applicable Law. The mechanism of such transfer shall be in accordance with the offer agreement to be executed in relation to the IPO. The Investor shall be entitled to offer for sale such maximum number of Equity Shares that is permitted under applicable Law.
- 102.4 The Promoter undertakes to exercise his voting rights (as a Director and Shareholder of the Company) and shall ensure that the Promoter Directors exercise their voting rights, subject to applicable Law, to give effect to this Article 102 and the Investor agrees to equivalently cooperate with any such action. In connection with making best efforts towards an IPO:
- (a) The Company, the Investor and the Promoter shall not withhold approval and shall do all acts and deeds as may be required to effect the IPO including to facilitate the offer for sale of the Equity Shares proposed to be sold by the Investor pursuant to the IPO;
  - (b) The Company, the Investor and the Promoter shall provide all information and ensure compliance (to the extent applicable to such Party) with all applicable provisions under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the listing agreement(s) of the Recognized Stock Exchange and other applicable Law in force at the time of the IPO

and subsequent to the listing of the Equity Shares for trading on a Recognized Stock Exchange;

- (c) The Company shall indemnify the Investor from and against any Losses caused by (a) any untrue statement of a material fact, or (b) any omission to state therein a fact required to be stated therein or necessary to make the statements therein not misleading, and made by or on account of the Company and/or the Promoter contained in the statement or prospectus relating to such offering; and
- (d) The Company shall prepare, and the Promoter shall procure, that the Company prepares and signs the relevant offer documents, conduct road shows, facilitate site visits and management meetings, enter into documents and provide all necessary information necessary for preparing the offer.

The Article 102.4 (c) shall stand deleted in its entirety, with effect from the effective date of the insurance policy as set out in the Article 102A (IPO Insurance Policy) below.

102.5 The Parties agree that the Investor is a financial investor in the Company and is not responsible for the day-to-day affairs of the Company. Subject to applicable Law, the Investor shall not be considered as a “promoter” of the Company for the purposes of the IPO and the Company shall endeavour to take all actions towards this end. If any Equity Shares are to be made subject to any lock-in as promoter shares in connection with the IPO, the Promoter shall offer his Equity Shares towards such lock-in. However, it is clarified that the Equity Shares held by the Investor (to the extent not transferred as part of the offer for sale in the IPO) shall be subjected to the lock-in requirements, as applicable under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

102.6 All costs and expenses relating to the IPO shall be borne in accordance with the offer agreement to be executed in relation to such IPO.

102.7 The Investor shall provide standard representations and warranties as may be customary to the investor selling shareholders in the IPO agreements and as may be mutually decided between the parties to such IPO agreements solely for the purposes of the IPO in connection with the proposed offer for sale of Equity Shares of the Investor and in accordance with requirements under applicable law.

#### **102A. IPO INSURANCE POLICY**

The Company shall, prior to the filing of the draft red herring prospectus with SEBI, procure an IPO insurance policy or public liability insurance policy or any other similar insurance by whatever name called with respect to the IPO from a credible and authorized insurance company covering liabilities with respect to all Directors and the selling shareholders in the IPO, on terms and for a period to the satisfaction of the Investor. Upon obtaining the insurance policy, the Company shall share a copy of such insurance policy with all the Directors and the selling shareholders in the

IPO; and inform them of any changes, modifications or amendments to the insurance policy.

### **103. FINANCIAL INVESTOR SALE**

- 103.1. Notwithstanding anything contained in Articles 101.1 read with Article 102, prior to the expiry of the Long Stop Date, the Company and the Promoter shall make best efforts to facilitate a complete exit by the Investor by sale of all of the Investor Securities to a Financial Investor pursuant to this Article 103 ("**Financial Investor Sale**"),
- 103.2. Without prejudice to the provisions of Article 101.5, upon receipt of a firm offer in writing by a Financial Investor, the Investor may elect, at its discretion to sell up to all of the Investor Securities to the said Financial Investor, subject to compliance with Article 64.5.
- 103.3. The Company and the Promoter shall render all assistance necessary to expeditiously complete the Financial Investor Sale on or prior to the expiry of the Long Stop Date, including without limitation, obtaining any Consents and Government Approvals required under applicable Law, and providing representations and warranties, covenants and indemnities customary to such transactions, subject to appropriate limitations of liability. The Investor shall not be required to provide any guarantees or be subject to any restrictive covenants relating to the operations of the Company pursuant to a Financial investor Sale but, shall provide representations and warranties, covenants and indemnities only in relation to authority, capacity and title to Securities being offered by the Investor. The Investor shall cooperate with the Company and the Promoter in their performance of any actions under this Article 103.

### **104. FALL AWAY OF RIGHTS**

- a. All rights of the Investor under these Articles other than the economic and voting rights attached to the Investor Securities shall terminate with respect to the Investor upon both of the following conditions being satisfied:
- (a) the Investor's (including its Affiliates and nominees) holding in the Fully Diluted Share Capital falling below the Fall-Away Threshold; and
  - (b) the Investor having Transferred any of the Investor Securities as on the date on which the Fall-Away Threshold has breached.
- b. Notwithstanding the preceding, all rights of the Investor under these Articles other than the economic rights attached to the Investor Securities shall cease to be applicable and shall fail away upon the Investor's shareholding in the Company falling below 5% (five per cent) of the Fully Diluted Share Capital.

- c. Notwithstanding anything to the contrary contained herein, the exit rights available to the Investor pursuant to these Articles shall fall away in accordance with Article 101.5.

**105. NO OBJECTION**

- (i) The Investor and/or its Affiliates shall be free to make any investment in, or finance, or enter into a collaboration with, any other company or Person, including any Person carrying on any business in the same, similar or allied field as the Business or the business being carried on by the Promoter or the respective Affiliates of the Company and Promoter, provided that, except as specifically permitted under this Article 105, for long as the Investor holds any Securities in the Company, the Investor shall not, and shall ensure that its Affiliates shall not, directly or indirectly, make any investment in, or finance, or enter into a collaboration or any similar arrangement with any Restricted Person. Notwithstanding the preceding, the Investor shall be entitled to invest in the listed Equity Shares or other listed equity securities of an entity listed on a Recognized Stock Exchange through an on-market transaction, up to 5% (five per cent) of the issued, subscribed and paid-up share capital of such entity, provided that the said investment is a passive public market investment without the acquisition of any special rights or privileges not otherwise available to the Investor under applicable Law as a shareholder of such entity, including special information rights, board seat, etc.
- (ii) In the event the Investor and / or its Affiliates make or have made, directly or indirectly, any investment in, or finance, or enter into any collaboration or similar arrangement with any Person carrying on any business in the same as or similar to or allied field as the Business or the business being carried on by the Promoter or the respective Affiliates of the Company and Promoter, or any business carried by any of the Company, the Promoter, or their respective Affiliates on a future date, such Investor and / or Affiliate shall (a) preserve confidentiality of any confidential Information relating to the Company that such Investor and f or Affiliate becomes privy to, and (b) prevent conflicts of interest between the Company and such other investment arrangement, including by ensuring that common directors are not appointed and other 'Chinese Wall' methods as may be necessary (including usage of 'clean teams'), both physically and electronically.

**106. BOOKS AND DOCUMENTS**

- 106.1. The Board shall cause to be kept in accordance with Section 128 of the Act proper books of account with respect to:
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
  - (b) all sales and purchases of goods by the Company;

- (c) the assets and liabilities of the Company; and
  - (d) any other particulars as may be required by the Central Government or as may be prescribed under the Act and the Rules made thereunder.
- 106.2. The books of account shall be kept at the registered office or at such other place in India as the Board may decide and when the Board so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place.
- 106.3. The books of account and other books shall be open to inspection during business hours by any Director, Registrar or other Officer of the Government authorized by the Central Government in this behalf.
- 106.4. The books of account of the Company together with the vouchers relevant to any entry in such books of account shall be preserved in good order for a period of not less than the period provided in the Act.
- 106.5. At every Annual General Meeting the Board shall lay before the Company, the Financial Statements made up in accordance with the provisions of Section 129 of the Act and such Financial Statements shall comply with the requirements of the Act, Schedule Vi and the Rules made thereunder, so far as they are applicable to the Company but, save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.
- 106.6. A copy of every Financial Statement, the Auditor's Report, the Report of the Board of Directors and every document required by law to be annexed or attached to the Balance Sheet) shall, as provided by Section 136 of the Act, not less than twenty-one days before the meetings, be sent to every such Member, every trustee for the holders of any Debenture issued by the Company, trustee and other person to whom the same is required to be sent as prescribed under the Act.

## **SECRECY**

107. Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon their 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 Board 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 presents and the provisions of the Act.

## **OPERATION OF BANK ACCOUNTS**

108. The Directors or any other person authorized by 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, hundis and bills or may authorize any other person or persons to exercise such powers.

## **WINDING UP**

109. Subject to the provisions of the Act and Rules made there under, if the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by those Members respectively and if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. But this Article is to be without prejudice to the rights of holders of shares issued upon special terms and conditions.

## **FINANCIAL STATEMENTS**

110. The Financial Statements including the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and the accompanying Notes and Accounting Policies of the Company will be audited once in a year by a qualified auditor for certification of correctness as per the provisions of the Act.

## **AUDIT**

111. The first auditors of the Company shall be appointed by the Board within one month after its incorporation who shall hold office till the conclusion of the first Annual General Meeting.
112. The Board may fill up any casual vacancy, except caused by resignation, in the office of the auditors.
113. The remuneration of the auditors shall be fixed by the Company in a General Meeting except that remuneration of the first or any auditors appointed by the Board may be fixed by the Board.

#### 114. **DEMATERIALISATION OF SECURITIES**

- (i) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, the Company may exercise an option to issue (in case of the Company only), 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, 1996 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 laws.

- (ii) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the regulations framed thereunder, if any, and other applicable law.

- (iii) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

- (iv) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

- (v) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder

of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(vi) Register and index of beneficial owners

- a) The Company shall cause to be kept a register and index of Members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of Members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members, of Members resident in that state or country.

**115. POWER TO MERGE/AMALGAMATE/DEMERGE**

Subject to Reserved Matters Rights of Investor pursuant to Article 92 read with Schedule 1 of Articles of Association, to acquire or amalgamate with any other company or person, transfer one or more of its undertaking to one or more Company or person. To acquire and undertake the whole or any part of the business, good-will and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which this Company is authorised to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain or sell, mortgage or deal with any shares, debentures, debenture stock or securities so received.

**SCHEDULE I**  
**RESERVED MATTERS**

1. Any issuance of or alteration in the Share Capital, whether by way of issue of shares, rights, convertibles, options, bonus, warrants to purchase capital stock (or other convertible securities), reduction of capital or otherwise, or any alteration in the nature and extent of rights of any class of capital;
2. Acquisition of shares, securities, bonds, debentures, of any other body corporate or entity, investments in any body corporate or entity, entering into joint ventures, partnerships and strategic or financial alliances, mergers, demergers, spin-offs, consolidations, creation of any subsidiaries), or acquisition or sale, lease or other disposal of substantially all of the Company's Assets, Business, customers;
3. The timing, pricing and place or exchange of an IPO, formulation of an IPO plan, amendments to the IPO plan, appointment of the merchant bankers and other advisors in relation thereto;
4. Initiation or settlement of any litigation, arbitration or claims or regulatory proceedings that restricts the ability to conduct its business, and involves an amount in excess of Rs. 10,000,000 (Rupees Ten Million only);
5. The adoption of any employee stock option scheme or employee stock purchase scheme or any amendments thereto;
6. Any transaction above Rs. 10,000,000 (Rupees Ten Million only) per transaction or above Rs. 50,000,000 (Rupees Fifty Million only) per annum in the aggregate with any officer, director, shareholder or other interested party, or any other party related directly or indirectly, to any of them, other than as agreed in the Annual Budget;
7. Any transaction or series of Related Party transactions of Company which is not in Ordinary Course of Business or approved in the Annual Budget;
8. Any incurrence of debt (including by way of issuance of preference shares that are not convertible into Equity Shares), in excess of 15% (fifteen per cent) of the limits specified in the Annual Budget.
9. Establishment / creation of any mortgage, pledge, hypothecation, escrow, security interest or lien over the Assets of the Company or provision of guarantees by the Company in excess of Rs. 10,000,000 (Rupees Ten Million only), which have not otherwise been expressly approved under paragraph 8 of this Schedule I.

10. Any banking or debt transaction involving the provision by the Company of any advance or loan or providing of any credit to any other Person, including a Related Party or any Affiliate of any of the Shareholders, in excess of Rs. 10,000,000 (Rupees Ten Million only);
11. Appointment of Key Employees
12. Any material changes in the accounting methods or policies (including any change in the Financial Year for preparation of annual Financial Statements) or any change in Tax policies, Tax elections, or Tax accounting, other than as required to comply with applicable Law;
13. Appointment of or change in the statutory or internal auditors, except in compliance with applicable Law;
14. Any change in the name of the Company;
15. Any change in the registered office of the Company;
16. The establishment or incorporation of a subsidiary, branch or Affiliate of the Company;
17. Making any political or charitable contribution, other than as required to be made for corporate social responsibility under applicable Law;
18. Any amendment, alteration, supplement, modification or restatement to the Charter Documents of the Company;
19. Commencement of liquidation, winding up, dissolution, of the Company;
20. Any declaration or payment of dividends, distribution of profits and/or any other distributions on the Equity Shares, whether by cash or otherwise;
21. Approval of Annual Budget and deviations {computed on a YID quarterly basis} in budgeted revenue, capital expenditure and/or EBITDA by more than 15% (fifteen per cent) from the Annual Budget;
22. Any disposal of the Company, or any Transfer of a substantial portion of the Assets of the Company;
23. Any new business initiatives that the Company wishes to undertake which does not fail within the scope of the Business or the Annual Budget;
24. Any agreement or commitment to give effect to any of the foregoing;

It is clarified that any monetary limits stated in this Schedule I, unless specified otherwise, are indicated on an aggregate basis, and such limits shall apply to both a single transaction and a series of transactions carried out by the Company in a particular Financial Year.

**SCHEDULE II**  
**BROAD BASED WEIGHTED AVERAGE ANTI-DILUTION**

$$\text{CP2} = \text{CP1} \times [(A + \text{BOA} + c)]$$

Where:

- (i) "CP2" is the adjusted conversion price for the Series A CCPS consequent upon the anti-dilution event.
- (ii) "CP1" is the existing conversion price for the Series A CCPS series before issuance of the Securities.
- (iii) "A" is the number of Equity Shares outstanding on a Fully Diluted Basis (assuming full conversion of all Series A CCPS and exercise of all stock options, if any) before issuance of the Securities.
- (iv) "B" is the aggregate consideration to be received by the Company with respect to the Securities divided by CP1 (in other words it is the number of Equity Shares that would have been allotted had the Securities been issued at CP1).
- (v) C is the number of Equity Shares actually issued as part of the Security issuance.
- (vi) In performing the foregoing calculations, the following provisions shall be applicable:
  - (a) In the case of the issuance of Securities for cash, the aggregate consideration shall be deemed to be the amount of cash paid thereof before deducting therefrom any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance and sale thereof.
  - (b) In the case of the issuance of Securities for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the Fair Market Value thereof,
  - (c) The aggregate maximum number of Equity Shares deliverable upon conversion, exchange or exercise (assuming the satisfaction of any conditions to convertibility, exchangeability or exercisability, including, without limitation, the passage of time, but without taking into account potential anti-dilution adjustments) of any Security and subsequent conversion, exchange or exercise thereof shall be deemed to have been issued at the time such securities were issued or such Security were issued and for a consideration equal to the consideration, if any, received by the Company for any such Security, plus the minimum additional consideration,

if any, to be received by the Company (without taking into account potential anti-dilution adjustments) upon the conversion, exchange or exercise of any Securities.

- (d) In the event of any change in the number of Equity Shares deliverable or in the consideration payable to the Company upon conversion, exchange or exercise of any Securities, other than a change resulting from the anti-dilution provisions thereof, the applicable conversion prices, to the extent in any way affected by or computed using such Securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Equity Shares or any payment of such consideration upon the conversion, exchange or exercise of such Securities.
- (e) Upon the termination or expiration of the convertibility, exchangeability or exercisability of any Securities, the applicable conversion price, to the extent in any way affected by or computed using such Securities, shall be recomputed to reflect the issuance of only the number of Equity Shares (and Securities that remain convertible, exchangeable or exercisable) actually issued upon the conversion, exchange or exercise of such Securities.
- (f) Notwithstanding any other provisions of these Articles, except to the limited extent provided for in paragraphs (vi) (d) or (e) of this Schedule II, no adjustment of the applicable conversion price pursuant to this Schedule II shall have the effect of decreasing the conversion ratio (i.e. reducing the number of Equity Shares issuable upon conversion of the applicable Preference Share) below the conversion ratio in effect immediately prior to such adjustment.
- (g) All calculations of the conversion price shall be made to the nearest one one-hundredth of an Indian Rupees. The Company shall not issue any fractional Equity Shares, but shall round up to the nearest whole Equity Share.

An illustration of the working of the broad based weighted average adjustment is provided below:

|                                      |                |
|--------------------------------------|----------------|
| <b>Initial position</b>              |                |
| Equity outstanding                   | 1,000          |
| Warrants                             | 50             |
| Share price                          | 100            |
| <b>Pre-money Equity valuation</b>    | <b>100,000</b> |
|                                      |                |
| <b>Investment round - Investor 1</b> |                |
| CCPS issued                          | 200            |

|                                                                             |                |
|-----------------------------------------------------------------------------|----------------|
| Share price                                                                 | 100            |
| Total investment                                                            | 20,000         |
| <b>Post money Equity valuation (Round 1)</b>                                | <b>120,000</b> |
|                                                                             |                |
| <b>Investment round - Investor 2</b>                                        |                |
| CCPS issued                                                                 | 100            |
| Share price                                                                 | 90             |
| Total investment                                                            | 9,000          |
| <b>Post money Equity valuation (Round 2)</b>                                | <b>129,000</b> |
| <b>Total equity outstanding after (Round 2)</b>                             | <b>1,300</b>   |
|                                                                             |                |
| <b>Conversion price for Investor 1 through Broad Based Weighted Average</b> |                |
| $CP2 = CP1 \times ((A + B)/(A + C))$ , where                                |                |
| CP1: Investor 1 investment price                                            | 100            |
| A: Total Outstanding equity (diluted) after Round 1)                        | 1,250          |
| B: CCPS shares issued in round 2 if it were based on round 1                | 90             |
| C: Actual total round 2 CCPS shares issued                                  | 100            |
|                                                                             |                |
| CP2 =                                                                       | 99.26          |
| <b>Adjusted no of CCPS shares outstanding for Investor 1=</b>               | <b>201.5</b>   |

**SCHEDULE III**  
**DETERMINATION OF FAIR MARKET VALUE**

For the determination of Fair Market Value of the Securities, the following process shall be followed:

- (a) The Investor, and the Company and the Promoter collectively, shall each appoint a Valuer ("Investor Appointed Valuer" and "Company Appointed Valuer", respectively). Each of the Investor Appointed Valuer and the Company Appointed Valuer shall independently conduct a valuation of the Company on the basis of internationally accepted pricing methodologies.
- (b) The average of the valuation arrived at by the Investor Appointed Valuer and the valuation arrived at by the Company Appointed Valuer shall be computed and the price arrived at will be considered the Fair Market Value of the shares of the Company.
- (c) If the difference between the valuation arrived at by the Investor Appointed Valuer and the valuation arrived at by the Company Appointed Valuer exceeds 10% (ten per cent), then the Investor Appointed Valuer and the Company Appointed Valuer shall, by agreement, appoint a neutral third-party Valuer, who shall conduct an independent valuation of the shares of the Company, and whose decision shall be final and binding on the Shareholders.
- (d) The cost of the Investor Appointed Valuer and the Company Appointed Valuer shall be borne by the Investor and the Company or Promoter, respectively. The cost of any neutral third Valuer appointed shall be borne equally by Investor and the Company.

**SCHEDULE IV**  
**PROHIBITED TRANSFEREES**

- 1.** Quadria Capital, and its Affiliates;
- 2.** Khazanah Nasional Berhad, and its Affiliates;
- 3.** Persons (including Financial Investors) ("Controlling Investor") who, directly or indirectly, whether solely or as a bloc with any other Person, hold or control more than 50% (fifty per cent) of the voting rights exercisable at shareholder meetings or the equivalent) of or has the right to appoint and/or remove all or the majority of the members of the board or other equivalent governing body of, or the power to control the management or policies of any of the following Persons (whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights through Contract or otherwise):
  - (a) Entity which operates under the brand name 'Medanta — the Medicity', and any Affiliates thereof; and
  - (b) Fortis Healthcare Limited, and any Affiliates thereof and affiliates of such controlling investor.

**SCHEDULE V**  
**Terms of Issuance of Series A CCPS**

**1. Face Value**

Each Series A CCPS shall have a face value of Rs. 10 (Rupees Ten only).

**2. Term**

Unless converted in accordance with the terms of the Articles and applicable Law, the term of the Series A CCPS shall be a maximum of 19 (nineteen) years from their date of issuance.

**3. Distributions**

3.1 If the Board proposes to declare any dividend on any Securities, the holders of the Series A CCPS shall be paid, out of the dividend proposed to be declared, a cumulative dividend equal to 0.01% (zero point zero one per cent), in preference and priority to the payment of dividend in respect of all other Securities, present or future.

3.2 Until such time as there remain any unconverted Series A CCPS in the Share Capital, the Company shall not declare any dividend on any Equity Shares which would result in the holders of the Series A CCPS (who would have been entitled to participate in such dividend if the Series A CCPS had previously converted into Equity Shares) receiving dividends higher than that permitted by applicable Law.

3.3 Upon conversion of the Series A CCPS into Equity Shares, the holders of the Series A CCPS shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the holders of all other Equity Shares.

**4. Voting**

4.1 Notwithstanding anything contained in Section 47 of the Act, from and after the Closing Date, the voting rights of every holder of Series A CCPS, on every resolution placed before the Company shall, to the extent permissible under Law, be in proportion to the share in the Share Capital that the Equity Shares held by such shareholder represents. The Series A CCPS shall carry the same voting rights as are attached to the Equity Shares issuable to the holders of the Series A CCPS upon the conversion of such Series A CCPS and therefore, the holders of the Series A CCPS shall have the right to vote on an as if converted basis on all resolutions on which the holders of the Equity Shares are entitled to vote upon. it is clarified that Section 47 of the Act shall not apply to the Company.

- 4.2 From the date of conversion of the Series A CCPS, the voting percentage of all the shareholders in the Company shall be in proportion to their shareholding in the Company.
- 4.3 Without prejudice to the rights of the investor under these Articles, the Promoter and the Company agree that if (i) the Company is converted into a public limited company, and/or (ii) there is an amendment, supplement or re-enactment of any applicable Law which prevent the investor from exercising its voting rights on the Series A CCPS held by it, the Promoter shall, to the extent permitted under Law, vote his shares in such manner as to facilitate the exercise by the Investor of voting rights corresponding with such portion of the total voting capital as represented by the Series A CCPS on an as if converted basis.

## **5. Conversion**

- 5.1 The Series A CCPS will convertible into Equity Shares after April 1, 2018, Initially the Series A CCPS shall be convertible into Equity Shares at a conversion ratio of 1:1 which shall be subject to adjustment as agreed between the Investor, the Promoter and the Company and, if required, with Article 47 (the "Series A Conversion Ratio"), without the holders of the Series A CCPS being required to pay any amount for such conversion.
- 5.2 Subject to the adjustment as per Paragraph 5.1 above, the Series A CCPS shall be convertible into Equity Shares at the option of the holders of the Series A CCPS after March 31, 2018 in accordance with paragraph 5.45.3 below. Any Series A CCPS that have not been converted into Equity Shares shall, if required under applicable Law, compulsorily convert into Equity Shares upon the earlier of:
- (i) In connection with an IRO, immediately prior to the filing of an offer document (or equivalent document, by whatever name called) with the competent authority or such later date as may be permitted under applicable Law at the relevant time; and
  - (ii) The date which is 19 (nineteen) years from the date of issuance of the Series A CCPS,
- in either case, in accordance with these Articles.
- 5.3 Notwithstanding anything to the contrary contained herein, in the event the Investor exercises its Tag Along Right in accordance with Article 64.4.2(a), the Investor shall be required to mandatorily convert such number of Series A CCPS into Equity Shares as correspond to the number of Tag Along Securities proposed to be Transferred in accordance with Article 64.4.2(a), at least 7 (seven) days prior to the completion of such Transfer.

**6. Optional Conversion**

- (i) After April 1, 2018, the holders of the Series A CCPS shall have the right, at any time and from time to time after the Closing Date, to require the Company, by written notice (the "Series A Conversion Notice"), to convert all or a portion of the Series A CCPS into Equity Shares.
- (ii) The Series A Conversion Notice shall be dated and shall set forth:
  - (a) The number of Series A CCPS in respect of which the holder of the Series A CCPS is exercising its right to conversion in accordance with this paragraph 5; and
  - (b) The number of Equity Shares that such Series A CCPS shall convert into, determined in accordance with paragraph 6.1.
- (iii) Upon receipt of the Series A Conversion Notice, the Company shall forthwith and no later than 5 (five) Business Days from such receipt.
  - (a) Convene a meeting of the Board, in which meeting the Company shall approve the following:
    - (A) The conversion of such number of the Series A CCPS as are mentioned in the Series A Conversion Notice;
    - (B) The cancellation of the share certificates representing such number of the Series A CCPS; and
    - (C) The issuance and allotment of such number of Equity Shares as determined by the Series A Conversion ratio on the date of the Series A Conversion Notice,in each case, as are mentioned in the Series A Conversion Notice;
  - (b) issue Equity Shares to the Investor in dematerialized form; and
  - (c) Update its register of members to reflect the holders of the Series A CCPS as the owners of the Equity Shares issued pursuant to the conversion of such number of the Series A CCPS as are determined in accordance with paragraph 6.1 based on the Series A Conversion Ratio and mentioned in the Series A Conversion Notice.

**7. Transferability**

The Series A CCPS shall be Transferable in accordance with the terms of the Articles.

**8. Other Rights**

The Series A CCPS shall have other rights that are set out in the Articles and under applicable Laws.

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

| <b>S<br/>no</b> | <b>Names, Addresses<br/>Description and Occupation<br/>of each subscriber</b>                             | <b>Signature of<br/>Subscribers</b> | <b>Name,<br/>Addresses<br/>description and<br/>Signature of<br/>Witnesses</b>                                                                                                                                                        |
|-----------------|-----------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1               | Mr. Sunil Kapur<br>S/o Mr. S.K.Kapur<br>8, The Cliff, Pochkhanawala Road,<br>Worli, Bombay (Busniess)     | Sd/-                                | I witness the<br>signature of all<br>the subscribers<br>who have signed<br>in my presence at<br>New Delhi<br>Sd/-<br>Sunil Terhan<br>s/o Shri BR.<br>Terhan<br>G4, N.D.S.E.-11,<br>New Delhi-<br>110049<br>(Chartered<br>Accountant) |
| 2               | Mr. Ashok Narang<br>S/o Shri M.M. Narang<br>B 4129, Safdarjung Enclave New<br>Delhi-110029<br>(Business)  | Sd/-                                |                                                                                                                                                                                                                                      |
| 3               | Mrs. Veena Chandok<br>W/o B.N.Chandok<br>Cottage No, 30, W. Patel Nagar<br>New Delhi<br>(Business)        | Sd/-                                |                                                                                                                                                                                                                                      |
| 4               | Mr. G.K.Sahni<br>S/o Late Shri S.D.Sahni<br>R/o F-15, Kirti Nagar New<br>Delhi-110015<br>(Business)       | Sd/-                                |                                                                                                                                                                                                                                      |
| 5               | Shailendra Chandok<br>S/o D.N. Chandok<br>R/o D-103, Panchsheel Enclave<br>New Delhi-110017<br>(Business) | Sd/-                                |                                                                                                                                                                                                                                      |

**Place: New Delhi**

**Dated: 12<sup>th</sup> November 1987**