



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.	: IN-DL24182503714906W
Certificate Issue Date	: 06-Jan-2024 02:31 PM
Account Reference	: NONJAGG (BK)/dlncg002/PUNJAB/BAGSH/ DL-DLH
Unique Doc. Reference	: SUBIN-DLDDLN5010211254551095317W
Purchased by	: AKUMS DRUGS AND PHARMACEUTICALS LIMITED
Description of Document	: Article 5 General Agreement
Property Description	: NA
Consideration Price (Rs.)	: 0 (Zero)
First Party	: AKUMS DRUGS AND PHARMACEUTICALS LIMITED
Second Party	: RUBY QC INVESTMENT HOLDINGS PTE LTD
Stamp Duty Paid By	: AKUMS DRUGS AND PHARMACEUTICALS LIMITED
Stamp Duty Amount (Rs.)	: 700 (Seven Hundred only)



Please write or type Legibly here

THIS STAMP PAPER FORMS AN INTEGRAL PART OF THE WAIVER CUM AMENDMENT AGREEMENT ENTERED INTO BY AND AMONGST AKUMS DRUGS AND PHARMACEUTICALS LIMITED, RUBY QC INVESTMENT HOLDINGS PTE. LTD., MR. SANJEEV JAIN AND MR. SANDEEP JAIN.

0019727063

WAIVER CUM AMENDMENT AGREEMENT DATED FEBRAURY 9, 2024

TO

THE SHAREHOLDERS' AGREEMENT DATED OCTOBER 3, 2019

AMONGST

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

AND

RUBY QC INVESTMENT HOLDINGS PTE. LTD.

AND

MR. SANJEEV JAIN

AND

MR. SANDEEP JAIN

This waiver cum amendment agreement (the “**Agreement**”) to the shareholders’ agreement dated October 3, 2019 (the “**SHA**”), is executed on this 9th (ninth) day of February, 2024 (the “**Execution Date**”), by and among:

1. **Akums Drugs and Pharmaceuticals Limited**, a public limited company incorporated and existing under the Laws of India and having its registered office at 304 Mohan Place, Saraswati Vihar, Delhi 110 034, India (hereinafter referred to as the “**Company**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors-in-interest and permitted assigns) of the **FIRST PART**;
2. **Ruby QC Investment Holdings Pte. Ltd.**, a company established under the laws of the Republic of Singapore, having its principal office at 11A Stanley Street, Singapore 068730 (hereinafter referred to as the “**Investor**”, which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors-in-interest and permitted assigns) of the **SECOND PART**;
3. **Mr. Sanjeev Jain**, an adult Indian citizen, bearing permanent account number AAAPJ1897J and currently residing at E-1052, Saraswati Vihar, Delhi 110 034, India (hereinafter referred to as “**Promoter 1**”, which expression shall be deemed to include his successors, legal heirs and permitted assigns) of the **THIRD PART**; and
4. **Mr. Sandeep Jain**, an adult Indian citizen, bearing permanent account number AAAPJ1891Q and currently residing at Plot No. 22, Sector – 6A, SIDCUL, Haridwar 249 403 (hereinafter referred to as “**Promoter 2**”, which expression shall be deemed to include his successors, legal heirs and permitted assigns) of the **FOURTH PART**.

In this Agreement, unless repugnant to or inconsistent with the context or meaning thereof:

- (i) Promoter 1 and Promoter 2 are hereinafter collectively referred to as the “**Promoters**” and individually as a “**Promoter**”.
- (ii) Each of the Company, Promoters and Investor are hereinafter individually referred to as a “**Party**” and collectively referred to as the “**Parties**”.

WHEREAS:

- (A) The Parties had entered into the SHA in order to record the terms and conditions agreed to between them in respect of the management, governance and control of the affairs of the Company and certain rights and obligations *inter se* in accordance with the terms and conditions of such agreement.
- (B) The Parties acknowledge that the Company and certain existing shareholders are considering, subject to necessary approvals (including approvals from the board and shareholders of the Company in accordance with applicable Laws) and market conditions, to undertake an initial public offering of its equity shares of face value of Rs. 2 each (“**Equity Shares**”) and list the Equity Shares on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**” and together with BSE, the “**Stock Exchanges**”) in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Companies Act, 2013, and rules made thereunder, each as amended and other applicable Laws (such initial public offering is hereinafter referred to as the “**Offer**”). The Company may also, at its discretion, undertake a pre-IPO placement by way of issuance of Equity Shares and/or a transfer of Equity Shares by the shareholders of the Company prior to the filing of the red herring prospectus in relation to the Offer with the jurisdictional Registrar of Companies.
- (C) The Parties acknowledge that the constitution of the Board is required to be in compliance with the corporate governance provisions specified under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (collectively, “**Corporate Governance Provisions**”), prior to the filing of the DRHP with the SEBI, BSE, and NSE. Accordingly, the Parties hereby agree that the re-constituted Board of Directors of the Company till the listing and trading of the Equity Shares on BSE and NSE pursuant to the Offer shall continue to comprise the following members of the Board as on the date of this Agreement: (i) three executive Directors, namely, Mr. Sandeep Jain, Managing Director, Mr. Sanjeev Jain, Managing Director, and Mr. Sanjay Sinha, Whole-time Director; (ii) one non-executive, non-independent Director appointed by the Investor, namely, Mr. Sunil Kumar Thakur; and (iii) four

independent Directors (including at least one woman independent Director), namely, Mr. Kewal KundanLal Handa, Ms. Matangi Gowrishankar, Ms. Nand Lal Kalra, and Mr. Satwinder Singh. Similarly, the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Risk Management Committee, the Corporate Social Responsibility Committee, and the IPO Committee, as currently constituted by the Board of Directors of the Company in accordance with the Corporate Governance Provisions, shall continue till the listing and trading of the Equity Shares on BSE and NSE pursuant to the Offer.

- (D) Each of the Parties hereby agree and acknowledge that the Offer proposed to be undertaken by the Company is within the meaning of a “Qualified IPO” as contemplated under the SHA as amended by this Agreement.
- (E) In order to facilitate the Offer as required under applicable Laws, the Parties are required to: (i) amend certain provisions of the SHA; (ii) waive and/or suspend certain rights, obligations and restrictions under the SHA; and (iii) provide their respective consent to certain actions under the SHA; and (iv) terminate the SHA, each in the manner set out in this Agreement.
- (F) Pursuant to Clause 24.5 of the SHA, no amendment or modification of any provision of the SHA shall be effective unless the same is in writing and signed by or on behalf of all Parties. Accordingly, the Parties have decided to enter into this Agreement to set out their understanding in respect of the rights and obligations of the Parties pursuant to the matters set out at Recitals B and E.
- (G) The Parties agree and acknowledge that, on and from the Execution Date, until the termination of this Agreement in the manner hereinafter set forth, any reference to the term “SHA” or “Agreement” in the SHA shall be read to mean the SHA as amended by this Agreement.

NOW THEREFORE, in consideration of the foregoing, and the premises, mutual covenants, promises, agreements and provisions set forth hereinafter and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS, INTERPRETATION AND EFFECTIVENESS

- 1.1 Unless the context otherwise requires, capitalized terms used in any part of this Agreement, to the extent not inconsistent with the context thereof or otherwise defined herein, shall have the same meaning as ascribed to such respective terms in the SHA.
- 1.2 The rules of interpretation applicable in terms of Clause 1.2 (*Interpretation*) of the SHA shall apply *mutatis mutandis* to this Agreement.
- 1.3 For the purposes of this Agreement and any actions contemplated hereunder, the following words and expressions shall bear the meanings ascribed to them below:
 - 1.3.1 “**BRLMs**” shall mean the lead managers appointed by the company in connection with the Offer.
 - 1.3.2 “**consummation of the Qualified IPO**” or “**consummate the Qualified IPO**” shall mean the date of commencement of listing and trading of Equity Shares of the Company on the Stock Exchanges pursuant to the Offer.
 - 1.3.3 “**DRHP**” shall mean the draft red herring prospectus filed by the Company with SEBI in accordance with SEBI ICDR Regulations (*as defined below*), pursuant to the Offer.
 - 1.3.4 “**IPO Committee**” shall mean the IPO Committee of the Board of Directors comprising Mr. Sanjeev Jain, Managing Director, Mr. Sandeep Jain, Managing Director, and Mr. Sunil Kumar Thakur, Non-executive Nominee Director, governed in accordance with its terms of reference.
 - 1.3.5 “**IPO Long Stop Date**” as referred to in this Agreement shall mean the earlier of the following dates:
 - (a) December 31, 2024, in the event the Equity Shares are not listed on the Stock Exchanges on or prior to such date; and/or

- (b) the date on which the IPO Committee of the Board decides not to undertake the Offer; and/or
 - (c) February 15, 2024, in the event the Company has not filed a draft red herring prospectus in relation to the Offer with SEBI, the BSE and the NSE on or prior to such date.
- 1.3.6 “**Offer Agreement**” shall mean the offer agreement to be executed between the Company, selling shareholder(s) and book running lead managers in relation to the Offer.
- 1.3.7 “**RHP**” shall mean the red herring prospectus issued by the Company in accordance with Section 32 of the Companies Act and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, for the purposes of the Offer.
- 1.3.8 “**SEBI**” shall mean the Securities and Exchange Board of India.
- 1.3.9 “**SEBI ICDR Regulations**” shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- 1.3.10 “**RoC**” shall mean the Registrar of Companies, Delhi and Haryana at New Delhi.
- 1.4 The provisions of this Agreement are solely for the purposes of enabling the Company to undertake the Offer, without limiting in any manner, any other provision of the SHA, or the rights available to the Parties under the SHA in connection with any other public offering of the Equity Shares of the Company other than the Offer.
- 1.5 Unless expressly set out otherwise in this Agreement, all terms of this Agreement shall take effect on and from the Execution Date.
- 2. **AMENDMENTS**
- 2.1 Clause 1.1(gg) (*Definitions*) of the SHA shall be, and hereby is, substituted in its entirety with the following:

*“Equity Share” shall mean the equity shares of the Company whether issued or to be issued, having par value of INR **2 (Indian Rupees Two)** per equity share”.*
- 2.2 Clause 1.1(nn) (*Definitions*) of the SHA shall be, and hereby is, substituted in its entirety with the following:

“Exit Period I” shall mean the earlier of the following dates:

 - (a) *December 31, 2024, in the event the Equity Shares are not listed on the Stock Exchanges pursuant to an IPO, on or prior to such date; and/or*
 - (b) *the date on which the IPO Committee of the Board decides not to undertake the Qualified IPO; and/or*
 - (c) *February 15, 2024, in the event the Company has not filed a draft red herring prospectus in relation to the Qualified IPO with SEBI, the BSE and the NSE on or prior to such date.”*

This clause 2.2 shall survive the termination of this Agreement upon occurrence of the IPO Long Stop Date.

- 2.3 Clause 1.1(ffff) (*Definitions*) of the SHA shall be, and hereby is, substituted in its entirety with the following:

*“Qualified IPO” shall mean an IPO (i) which is consummated on or before December 31, 2024; and (ii) in which **the price band and the offering price per Equity Share has been agreed upon by the IPO Committee.**”*

This clause 2.3 shall survive the termination of this Agreement upon occurrence of the IPO Long Stop Date.

2.4 After Clause 3.2(ii) of the SHA, the following clause 3.2(ii)A shall be inserted:

“3.2(ii)A - Upon consummation of the Qualified IPO, subject to applicable Laws and the approval of the Shareholders by way of a special resolution passed in the first general meeting convened after the consummation of the Qualified IPO, the Investor shall have the right to nominate and recommend one (1) non-executive nominee Director to the Board of the Company for so long as the Investor holds at least 5% of the Share Capital of the Company, on a fully diluted basis.

Each Party severally agrees to take all necessary steps and perform all necessary actions as may be required from each of them for effecting the amendment to the Articles to give effect to the aforesaid, including the Company convening the meetings of the Board and Shareholders for this purpose after the listing of the Equity Shares pursuant to the Qualified IPO.”

2.5 Clause 7.5.1 (Permitted Transfers) of the SHA shall be, and hereby is, substituted in its entirety with the following:

“(a) a transfer of Equity Securities held by a Promoter (not his Immediate Family Members) to a Person who is his Immediate Family Member and/or to a family trust settled by a Promoter (“Permitted Transferee”), provided that such Permitted Transferee shall be required to execute a Deed of Adherence, in the form and substance as set out in Schedule 2, simultaneously upon such Transfer of Equity Securities;

(b) such Permitted Transferees shall be permitted to hold such Equity Securities in accordance with the provisions of this Agreement, till such time it remains a relative or family trust of such Promoter. It is hereby agreed that for the purposes of this Agreement, all the Equity Securities held by the Promoters and their Permitted Transferees from time to time, shall be treated as a single block and the Promoters and the Permitted Transferee shall be entitled to all of the rights of the ‘Promoter’ under this Agreement, as a single block. Provided further that, the Permitted Transferee shall not be bound by any obligations of the Promoter contained in the Agreement except for transfer restrictions as set out in this Clause 7 and the obligation to ensure that he/she shall exercise the voting rights attached to his/her Equity Securities in accordance with the Agreement.

(c) a transfer of Equity Securities by a Shareholder of the Company through an offer for sale as part of an IPO undertaken in terms of Clause 8 of this Agreement, subject to Clause 7.1(a) of this Agreement.

(d) a transfer of Equity Securities held by the Promoters as part of a pre-IPO secondary sale prior to filing of the red herring prospectus with the jurisdictional Registrar of Companies in respect of an IPO, with prior intimation to the Investor, subject to Clause 7.1(a) of this Agreement.”

2.6 Clause 8.1 (Exit) of the SHA shall be, and hereby is, substituted in entirety with the following:

“The Company shall use best efforts to consummate a Qualified IPO involving all or such portion of the Equity Securities held by the Investor and offered by the Investor, as permitted under applicable Laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. The Board shall, with the prior written consent of the IPO Committee and in consultation with independent merchant bankers appointed for the Qualified IPO, and subject to such statutory guidelines as may be in force, decide on:

(i) The method of listing of the Equity Securities, i.e., either:

(I) Through a public issue of fresh Equity Securities; or

(II) Through an offer of existing Equity Securities by some or all of the Shareholders (an “Offer of Existing Securities”); or

(III) A combination of (I) and (II).

- (ii) *The price and other terms and conditions of the Qualified IPO **including size and structure of the Qualified IPO.***
- (iii) *The timing of the Qualified IPO.*
- (iv) *The stock exchanges on which the Equity Securities are to be listed.*

This clause 2.6 shall survive the termination of this Agreement upon occurrence of the IPO Long Stop Date.

2.7 Clause 8.4 (Exit) of the SHA shall be, and hereby is, substituted in entirety with the following:

*“The Promoters and Investor hereby agree to vote in favour of and to do all acts and deeds necessary for effecting the Qualified IPO. The Promoters agree that, in the event of a Qualified IPO, they shall offer such number of their Equity Securities for lock-in as may be required to meet the minimum lock-in requirement under the applicable SEBI regulations and guidelines. The Investor shall not be required to call itself, and the Company shall not refer to the Investor as “founder” or “promoter” in the offer documents or filings with the SEBI or any other Governmental Authorities, nor shall the Investor be required to offer any such Investor’s Equity Securities for such lock-in **other than as required under applicable Law or by SEBI or any other Governmental Authority.**”*

2.8 Clause 8.5 (Exit) of the SHA shall be, and hereby is, substituted in entirety with the following:

All fees and expenses required to be paid in respect of undertaking the Qualified IPO including in connection with any statutory filings, approvals and registration fees, listing fees, and fees payable to merchant bankers, underwriters, book-runners, issue registrars or any other intermediaries involved in any manner in relation to undertaking the Qualified IPO shall be borne and paid by the Company and the selling shareholders in accordance with applicable Laws and in such manner as may be agreed under the offer agreement that will be executed by the Company, BRLMs and the selling shareholders in relation to the Qualified IPO.

2.9 Clause 8.8 (Exit) of the SHA shall be, and hereby is, substituted in entirety with the following:

*“Neither the Investor nor the Investor Director(s) shall be required to execute any documents, undertakings or provide any warranties and/ or indemnities including to any lead merchant banker(s), stock exchanges, Governmental Authorities or brokers, other than as required under applicable Law **or as may be reasonably necessary** by a selling shareholder, in any, offered for sale by the Investor in the Qualified IPO or as a Director of the Company, in connection with the said Qualified IPO.”*

2.10 Clause 8.10 (Exit Rights) of the SHA shall be, and hereby is, substituted in its entirety with the following:

*“If within the Exit Period 2, the Company does not or is unable to, for any reason, provide an exit to the Investor in accordance with Clause 8.9, then the Investor shall, by issuing a written notice (“Exit Notice”) to the Company at any time subsequent to the expiry of the Exit Period 2, have the right to exercise any of the following exit rights set out in Clause 8.10(i) and (ii) below, provided however that in the event the Company has offered a full exit to the Investor in accordance with Clause 8.1 to 8.8 **(at such price which has been agreed upon by the IPO Committee and in consultation with the merchant bankers appointed for the Qualified IPO)** or Clause 8.9, and the Investor has either elected to not participate in such exit or the Investor elected to sell only part of the Equity Securities held by the Investor in such exit, then the Company shall be deemed to have fulfilled its obligations under Clauses 8.1 to Clause 8.9 and the Investor shall have no further right to require the Company and the Promoters to provide an exit or to comply with either this Clause 8.10 or Clause 8.11.*

(i) **IPO**

Call upon the Company and the Promoters to undertake an IPO which shall be either through (a) a fresh issue of Equity Shares, and/or (b) an offer for sale of the Equity Shares of the Investor and/or other Shareholders. The Company hereby undertakes to all actions, and the Promoters undertake to

use all their rights (including voting of its shares) in the Company to ensure that the Company takes all actions to facilitate such a suitable IPO. Such IPO shall be on terms and conditions as the Investor may deem reasonable and appropriate including at a price per share that is at least equal to the Exit Price and within 180 (One Hundred Eighty) days from the date of the Exit Notice.

(ii) **Buy-back**

- (a) To require the Company to buy-back the Equity Securities held by the Investor or any portion thereof (“**Buy Back Shares**”), in accordance with applicable Law, at a price per share that is equal to the FMV (“**Buy Back Price**”), within 180 (One Hundred Eighty) days from the date of the Exit Notice (“**Buy Back Exercise Period**”) (“**Buy Back Right**”).
- (b) The Company shall within Buy Back Exercise Period, buy back all the Buy Back Shares at the Buy-Back Price subject to and in accordance with applicable Law.
- (c) In the event that the Investor seeks to exercise its Buy Back Right, the Shareholders expressly agree to vote at Board and shareholder meetings in a manner so as to give effect to the buy back as contemplated in this Clause and further with respect to Shareholders other than the Investor (i) agree, undertake and acknowledge that they will not have any right to participate in such buy-back and (ii) waive any right granted to each of them by operation of Law or otherwise to participate in such buy-back, until the Buy Back Shares have been bought back in full, in the manner stated herein.”

2.11 Clause 8.12 (Exit) of the SHA shall be, and hereby is, substituted in its entirety with the following:

*“All fees and expenses in respect of any exit to be provided to the Investor under this Clause 8, including legal fees, accounting fees, merchant banker expenses, etc. shall be borne and paid by the Company, provided however, **(i) in case of a Qualified IPO, such expenses shall be payable in accordance with Clause 8.5;** and (ii) in case of a successful consummation of a secondary sale in accordance with Clause 8.9 or a drag sale in accordance with Clause 8.11, the maximum amount payable by the Company under this Clause 8.12 shall be not more than INR 20,000,000 (Indian Rupees Twenty Million).*

2.12 Clause 18.2 (Termination) of the SHA shall be, and hereby is, substituted in its entirety with the following:

“This Agreement shall terminate automatically without any further act or deed by any Party upon receipt of listing and trading approvals from the recognised stock exchanges in India or abroad, on which the Equity Shares are listed pursuant to an IPO.”

2.13 Clause 18.3 (Termination) of the SHA shall be, and hereby is, substituted in its entirety with the following:

*“The rights and obligations of the Parties under this Agreement, which either expressly or by their nature survive the termination of this Agreement, shall not be extinguished by termination of this Agreement. Without prejudice to the generality of the foregoing, Clauses **3.2(ii)A**, 14 (Representation and Warranties), 18.2 (Survival), 21 (Confidentiality), 22 (Governing Law), 23 (Dispute Resolution) and 24 (Miscellaneous) shall survive the termination of this Agreement.”*

3. WAIVER OF RIGHTS

3.1 In order to facilitate the Offer, the relevant Parties hereby agree to waive with effect from the Execution Date, only till the earlier of: (a) commencement of trading of the Equity Shares on the Stock Exchanges pursuant to the Offer; or (b) the IPO Long Stop Date, certain of their respective rights and certain obligations of the Company and/or the Promoters and/or the Investor, as applicable, under the following provisions of the SHA, only to the extent they relate to or are incidental to facilitation of the Offer:

- (i) Sub-clause (s) of Clause 1.2 (*Interpretations*) to the extent required for compliance with applicable Laws.
- (ii) Sub-clause (i) of Clause 3.2 (*Board of Directors*) to the extent that the exercise of the rights under Clause 3.2(i) results in the Company becoming non-compliant with the board composition requirements as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”) or adversely affects Company’s ability to comply with the applicable Law including the SEBI LODR Regulations.
- (iii) Sub-clause (ii) of Clause 3.2 (*Board of Directors*) to the extent that the exercise of the rights under Clause 3.2(ii) results in the Company becoming non-compliant with the board composition requirements as prescribed under the SEBI LODR Regulations or adversely affects Company’s ability to comply with the applicable law including the SEBI LODR Regulations.
- (iv) Sub-clause (iii) of Clause 3.12 (*Committees of the Board*) to the extent that the exercise of the rights under Clause 3.12(iii) results in the Company becoming non-compliant with the committee composition requirements as prescribed under the SEBI LODR Regulations or adversely affects Company’s ability to comply with the applicable law including SEBI LODR Regulations;
- (v) Sub-clauses 6.1 to 6.4 of Clause 6 (*Pre-emptive rights for new issues of Equity Securities*) to the extent of any fresh issue of Equity Shares by the Company (i) to any trust settled for implementation of an employee stock option scheme of the Company, including the “Akums Employees Benefits Trust” settled for implementing the “Akums Employees Stock Option Scheme, 2022”; (ii) pursuant to the Offer; and (iii) any pre-IPO placement by the Company prior to the filing of the RHP.
- (vi) Sub-clause 7.4(a) and 7.4(b) of Clause 7 (*Transfer by Investor*) to the extent of any Equity Shares transferred by the Investor as part of the offer for sale in the Offer and in any pre-IPO secondary sale prior to the filing of the RHP.
- (vii) Clause 8.3 (*Exit*) to the extent required for compliance with Regulation 8A of the SEBI ICDR Regulations.
- (viii) Clause 24.15 (*Subsidiaries*), to the extent required for compliance with applicable Laws.

3.2 In order to facilitate the Offer, the relevant Parties hereby agree to waive from the date of filing of the RHP with the RoC, only till the earlier of: (a) commencement of trading of the Equity Shares on the Stock Exchanges pursuant to the Offer; or (b) the IPO Long Stop Date certain of their respective rights and certain obligations of the Company and/ or the Promoters and/or the Investor and as applicable, under the following provision of the SHA, only to the extent that they relate to facilitation of the Offer:

- (i) Clauses 9 (*Right of Inspection*), 10 (*Information Rights*) sub-clauses (ii) and (iv) of Clause 16.10 (*Compliance with Investor’s Environmental, Social and Corporate Governance (“ESG”) Requirements*) and any other Clause of the SHA pertaining to the disclosure, sharing or delivery of information or any other information rights of the Investor or any other Shareholder, to the extent required for compliance with applicable Laws or regulations including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and the SEBI ICDR Regulations;
- (ii) the right of the Investor to appoint its observer to the Board as documented pursuant to Board resolution dated February 13, 2020;

3.3 Any consent or waiver granted under Clauses 3.1 and 3.2 of this Agreement in respect of the relevant provisions of the SHA shall also be deemed to be a consent or waiver under the corresponding provisions of the Articles of Association.

4. ARTICLES OF ASSOCIATION

- 4.1** Prior to the filing of the DRHP with SEBI, the Parties shall cause the Company to amend its Articles of Association, such that the Articles of Association be presented in 2 (two) parts, identified as Part A and Part B, of which Part A, which shall continue to be in effect after the Listing Date, shall conform to requirements and directions provided by the Stock Exchanges, and Part B, which shall terminate on and from the date of filing of the RHP with the RoC or such earlier date as prescribed by SEBI, without any further action from and by the Parties, shall contain the extant Articles of Association, comprising all rights and obligations stipulated under the SHA, as amended by this Agreement. Both Parts A and B shall, unless the context otherwise requires, coexist with each other and in case of a conflict or inconsistency or contradiction or overlap between Part A of the Articles of Association and Part B of the Articles of Association, Part B of the Articles of Association, subject to applicable law, over-ride and prevail over Part A of the Articles of Association until the date of filing of the RHP with the RoC or such earlier date as prescribed by SEBI. The proposed form of the Articles of Association as amended in accordance with this Clause 4.1, is attached hereto as **Annexure I**.

5. CONFIDENTIALITY

- 5.1** Notwithstanding any of the confidentiality obligations imposed on each Party under Clause 21.1 (*Confidentiality*) of the SHA, each Party consents to disclose the terms of the SHA, as amended, and this Agreement in the DRHP, RHP, prospectus and all other documents in relation to the Offer, including any announcements or press releases or the investor presentation in respect thereof, to the extent required under applicable Laws and/or as necessary for the purposes of the Offer. Each Party acknowledges and consents to the Company filing such copies of the SHA, this Agreement and the other transaction documents, as required, along with the copy of the DRHP, RHP, prospectus, as may be necessary, with the SEBI, the RoC, and the Stock Exchanges in relation to the Offer, and making available copies of the SHA, this Agreement and transaction documents as material documents for inspection at the registered office and/ or corporate office of the Company and on the website of the Company, to the extent required under applicable Laws and/or as necessary for the purposes of the Offer.

6. TERMINATION OF THE AGREEMENT

- 6.1** The Parties agree that this Agreement shall automatically terminate and the amendments, save and except as provided under Clauses 2.2, 2.3, and 2.6 of this Agreement, consents and waivers provided under this Agreement will cease to be effective, without any further acts of the Parties and without any liabilities or obligations whatsoever on the IPO Long Stop Date.
- 6.2** With respect to any Party, this Agreement shall stand automatically terminated, without any further action or deed required on the part of any other Party, upon such Party ceasing to hold any Equity Shares in the Company, subject to the surviving rights and obligations of such Party which accrue on or prior to the date of such Party ceasing to be a Shareholder.
- 6.3** In case of termination of this Agreement in accordance with Clause 6.1, all amendments to the SHA and the Articles of Association, under or pursuant to this Agreement, save and except as provided under Clauses 2.2, 2.3, and 2.6 of this Agreement, and any other action taken pursuant to this Agreement and all waivers and consents granted in connection with the SHA (in relation to the Offer), shall automatically cease to have effect, and the Parties shall act in accordance with Clause 6 to give effect to the aforesaid. This clause 6 shall survive the termination of this Agreement upon occurrence of the IPO Long Stop Date.
- 6.4** The termination of this Agreement shall be without prejudice to the accrued rights and obligation of the Parties hereunder prior to such termination.
- 6.5** In case of termination of this Agreement in accordance with Clause 6.1, the Parties agree that the provisions of the SHA (as existing prior to the execution of this Agreement, save and except Clauses 1.1(nn), 1.1(ffff) and 8.1 of the SHA, as amended pursuant to Clauses 2.2, 2.3, and 2.6, respectively, of this Agreement) shall: (i) immediately and automatically stand reinstated, with full force and effect, without any further action or deed required on the part of any Party; and (ii) be deemed to have been in force during the period between date of execution of this Agreement and the date of

termination of this Agreement, without any break or interruption whatsoever. To the extent any specific actions cannot be reversed to status quo ante, the Parties will mutually engage in good faith discussions to ensure that, to the fullest extent possible under applicable Laws, all of the rights and privileges of the Parties are reinstated to the position they would have been without such actions at the earliest. Each Party severally agrees to take all necessary steps and perform and complete all necessary actions, as may be required, including (i) an amendment to the Articles to reinstate them to form, content and manner reflecting the terms of the SHA prior to the execution of this Agreement, save and except as provided under Clauses 2.2, 2.3, and 2.6 of this Agreement; and (ii) making relevant filings and applications (as applicable) with the government authority in relation to the above.

- 6.6** Notwithstanding anything else stated herein, Clauses 2.2, 2.3, and 2.6 of this Agreement shall not be extinguished by the termination of this Agreement. The Parties hereby agree that Clauses 2.2, 2.3, and 2.6 of this Agreement shall form an integral part of the SHA upon occurrence of the IPO Long Stop Date.

7. REPRESENTATIONS AND WARRANTIES

Each Party represents that it has the power and authority and/or legal capacity and is competent to enter into and execute this Agreement and to perform the transactions and obligations hereunder. Each Party represents that the execution and delivery of this Agreement and the performance by each Party of its obligations and the transactions contemplated hereunder have been duly authorised by all necessary corporate or other action of each Party. Each Party further represents that it is not restrained or prevented by any contract or arrangement to which it is a party, from entering into this Agreement or such other documents incidental hereto and undertaking the obligations herein mentioned, and this Agreement, when executed and delivered, will constitute valid and legally binding obligations of each Party, enforceable in accordance with its terms.

8. MISCELLANEOUS

- 8.1** The Parties hereby agree that the provisions of Clause 1 (*Definitions and Interpretation*) to the extent not otherwise specified hereunder, Clause 22 (*Governing Law*), Clause 23 (*Dispute Resolution*), Clause 24 (*Miscellaneous*) except for sub-clause 24.15, of the SHA shall apply *mutatis mutandis* to this Agreement.
- 8.2** Notwithstanding anything contained in Clause 8.3 below, in case of any conflict between the provisions of this Agreement and the SHA in respect of matters specifically provided for herein, the provisions of this Agreement shall prevail.
- 8.3** As of and from the date of this Agreement until termination in accordance with Clause 6 hereof, this Agreement forms an integral part of the SHA, and when read with the SHA, contains the whole agreement among the Parties relating to the transactions contemplated by this Agreement read with the SHA, and supersedes all previous agreements between the Parties. Save as agreed in this Agreement, all other terms and conditions of the SHA shall remain unchanged and shall continue to remain in full force and effect and binding on the Parties.
- 8.4** This Agreement shall not be modified or waived except in writing executed by all Parties to this Agreement.
- 8.5** The Parties undertake to each other to execute and perform all such deeds, documents, assurances, acts and things and to exercise all powers and rights available to them, including the convening of all meetings and passing of all resolutions required to ensure that the Shareholders of the Company, the Directors and the Company give effect to the terms of this Agreement.
- 8.6** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. The delivery of signed counterparts by electronic mail in “portable document format” (.pdf) shall be as effective as signing and delivering the counterpart in person.

[The remainder of this page has been intentionally left blank]

This signature page forms an integral part of the Waiver and Amendment Agreement

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For AKUMS DRUGS AND PHARMACEUTICALS LIMITED





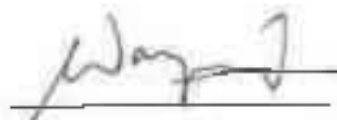
Authorised signatory

Name: Dhasumia Nalile

This signature page forms an integral part of the Waiver cum Amendment Agreement.

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

For RUBY QC INVESTMENT HOLDINGS PTE. LTD.

A handwritten signature in dark ink, appearing to read 'Mow Ying Oi', is written over a horizontal line.

Authorised signatory

Name: Mow Ying Oi

Designation: Director

This signature page forms an integral part of the Waiver cum Amendment Agreement

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

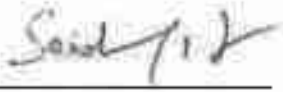
By **SANJEEV JAIN**

A handwritten signature in dark ink, appearing to read 'Sanjeev', is written over a solid horizontal line.

This signature page forms an integral part of the Waiver cum Amendment Agreement

IN WITNESS WHEREOF, the Parties have entered into this Agreement the day and year first above written.

By SANDEEP JAIN



Annexure I

[The remainder of this page has been intentionally left blank]

THE COMPANIES ACT 2013
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION¹

OF

AKUMS DRUGS AND PHARMACEUTICALS LIMITED

Preliminary

- a) Except in so far as otherwise expressly incorporated hereinafter, the regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.
- b) The regulations for the management of the Company and the observance by the Members thereof shall be such as are contained in these Articles.
- c) 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 until the date of filing of the red herring prospectus of the Company ("RHP") with the Registrar of Companies, Delhi and Haryana at New Delhi ("RoC") or an earlier date as may be prescribed or suggested by the Securities and Exchange Board of India ("SEBI") in respect of an initial public offering of the equity shares of the Company (the "Offer" of the "Equity Shares" of the Company). In the event that there is any inconsistency between any provisions in Part B of these Articles with the provisions of any other part of these Articles, then the provisions in Part B of these Articles, shall, subject to Applicable Law, prevail and be applicable. All the Articles of Part B shall automatically terminate and cease to have any force and effect from the date of filing of the RHP with the RoC or an earlier date as may be prescribed by the SEBI and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

PART A

Definitions and Interpretation

- 1. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:
 - a) "**Act**" means Companies Act, 2013, and the rules framed thereunder, and any amendments, re-enactments or other statutory modifications thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

¹ Adopted vide resolution passed at the Extraordinary General Meeting of the Company held on February 7, 2024

- b) “**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act.
- c) “**Articles of Association**” or “**Articles**” mean these articles of association of the Company, as may be altered from time to time in accordance with the Act.
- d) “**Applicable Law**” mean any statute, law, regulation, ordinance, rule, notification, rule of common law, Order, bye-law, government approval, directive, guideline, requirement or other governmental restriction applicable to the jurisdiction of India, 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, as may be amended, modified, enacted or revoked from time to time hereafter.
- e) “**Board**” or “**Board of Directors**” means the board of directors of the Company in office at applicable time
- f) “**Company**” means Akums Drugs and Pharmaceuticals Limited, a company incorporated under the laws of India and is a public company within the meaning of section 2(71) of the Act.
- g) “**Depositories Act**” means the Depositories Act, 1996 or any statutory modification or re-enactment thereof for the time being in force.
- h) “**Depository**” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.
- i) “**Director**” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with and the provisions of these Articles.
- j) “**Extraordinary General Meeting**” means an extraordinary general meeting of the Company convened and held in accordance with the Act;
- k) “**General Meeting**” means any duly convened meeting of the shareholders of the Company and any adjournments thereof;
- l) “**Member**” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;
- m) “**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, as may be altered from time to time;
- n) “**Office**” means the registered office, for the time being, of the Company;

- o) “**Officer**” shall have the meaning assigned thereto by the Act;
 - p) “**Ordinary Resolution**” shall have the meaning assigned thereto by the Act;
 - q) “**Register of Members**” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;
 - r) “**Seal**” means the common seal of the Company.
 - s) “**Securities or Shares**” means all classes of shares in the Share Capital issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares and shall for avoidance of doubt include Equity Shares and preference shares;
 - t) “**Special Resolution**” shall have the meaning assigned thereto by the Act.
2. Except where the context requires otherwise, these Articles will be interpreted as follows:
- a. headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.
 - b. where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;
 - c. words importing the singular shall include the plural and vice versa;
 - d. all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;
 - e. the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;
 - f. the *ejusdem generis* (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, **include** and **including** will be read without limitation;
 - g. any *reference* to a **person** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;
 - h. a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;
 - i. references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate

Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.

- j. a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:
 - i. that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and
 - ii. any subordinate legislation or regulation made under the relevant statute or statutory provision;
- k. references to writing include any mode of reproducing words in a legible and non-transitory form;
- l. references to **Rupees, Rs., Re., INR, ₹** are references to the lawful currency of India; and
- m. save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject pr context bear the same meaning in these Articles.

Share capital and variation of rights

- 3. Subject to the provisions of section 62 of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount and at such time as they may from time to time think fit and with 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 (subject to the compliance with the provision of section 53 of the Act) or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company In the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.
- 4. (i) Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after incorporation in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division, consolidation or renewal of any of its shares, within such other period as the conditions of issue shall be provided—
 - (a) one certificate 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 of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the number and distinctive numbers of shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary:

Provided that in case the Company has a common Seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) 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.

5. Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be.
6. (i) 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 to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is 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 rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(ii) The provisions of Articles (2) and (4) shall *mutatis mutandis* apply to debentures of the Company.

7. 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.
8. (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, provided that the rate per cent. or the amount of the commission paid

or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

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

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

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

(ii) To every such separate meeting, the provisions of these regulations relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
10. 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 share ranking *pari passu* therewith.
11. Subject to the provisions of section 55 of the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of Shares

12. Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
 - a) to the persons who at the date of the offer are holders of the 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 (i) to (iii) below;
 - (i) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed 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 before the opening of the issue;

- (ii) 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 (ii) above shall contain a statement of this right;

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

- (iii) 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 of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

- b) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under Applicable Law; or
- c) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in Article 12(a) or Article 12(b) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

13. Nothing in sub-article (iii) of Article 12 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.

14. Nothing in Article 12 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

15. Notwithstanding anything contained in Article 14 hereof, 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.

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 and the rules made thereunder.

Term of Issue of Debentures:

16. Any debentures, debenture-stock or other Securities may be issued at a discount, premium 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, attending (but not voting) at the General Meeting, appointment of Directors and otherwise 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.

Lien

17. The Company shall have a first and paramount lien—

(a) upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interest in any share/ debenture shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures.

(b) Unless otherwise agreed the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien, if any, on such shares/ debentures.

Provided that the Board of Directors may at any time declare any shares/debentures to wholly or in part exempt from the provisions of this Article.

18. 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.
19. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
20. (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.

Calls on shares

21. (i) The Board may, 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
- (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.
- (iii) A call may be revoked or postponed at the discretion of the Board.
22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
24. (i) The Directors may, if they think fit, subject to the provisions of section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors

agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(ii) 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.

(iii) The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.

25. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest 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.

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

26. (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 regulations, 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.

27. 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.

Transfer of shares

28. The instrument of transfer shall be in writing 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.

29. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) 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.

30. 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.
31. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is 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.
32. 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.

Transmission of shares

33. (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 recognized 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.
34. (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.

35. (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.
36. 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.
37. Subject to the provisions of section 58 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided* that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
38. 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.

Forfeiture of shares

39. If a Member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
40. 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.
41. 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.
42. (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.
43. (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.
44. (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.
45. The provisions of these regulations 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.

Alteration of capital

46. 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.
47. 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;
 - (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.
48. 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 regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- (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 the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
49. 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; or
 - (c) any share premium account.

Capitalisation of profits

50. (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 (ii) 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 in clause (iii), 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.

51. (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.

Buy-back of shares

52. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified Securities.

General meetings

53. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.
54. (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.

Proceedings at General Meetings

55. (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) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in section 103 of the Act.
56. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
57. 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.
58. 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.

Adjournment of meeting

59. (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.

Voting rights

60. 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.

61. 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.

62. (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.

63. 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.

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

65. 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.

66. (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.

Proxy

67. 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.

68. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.
69. 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.

Board of Directors

70. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.
71. The following were the first Directors of the Company:
- (a) Dharam Chand Jain
 - (b) Sanjeev Jain
 - (c) Sandeep Jain
72. (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.
73. The Board may pay all expenses incurred in getting up and registering the Company.
74. 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 thinks fit respecting the keeping of any such register.
75. 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.

76. 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.
77. (i) Subject to the provisions of section 149 of the Act, 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.

Proceedings of the Board

78. (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.
79. (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.
80. 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.
81. (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.
82. (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.
83. (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.

84. (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.

85. 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.

86. 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.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

87. 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.

88. A provision of the Act or these regulations 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.

The Seal

89. (i) The Board shall provide for the safe custody of the Seal.

(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the company secretary of the Company or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

Explanation.- : For the purposes of this sub-paragraph it is hereby clarified that on and from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, Company may not be required to have the Seal by virtue of registration under the Act and if a Company does not have the Seal, the provisions of this sub-paragraph shall not be applicable.

Dividends and Reserve

90. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
91. 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.
92. (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.
93. (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 regulation 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.
94. 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.
95. (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.

96. 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.
97. 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.
98. No dividend shall bear interest against the Company.
99. (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account"
- (ii) Any money transferred to the unpaid dividend account of the 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.
- (iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Accounts

100. (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.

Winding up

101. Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (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.

Indemnity

102. 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 Tribunal.

PART - B

Notwithstanding anything to the contrary contained in Part A of these Articles of Association, the provisions of this Part B of the Articles, shall form an integral part of the Articles. Part A of the Articles shall apply in so far as and to the extent that they are not, either expressly or by necessary implication, contrary to or inconsistent with the provisions of Part B of the Articles for as long as Part B of the Articles is in effect in accordance with Article 18. Notwithstanding anything to the contrary contained in these Articles of Association, in the event of any conflict or inconsistency between any provisions of Part B of these Articles and any other provisions contained in Part A of the Articles, the provisions contained in Part B of the Articles shall override and prevail for as long as Part B of the Articles is in effect in accordance with Article 18. All cross references to an Article or Articles in this Part B shall be references to an Article or Articles of Part B of these Articles.

1. DEFINITIONS

In Part B of these Articles, the following terms, to the extent not inconsistent with the context thereof, shall have the meanings assigned to them herein below:

- (a) “**Act**” shall mean the Companies Act, 2013, and shall include all amendments, modifications and re-enactments of the foregoing;
- (b) “**Affiliate**” of a Person (the “**Subject Person**”) shall mean (i) in the case of any Subject Person other than a natural person any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, shall include a Relative of such Subject Person and any other Person (other than a natural Person) that such natural Person, directly or indirectly, through one or intermediaries Controls. For the purpose of this definition, in relation to the Investor, an Affiliate shall include any investment fund or special purpose vehicle (including their limited partners) that shares the same investment manager and/ or the same investment advisor (such investment advisor being corporate entities) or any Person which is managed or advised by Quadria Capital Investment Management Pte. Limited;
- (c) “**Affirmative Voting Matter**” shall have the meaning given to the term under Article 2.19(i);
- (d) “**Annual Budget**” shall mean the budget for a Financial Year of the Company and its Subsidiaries comprising of sales budget, projected revenue and operating expenditure, cash flow, capital expenditure and key financial ratios;
- (e) “**Articles of Association**” or “**Articles**” shall mean the Articles of Association of the Company, as amended from time to time;
- (f) “**Big Five Firm**” shall mean KPMG, PricewaterhouseCoopers, Ernst & Young, Deloitte Touche Tohmatsu and Grant Thornton and/or their affiliates eligible to practice in India, as per Law;
- (g) “**Board**” or “**Board of Directors**” shall mean the collective body of the Directors of the Company;
- (h) “**Board Meeting**” shall mean a meeting of the Board duly convened in accordance with the Act and the Charter Documents;

- (i) **“Book Value”** in relation to the Investor’s shareholding, shall mean the net asset value as per the latest consolidated Financial Statements;
- (j) **“Business”** shall mean the business of manufacturing, marketing, trading, importing, exporting, developing, testing and allied activities of pharmaceutical formulations of drugs, ayurvedics, herbals, toiletries, nutraceuticals, food & dietary supplements, derma and cosmetics, healthcare & hospital products, OTC products, active pharmaceutical ingredients, excipients and compounds and any other business as may be undertaken by the Company and its Subsidiaries, from time to time;
- (k) **“Business Day”** shall mean a day on which scheduled commercial banks are open for business in New Delhi, India, New York and Singapore;
- (l) **“Business Plan”** means the long term business plan of the Company, as agreed in writing between the Investor and the Company, as amended from time to time in accordance with the Annual Budget;
- (m) **“Buy Back Exercise Period”** shall have the meaning given to the term in Article 6.10(ii)(a);
- (n) **“Buy Back Price”** shall have the meaning given to the term in Article 6.10(ii)(a);
- (o) **“Buy Back Right”** shall have the meaning given to the term in Article 6.10(ii)(a);
- (p) **“Buy Back Shares”** shall have the meaning given to the term in Article 6.10(ii)(a);
- (q) **“Charter Documents”** shall mean collectively the Memorandum and the Articles;
- (r) **“Claims”** shall mean any actual and direct losses, liabilities, claims, damages, charges, actions, payments, suits, proceedings, judgments, settlements, awards, assessments, fines, interest, penalties, costs and expenses (including reasonable and documented (through an invoice or engagement letter or any other similar document) professional fees and expenses) and all related Indian Taxes with respect thereto, imposed on, sustained, incurred or suffered by or asserted against the Investor Director (whether in respect of Third Party claims, claims between the Company, Investor and Promoters, or otherwise);
- (s) **“Closing Date”** shall mean 13th November 2019;
- (t) **“Company”** means Akums Drugs and Pharmaceuticals Limited, a public limited company incorporated and existing under the Laws of India and having its registered office at 304 Mohan Place, Saraswati Vihar, Delhi-110034, India;
- (u) **“Competitor”** shall mean any Person in the same or similar line of Business as the Company;
- (v) **“Control”** shall mean the power to direct the management or policies of any Person, whether through the ownership of over 50% (Fifty Percent) of the voting power of such Person or through the power to appoint more than half of the board of directors or similar governing body of such entity or through contractual arrangements or otherwise, and **“Controls”** shall be construed accordingly;
- (w) **“Deed of Adherence”** shall mean the deed of adherence, the form of which is as agreed in writing by and among the Company, Promoters and Investor;

- (x) **“Director”** shall mean a director on the Board;
- (y) **“Drag Along Notice”** shall have the meaning given to the term in Article 6.11(ii);
- (z) **“Drag Sale”** shall have the meaning given to the term in Article 6.11(ii);
- (aa) **“Drag Sale Purchaser”** shall have the meaning given to the term under Article 6.11(ii);
- (bb) **“E&S Policy”** means the Environment and Social Policy adopted by the Company and its Subsidiaries on the Closing Date as agreed in writing by and among the Company, Promoters and the Investor;
- (cc) **“ESOP”** shall mean the employee stock options of the Company;
- (dd) **“Encumbrance”** shall mean (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, (ii) any voting agreement, interest, option, pre-emptive right, right of first offer, refusal or transfer restriction in favour of any Person, and (iii) any adverse claim as to title, possession or use and **“Encumber”** shall be construed accordingly;
- (ee) **“Equity Securities”** shall mean equity capital, Equity Shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests of the Company or any options, warrants, or other securities (including preference shares and debentures) that are directly or indirectly convertible into, or exercisable or exchangeable for, such equity capital, equity shares, membership interests, partnership interests, registered capital, joint venture or other ownership interests (whether or not such derivative securities are issued);
- (ff) **“Equity Shares”** shall mean the equity shares of the Company whether issued or to be issued, having par value of INR 2 (Indian Rupees Two) per equity share.
- (gg) **“Event of Default”** shall mean:
 - (i) A material breach of or failure to comply by the Company or the Promoters with the following Articles below, Articles 2 (*Management of the Company*), 3 (*Shareholders Meetings*), 4 (*Pre-Emptive Rights for New Issues of Equity Securities*), 5 (*Transfer of Equity Securities*), 7 (*Right of Inspection*), 8 (*Information Rights*), 9 (*Liquidation Preference*), 12 (*Financial Accounting and Audits*), 13 (*Compliance with Investor’s Environmental, Social and Corporate Governance (“ESG”) Requirements*), 16 (*Superior Rights*), 17 (*Subsidiary*) and other obligations as agreed in writing by and among the Company, Promoters and the Investor, which breach or failure, if capable of cure or remedy, has not been cured or remedied within 60 (Sixty) days of the receipt of written notice of such breach or failure from the Investor in this regard, provided however that if the remedy or cure of such breach requires a positive action or consent by the Investor in accordance with the terms of Part B of these Articles, the failure of the Investor to perform such action or provide such consent as per the terms of Part B of these Articles shall not be deemed to be a failure by the Company or the Promoters to rectify such breach;

- (ii) A breach or failure to comply by the Company or the Promoters with certain obligations as agreed in writing by and among the Company, Promoters and the Investor which breach or failure causes a Material Adverse Effect and if capable of cure or remedy, has not been cured or remedied within 60 (Sixty) days of the receipt of written notice of such breach or failure from the Investor in this regard;
 - (iii) Failure by the Company or the Promoters to provide an exit to the Investor, owing to any deliberate, act or omission, by the Company or the Promoters to frustrate the exit rights of the Investor under Article 6; or
 - (iv) Any fraud committed by the Promoter(s) which affects the Business.
- (hh) **“Executive Committee”** means the executive committee of the Board constituted on the Closing Date, the functions of which are as set out in Article 19;
- (ii) **“Exercise Notice”** shall have the meaning given to the term under Article 4.2;
- (jj) **“Exit Default Rights”** shall mean the exit rights of the Investor as set out under Articles 6.10 and 6.11;
- (kk) **“Exit Notice”** shall have the meaning given to the term under Article 6.10;
- (ll) **“Exit Period 1”** shall mean the earlier of the following dates:
 - (a) December 31, 2024, in the event the Equity Shares are not listed on the Stock Exchanges pursuant to an IPO, on or prior to such date; and/or
 - (b) the date on which the IPO Committee of the Board decides not to undertake the Qualified IPO; and/or
 - (c) February 15, 2024, in the event the Company has not filed a draft red herring prospectus in relation to the Qualified IPO with SEBI, the BSE and the NSE on or prior to such date.
- (mm) **“Exit Period 2”** shall have the meaning given to the term under Article 6.9;
- (nn) **“Exit Price”** shall mean a price which is the higher of the Book Value or the FMV of each of the Equity Securities held by the Investor;
- (oo) **“Financial Statements”** shall mean the audited financial statements comprising an cash flow statement, balance sheet, and capitalization table of the Company and its Subsidiaries as of the relevant Financial Year end (on a consolidated and unconsolidated basis) and the related audited statement of income for the Financial Year then ended, together with the auditor’s report thereon and notes thereto prepared in accordance with applicable Laws;
- (pp) **“Financial Year”** shall mean the period commencing from April 1 of each calendar year and ending on March 31 of the immediately succeeding calendar year;
- (qq) **“FMV”** with respect to Equity Securities, shall mean the valuation of such Equity Securities computed in accordance with Article 6.14;

- (rr) **“FMV Computation Date”** shall have the meaning given to the term under Article 6.14(ii);
- (ss) **“Fully Diluted Basis”** shall mean that calculation is to be made assuming that all outstanding Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable) whether or not due to the occurrence of an event or otherwise, have been converted, exercised or exchanged into the maximum number of Equity Shares issuable upon such conversion, exercise and exchange, as the case may be *and it is clarified that* all authorised options under the ESOP shall be included for the aforesaid calculation irrespective of whether or not they have been issued, granted, vested, or exercised;
- (tt) **“Government”** or **“Governmental Authority”** means any national, supranational, regional or local government or governmental, statutory, regulatory, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or entity, or central bank (or any Person, whether or not government owned and howsoever constituted or called, that exercises the functions of a central bank);
- (uu) **“Greater Preliminary Valuation”** shall have the meaning given to the term under Article 6.14(iv);
- (vv) **“Immediate Family Members”** shall mean when used with respect to a Promoter such Promoters’ father, mother, brother, spouse and Offspring;
- (ww) **“Independent Valuer”** shall have the meaning given to the term under Article 6.14(i);
- (xx) **“Indian Tax”** shall mean applicable Taxes in the Republic of India (without reference to any other country or jurisdictions’ Taxes);
- (yy) **“INR”** or **“Rupees”** or **“Rs.”** shall mean Indian rupees, being the lawful currency of the Republic of India;
- (zz) **“Investor”** means Ruby QC Investment Holdings Pte. Ltd., a company established under the Laws of Singapore, having its principal office at 11A Stanley Street Singapore, 068730;
- (aaa) **“Investor Director”** shall have the meaning given to the term under Article 2.2(i);
- (bbb) **“Investor Transferee(s)”** shall have the meaning given to the term under Article 5.4;
- (ccc) **“Investor Valuer”** shall have the meaning given to the term under Article 6.14(a);
- (ddd) **“IPO”** shall mean the initial public offering of Equity Shares or other Equity Securities (including depository receipts), either domestic or overseas, of the Company and consequent listing of the Equity Securities of the Company in stock exchanges, domestic or overseas and would include a Qualified IPO;
- (eee) **“Issuance Notice”** shall have the meaning given to the term under Article 4.1;
- (fff) **“Issuance Price”** shall have the meaning given to the term under Article 4.1;
- (ggg) **“Issuance Shares”** shall have the meaning given to the term under Article 4.1;

- (hhh) “**Law**” or “**Laws**” shall mean and include all applicable statutes, enactments, acts of legislature or the Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority, tribunal, board, court or a recognised stock exchange of India or of a foreign country or entity or organization having a right over such matters;
- (iii) “**Lesser Preliminary Valuation**” shall have the meaning given to the term under Article 8.14(d);
- (jjj) “**Liquidity Event**” shall mean the receipt of proceeds by the Company on account of its winding up (voluntary or involuntary) or its liquidation;
- (kkk) “**Material Adverse Effect**” shall mean an event, occurrence, fact, condition, change, development or effect (including any litigation, proceedings or action of any Governmental Authority) that, individually or in the aggregate:
- (i) has or is reasonably expected to have an adverse effect on the Business, operations, properties, assets, financial condition, liabilities, obligations, revenues, profits of the Company and/or its Subsidiaries by an amount equal to or greater than 10% (ten per cent) of the Net Block; or
 - (ii) results in or is reasonably expected to result in the termination of any Material Contract (*meaning of which is as agreed in writing by and among the Company, Promoters and Investor*) (including receiving a notice of termination from the counterparty to such Material Contract); or
 - (iii) which causes or has caused or is reasonably expected to cause significant disruption, stoppage and/or damage to the manufacturing operations and / or facilities of the Company and/or its Subsidiaries; or
 - (iv) effects the validity or enforceability of the agreements executed by and among the Company, Promoters and the Investor;
 - (v) results or is reasonably expected to result in a material impairment to the ability of the Company and/or the Promoter and/or a Selling Shareholder, as the case may be, to perform their respective obligations under the Transaction;
- (lll) “**Memorandum of Association**” or “**Memorandum**” shall mean the Memorandum of Association of the Company, as amended from time to time;
- (mmm) “**Net Block**” shall mean depreciated value of all assets of the Company and its Subsidiaries, on a consolidated basis, as reflected in the audited financial statements of the Company for the year ended March 31, 2018;
- (nnn) “**Nominated Person**” shall have the meaning ascribed to such term in Article 4.4;
- (ooo) “**Offer of Existing Securities**” shall have the meaning given to the term under Article 6.1(a)(II);
- (ppp) “**Offered Terms**” shall have the meaning given to the term under Article 4.1;
- (qqq) “**Offspring**” shall mean any lineal descendant of any of the Promoters;

- (rrr) **“Permitted Transferee”** shall have the meaning given to the term under Article 5.5(a)(i);
- (sss) **“Person”** shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Law;
- (ttt) **“Pre-emptive Right”** shall have the meaning given to the term under Article 4.1;
- (uuu) **“Preliminary Valuation”** shall have the meaning given to the term under Article 6.14(b);
- (vvv) **“Preliminary Valuation Report”** shall have the meaning given to the term under Article 6.14(b);
- (www) **“Promoter 1”** means Mr. Sanjeev Jain, an adult Indian citizen, bearing permanent account number AAAPJ1897J and currently residing at E-1052, Saraswati Vihar, Delhi-110034;
- (xxx) **“Promoter 2”** means Mr. Sandeep Jain, an adult Indian citizen, bearing permanent account number AAAPJ1891Q and currently residing at Plot No. 22, Sector – 6A, SIDCUL, Haridwar- 249403;
- (yyy) **“Promoter(s)”** means collectively Promoter 1 and Promoter 2;
- (zzz) **“Promoter Valuer”** shall have the meaning given to the term under Article 6.14(a);
- (aaaa) **“Proposed Issuance”** shall have the meaning given to the term under Article 4.1;
- (bbbb) **“Qualified IPO”** shall mean an IPO (i) which is consummated on or before December 31, 2024; and (ii) in which the price band and the offering price per Equity Share has been agreed upon by the IPO Committee;
- (cccc) **“Related Party”** shall have the meaning ascribed to such term under the Act;
- (dddd) **“Relative”** shall mean a ‘relative’ as defined under Section 2(77) of the Act;
- (eeee) **“Restricted Entities”** with respect to a Promoter shall mean: (a) the Immediate Family Members of such Promoter; and (b) any other Person (other than a natural Person) that such Promoter or such Promoters’ Immediate Family Member, directly or indirectly, through one or more intermediaries Controls;
- (ffff) **“ROFO Acceptance Notice”** shall have the meaning given to the term under Article 6.11(i)(b);
- (gggg) **“ROFO Notice”** shall have the meaning given to the term under Article 6.11(i)(a);
- (hhhh) **“ROFO Price”** shall have the meaning given to the term under Article 6.11(i)(b);
- (iiii) **“ROFO Right”** shall have the meaning given to the term under Article 6.11(i);
- (jjjj) **“ROFO Shares”** shall have the meaning given to the term under Article 6.11(i);

- (kkkk) “**ROFO Terms**” shall have the meaning given to the term under Article 6.11(i)(b);
- (llll) “**ROFR Exercise Notice**” shall have the meaning given to the term under Article 5.2(b);
- (mmmm) “**ROFR Notice**” shall have the meaning given to the term under Article 5.2(a);
- (nnnn) “**ROFR Period**” shall have the meaning given to the term under Article 5.2(b);
- (oooo) “**ROFR Price**” shall have the meaning given to the term under Article 5.2(a);
- (pppp) “**SEBI**” shall mean the Securities and Exchange Board of India;
- (qqqq) “**Share Capital**” shall mean the total paid up share capital of the Company determined on a Fully Diluted Basis;
- (rrrr) “**Shareholder(s)**” shall mean the shareholders, from time to time, of the Company;
- (ssss) “**Subsidiary**” with respect to any Person shall have the meaning ascribed to the term under the Act;
- (tttt) “**Tag Along Exercise Notice**” shall have the meaning given to the term under Article 5.3(b);
- (uuuu) “**Tag Along Right**” shall have the meaning given to the term under Article 5.3(a);
- (vvvv) “**Tag Along Shares**” shall have the meaning given to the term under Article 5.3 (b);
- (wwww) “**Tax**”, “**Taxes**” or “**Taxation**” shall mean any and all form of direct and indirect taxes with reference to income, profits, gains, net wealth, asset values, turnover, gross receipts including but not limited to all duties (including stamp duties), excise, customs, service tax, goods and sales tax, charges, fees, levies or other similar assessments by or payable to a Governmental Authority (including its agent and persons acting under its authority), including without limitation in relation to (i) income, manufacture, import, export, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, expenditure, procurement, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll, fringe benefits and franchise taxes and (ii) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings, contest, or dispute in respect thereof;
- (xxxx) “**Third Valuer**” shall have the meaning given to the term under Article 6.14(e);
- (yyyy) “**Transfer**” (including with correlative meaning, the terms “**Transferred by**” and “**Transferability**”) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;
- (zzzz) “**Transfer Shares**” shall have the meaning given to the term under Article 5.2(a);
- (aaaa) “**Transferring Shareholder**” shall have the meaning given to the term under Article 5.2;

(bbbbb) “**Third Party**” shall mean any Person other than the Company, the Promoters and the Investor; and

(ccccc) “**Unpurchased Securities**” shall have the meaning given to the term in Article 4.3.

2. MANAGEMENT OF THE COMPANY

2.1 Directors: The Company shall be managed by the Board of Directors who shall have powers to do all acts and take all actions that the Company is authorized to do; subject to those matters that are statutorily required under the Act to be approved by the Shareholders being referred for approval by the Shareholders.

2.2 Board of Directors

(i) The maximum number of Directors on the Board shall be as per applicable Law. On the Closing Date, the Board shall be composed of not more than 9 (nine) Directors including Directors nominated by the Promoters and independent directors as per applicable Law and the Investor shall have the right to nominate 1 (One) Director ("**Investor Director**"), in the manner laid down in this Article 2.

(ii) The Investor shall be entitled to nominate such numbers of Directors on the Board of the Company as is *pro rata* to its shareholding in the Company (on a Fully Diluted Basis and rounded off to the nearest whole number). Provided that the right of the Investor to nominate a Director on the Board shall continue as long as the Investor holds at least 5% (Five Percent) of the Share Capital.

(iii) Upon consummation of the Qualified IPO, subject to applicable Laws and the approval of the Shareholders by way of a special resolution passed in the first general meeting convened after the consummation of the Qualified IPO, the Investor shall have the right to nominate and recommend one (1) non-executive nominee Director to the Board of the Company for so long as the Investor holds at least 5% of the Share Capital of the Company, on a fully diluted basis.

Each Party severally agrees to take all necessary steps and perform all necessary actions as may be required from each of them for effecting the amendment to the Articles to give effect to the aforesaid, including the Company convening the meetings of the Board and Shareholders for this purpose after the listing of the Equity Shares pursuant to the Qualified IPO.

(iv) In the event that the shareholding of the Company changes in accordance with the provisions of Part B of these Articles, the Board shall be reconstituted accordingly (if required).

2.3 Appointment, Removal and Replacement:

(i) The Shareholders and the Board shall procure that each appointment, removal or replacement of the Director appointed by it in terms of Article 2.2 above is implemented without delay and where necessary, meetings of the Shareholders of the Company, or the Board Meetings, as applicable, are convened for this purpose. Each Investor Director shall immediately upon his appointment execute appropriate confidentiality and non-disclosure agreements with the Company, in a form and manner agreed with the Investor and the Investor Director's obligations under such agreement shall be subject to the obligations of the Investor Director in his/her capacity of being a nominee director appointed by the Investor.

(ii) The Investor may require the removal of the Investor Director at any time, and may at any time nominate another individual in place of a removed Investor Director, and all Shareholders shall exercise their rights to ensure the removal and appointment of the Investor Director as aforesaid.

No Person other than the Investor shall be permitted to remove or replace at any time and for any reason any Investor Director.

- (iii) In the event of resignation, retirement or vacation of office of any Investor Director due to any reason, the Investor shall be entitled to appoint another person as a nominee in place of such Investor Director and all Shareholders shall exercise their rights to ensure the appointment of the individual nominated for appointment as the Investor Director as aforesaid.
- 2.4 No Qualification Shares: The Directors need not hold any qualification shares.
- 2.5 Casual Vacancies: If any Director (other than the Investor Director which shall be subject to Article 2.3 above) resigns, vacates or is removed from office before his term expires, the Directors may fill up a casual vacancy and such Director shall hold office until the original term of the Director. Alternatively, the Directors may not fill up a casual vacancy. The Directors may then co-opt another Director, who shall hold office until the next annual general meeting of the Company, unless appointed by the Shareholders.
- 2.6 Proceedings of Board: The Board shall hold meetings, approve decisions or pass resolutions and grant consents in accordance with the procedures set out in this Article 2 and applicable Laws.
- 2.7 Number of Board Meetings and Venue:
 - (i) The Board shall meet at least 4 (Four) times in every calendar year; *provided that* the interval between 2 (Two) Board Meetings shall not exceed 120 (One Hundred Twenty) days. Board Meetings shall be held at such place, within or outside India, as may be mutually decided by the Promoters and the Investor, from time to time.
 - (ii) Subject to applicable Laws, all reasonable domestic expenses and costs incurred for such Board Meetings held in India shall be borne by the Company.
- 2.8 Convening Board Meetings: Any Director may, and the secretary of the Company, if so appointed, shall, on the requisition of a Director, or for compliance of Article 2.7(i) summon a Board Meeting, in accordance with the notice and other requirements set out in Articles 2.9 and 2.10 below.
- 2.9 Notice for Board Meetings: At least 7 (Seven) days' prior written notice shall be given to each of the Directors of any Board Meeting, in the manner prescribed under the Law. A Board Meeting may be held at shorter notice with the written consent of a majority of the Directors, including the Investor Director(s).
- 2.10 Contents of Notice: Every notice convening a Board Meeting shall be in accordance with the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 and shall set forth in full and sufficient detail each item of the business to be transacted thereat. Further, other item(s) may be discussed with the permission of the Chairman. Further, it is hereby clarified that such additional item(s) shall be discussed at the meeting or added to the addendum agenda only with the consent of the Investor Director present at the meeting. In the event the Investor Director is not present at such meeting wherein the additional items are proposed to be discussed, and any resolution is passed on such items, the Investor Director shall have the right to object to such resolution, forming part of the draft minutes circulated to the Directors and such resolutions, if passed or any action pursuant to such resolution is taken without the consent of the Investor Director, then such resolution/action shall be void *ab initio*.
- 2.11 Quorum for the Board Meetings

- (i) The quorum for a Board Meeting shall be as required under the Act. No Affirmative Voting Matter shall be transacted or voted at a Board Meeting without the consent of the Investor Director/Investor in accordance with Article 2.19.
- (ii) If a quorum (as required under this Article 2.11(i)) is not present at a Board Meeting within half an hour of the time appointed for a properly convened meeting, the meeting shall be adjourned as set out under the Act.
- (iii) If a quorum is not present at such adjourned Board Meeting, the Directors present shall, subject to the provisions of the Act, constitute a quorum, provided that no Affirmative Voting Matter shall be transacted or voted upon at such adjourned Board Meeting save with the consent of the Investor Director/Investor in accordance with Article 2.19.

2.12 Committees of the Board

- (i) The Board may constitute such committee(s) of the Board in accordance with applicable Law and delegate such powers and functions (in accordance with the provisions of the Act) as the Board may decide from time to time.
- (ii) In addition to the above, the Board shall also constitute an Executive Committee on the Closing Date, the functions of which shall be as are set out in Article 19.
- (iii) The composition of any such committee(s) shall be in proportion to the representation of the Shareholders on the Board as provided in Articles 2.2(i) and 2.2(ii) above.
- (iv) The provisions relating to the proceedings of Board Meetings contained herein shall apply *mutatis mutandis* to the proceedings of the meetings of any committees of the Board.

2.13 Telephonic/Video Participation: The Directors may participate and vote in the Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under Laws. Notwithstanding the aforesaid, it is clarified that no Affirmative Voting Matter shall be transacted or voted at a Board meeting without the consent of the Investor Director/Investor in accordance with Article 2.19.

2.14 Circular Resolutions: The Board may act by written resolution, or in any other legally permissible manner, on any matter, except in respect of matters which by Law may only be acted upon at a meeting. Subject to any restrictions imposed by Law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of the Directors under Law and as provided in various provisions in Part B of these Articles, subject to compliance with Article 2.19.

2.15 Chairman: In the event there is no permanent Chairman appointed by the Company or the chairman is absent or fails to serve as presiding officer at any Board meeting, any one of the Directors present at such meeting may be elected to be chairman of such meeting. It is hereby clarified that the Chairman shall not have a casting vote on any Affirmative Voting Matters and Affirmative Voting Matters shall require the consent of the Investor Director/Investor in accordance with Article 2.19.

2.16 Alternate Directors: Any Director appointed to the Board and going out of India for a period of 3 (three) months or more, such Director shall be entitled to nominate an alternate Director to attend and vote at meetings of the Board in his absence until he comes back to India. Appointment of such alternate Director shall be approved by the Board in accordance with the provisions of the Act.

2.17 Decisions of the Board: Except as otherwise required by the relevant Laws and except for decisions in connection with Affirmative Voting Matters, all decisions of the Board shall be

made by simple majority. At each Board Meeting, each Director attending that meeting (or represented by an alternate Director) shall have one vote.

2.18 Liability of Investor Director:

- (i) The Promoters and the Company expressly agree that the Investor Director shall be non-executive Director.
- (ii) Subject to applicable Law, the Company shall indemnify the Investor Director against any act, omission or conduct (including, contravention of any Law) of or by the Company, its officials, employees, managers, representatives or agents, or the Shareholders, as a result of which, in whole or in part, any Investor Director is made party to, or otherwise incurs any Claims, including a loss pursuant to or in connection with any Claim arising out of or relating to any such act, omission or conduct or any act or omission by the Investor Director at the request of or with the consent of the Company, its officials, employees, managers, representatives or agents or on account of any Investor Director being construed or deemed as an “occupier” or “officer in charge” under any Laws. Nothing herein shall prejudice the Company’s ability to make Claims under relevant insurance policies that the Company has procured.

2.19 Affirmative Voting Matters

- (i) Notwithstanding any other provision of Part B of these Articles or any power conferred upon the Board by the Act or the Articles, neither the Company, nor any Director, committee member, or any of their respective delegates shall, without the affirmative written consent or written approval of the Investor (or deemed consent/approval in accordance with Article 2.19(ii)), take any decisions or actions in relation to any of the matters set forth in Article 2.19(viii) (“**Affirmative Voting Matter**”), whether in any Board Meeting, meeting of a committee of Directors, general meeting, through any resolutions by circulation or otherwise, with respect to the Company in accordance with this Article. In the event the Investor Director/representative is not present at the meeting of the Board, committee or Shareholders (as applicable) where an Affirmative Voting Matter is being discussed, the Investor shall be required to provide its affirmative written consent or approval or rejection in respect of an Affirmative Voting Matter within 15 (fifteen) days of receipt of the notice by the Investor from the Company seeking consent. For the avoidance of doubt it is clarified that a failure by an Investor to respond within the time line stipulated in this sub-Article 2.19(i) to the Company's request on any of the Affirmative Voting Matters shall be deemed to be a rejection/ refusal by the Investor of its consent for the Affirmative Voting Matters for which its consent is sought by the Company.
- (ii) Further, in the event Investor Director/representative of the Investor is attending such meeting, the Investor Director/representative of the Investor may provide assent or dissent to the Affirmative Voting Matter or even postpone the matter, however a decision on such Affirmative Voting Matter shall be taken only after a written consent/ response from the Investor within 5 (five) Business Days from the date of the meeting. For the avoidance of doubt it is clarified that a failure by an Investor to respond within the time line stipulated in this sub-Article 2.19(ii) on any of the Affirmative Voting Matters shall be deemed to be a confirmation by the Investor of the decision taken by the Investor Director in connection with the Affirmative Vote Matter for which its consent is sought by the Company.
- (iii) The Investor shall continue to have the rights under this Article 2.19 so long as the Investor holds at least 5% (Five Percent) of the Share Capital.
- (iv) Notwithstanding anything to the contrary contained in Part B of these Articles of Association, in case of any dilution or reduction of the shareholding of the Investor in the Company pursuant to the exercise of any of the exit options by the Investor under Article 8 wherein the Company and the Promoters are unable to provide a complete exit to the Investor in a single tranche, the rights of the Investor under this Article 2.19 and Article 2.2 shall continue to apply as if no such dilution or reduction has occurred and any reference in Part B of these Articles of Association

to such minimum shareholding threshold shall be deemed to be proportionately adjusted to take into account and negate the effect and impact of such dilution or reduction, save and except if the Investor has elected not to participate in the exit event in accordance with Part B of these Articles or where the Company and the Promoters provide a complete exit to the Investor in a single tranche and the Investor has elected to only sell a part of the Equity Securities held by it, then the Investor's shareholding shall be deemed to diluted for determining its rights that are linked to minimum shareholding provided for in Part B of these Articles.

- (v) The principles set out in this Article 2.19 are fundamental to the governance of the Company and the Company, the Promoters and the Investor undertake not to commit any act or omission that would violate this Article 2.19.
- (vi) If any other provision of Part B of these Articles conflicts with the provisions of this Article 2.19, the provisions of Article 2.19 shall prevail and be given effect.
- (vii) Notwithstanding anything to the contrary contained in Part B of the Articles of Association, if the Company is required to take an action (which is an Affirmative Voting Matter) pursuant to a requirement of applicable Law and the Investor does not provide its consent for such action, then the Company shall not be liable for breach of its obligations to comply with such applicable Law under Part B of the Articles.
- (viii) The following matters shall be considered as Affirmative Voting Matters for the purposes of Part B of these Articles:
 - (a) Memorandum and Articles of Association: Any amendments to the Memorandum of Association or the Articles of Association of the Company or its Subsidiaries (except to give effect to matters already contemplated under the Articles).
 - (b) Change in registered office: Any change in the registered office address of the Company or its Subsidiaries except within the same city limits;
 - (c) Re-structuring: Merger, de-merger, corporate restructuring, liquidation, dissolution or winding-up of the Company or its Subsidiaries, or any insolvency proceedings or debt restructuring of the Company or its Subsidiaries;
 - (d) Business: Any change in the name or the business of the Company or the business of the Subsidiaries, or the addition/acquisition/commencement of another business which is not included in the current business of the Company or the current business of the Subsidiaries, or the termination of the Business of the Company or the business of the Subsidiaries or any substantial part thereof;
 - (e) Assets: Any sale, disposal, mortgage, pledge or encumbrance, lease or conveyance or transfer, license or sub- license of any of the Company's or its Subsidiaries' material assets (including all intellectual property rights of the Company or its Subsidiaries except license/ sub-license in the ordinary course of business) or of all or substantially all of the business, goodwill, property and assets or equity or equity securities or other interest in the capital of any other company (including any securities exercisable for or convertible or exchangeable into such securities of the Company or its Subsidiaries) of the Company or its Subsidiaries exceeding in any Financial Year, in value, 10% (ten percent) of the written down value of the assets of the Company and its Subsidiaries (as a whole) as on the date of last date of audited consolidated financial accounts, except (a) pledge or encumbrance to banks and non-banking financial institutions in the ordinary course of business, or (b) sale of assets in the Inter-Group Transactions;
 - (f) Capital structure: Any change in the authorized issued, subscribed equity or preference capital structure of the Company or its Subsidiaries or amendment thereof (including issuance of any securities by the Company or its Subsidiaries), or any re-organization

or reclassification of the capital structure of the Company or its Subsidiaries, redemption, repurchase or buyback or other cancellation of any securities of the Company or its Subsidiaries or the creation of any subsidiary (except where such subsidiaries are set up as marketing or corporate offices outside India and any intermediate holding company and provided that each of such subsidiary(ies) is not capitalised for an amount not exceeding Rs. 20,00,00,000 (Indian Rupees Twenty Crores)) or joint venture, whether by acquisition of otherwise or modification to the terms of any joint venture, but excluding a (a) issuance of Equity Securities by the Company in accordance with Article 4 or (b) any issuance of securities by the Subsidiary to the Company;

- (g) Share/securities classification: Any changes in class rights for shares/securities by the Company or its Subsidiaries;
- (h) Dividend: Declaration of dividend;
- (i) Employees: a) Appointment of the key managerial personnel of the Company or its Subsidiaries (i.e. the C[X]Os and the company secretary; and b) the formulation and adoption of any employee stock option plan or any other stock purchase scheme and implementation or modification of any employee stock option plans or employee stock purchase scheme except any employee stock option plan or any other stock purchase scheme reserving up to 3% of the share capital of the Company/ Subsidiary; and c) terms of the agreement entered into with Mr. Sanjeev Jain and Mr. Sandeep Jain;
- (j) Investments: Making investments by the Company or its Subsidiaries by way of deposits, loans or advances or subscription to shares and debentures or acquisition of shares, debentures, warranties or bonds in any company or entity exceeding Rs. 20,00,00,000 (Indian Rupees Twenty Crores) in aggregate in any financial year, except: (A) bank deposits; (B) Inter-Group Transactions; (C) investment in Parabolic Drugs Limited by the Company for an aggregate consideration higher than as agreed in writing by and among the Company, Promoters and the Investor; and (D) investment in Medibox Digital Solutions Private Limited for an aggregate consideration higher than as agreed in writing by and among the Company, Promoters and the Investor;
- (k) Borrowings: Borrowings obtained by the Company or its Subsidiaries (secured or unsecured) and incurring any indebtedness or giving any guarantee (other than in the ordinary course of business) by the Company or its Subsidiaries exceeding INR 1,500,000,000 (Indian Rupees One Billion and Five Hundred Million) unless provided in the Annual Budget;
- (l) Accounts: Any material change to the existing accounting policies of the Company or its Subsidiaries or change in the accounting reference date of the Company or its Subsidiaries other than for fulfilment of statutory requirements;
- (m) Third party guarantees/loans: Providing guarantees on behalf of any Third Parties or making any loans to any Third Parties (excluding loans to or guarantees on behalf of any Subsidiaries and associates) or amendment of the terms of any existing loans guarantees or other financing obligations exceeding Rs. 5,00,00,000 (Indian Rupees Five Crores) wherein such guarantees or loans are in furtherance of the Business; it being clarified that all guarantees and loans not in furtherance of the Business shall require approval;
- (n) Related party transactions: Any new transactions, material or otherwise, with any related party of the Company or its Subsidiaries or the Promoters and granting any loans to any director or his/her Affiliates. It is clarified that the following transactions would not be considered as related party transactions:

- (i) Payments made to Mr. Sanjeev Jain and Mr. Sandeep Jain under their respective employment agreements;
 - (ii) Payments made under the lease agreements between the (i) Group *inter se*, (ii) Group and the Promoters, (iii) Group and Promoter's Relatives, list of such lease agreements shall be as agreed in writing by and among the Company, Promoters and the Investor;
 - (iii) Transactions in the ordinary course of business and at an arm's length as per proviso 3 of Section 188(1) of the Act with Sarvagunaushdhi Private Limited and Akumentis Healthcare Limited;
 - (iv) Transactions not exceeding INR 3,00,00,000 (Indian Rupees Three Crores) in any Financial Year on an arm's length basis with any related party;
 - (v) Inter-Group Transactions;
 - (vi) Payments made to parents of the Promoters under consultancy or employment agreements, if any, not exceeding INR 1,20,00,000 (Indian Rupees One Crore Twenty Lakh) in any Financial Year.
- (o) Auditor: Any change or appointment of the statutory auditors of the Company or its Subsidiaries;
- (p) IPO: Making of any IPO including a Qualified IPO of the Company or its Subsidiaries and appointment of any intermediaries, consultants or advisors in that regard;
- (q) Annual Budget: Approval of the Annual Budget of the Company or its Subsidiaries and any overall deviations in expenditure from the Annual Budget of more than 20% (Twenty Percent); and
- (r) Litigation: Commencement, termination or settlement of any claim, legal or Tax proceedings by the Company or its Subsidiaries involving a subject matter in excess of Rs. 100,000,000 (Indian Rupees One Hundred Million) (in case of settlement/termination) and Rs. 500,000,000 (Indian Rupees Five Hundred Million) (in case of commencement).

For the purposes of this Article 2.19(viii), the term “**Group**” means the Company and its Subsidiaries, and “**Inter-Group Transaction**” means transactions between members of the Group.

3. SHAREHOLDERS MEETINGS

- 3.1 General Meetings: An annual general meeting of the Shareholders shall be held as per the provisions of the Act. Subject to the foregoing, the Board, on its own or at the request of the Investor, may convene an extraordinary general meeting of the Shareholders, whenever it may deem appropriate.
- 3.2 Notices for General Meetings: At least 21 (twenty one) days' prior written notice of every annual general meeting of the Company shall be given to all the Shareholders whose names appear on the register of members of the Company, Directors, and the auditors of the Company. A meeting of the Shareholders may be called by giving shorter notice with the consent (written or through electronic mode) of the minimum number of Shareholders as provided under the Act, provided however that the Shareholders consenting to the shorter notice includes the Investor.

- 3.3 Contents of Notice: The notice shall specify the place, date, day and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business as required under applicable Law to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.
- 3.4 Chairman for General Meeting
- (i) The chairman of the Board shall be the chairman for all general meetings. In case Chairman is not present within 30 (thirty) minutes of the schedule time of the meeting or he/ she is not willing to act as a Chairman, then any other Director may be appointed as Chairman; and in case no Director is present or the director(s) present are unwilling to act as Chairman, one of the shareholders may be elected as Chairman. The Chairman shall not have a casting vote on any Affirmative Voting Matters and such Affirmative Voting Matters shall require the consent of the Investor in accordance with Article 2.19.
 - (ii) English or Hindi shall be the language used at all Shareholder meetings and non-English/ non-Hindi speaking Shareholders shall be required to express themselves through interpreters who have entered into confidentiality agreements with the Company.
- 3.5 Proxies and Authorised Representatives: Any Shareholder may appoint another Person as his proxy (and in case of a corporate shareholder, its authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. Any Person possessing a proxy or other such written authorization with respect to any Equity Shares shall be able to vote on such Equity Shares and participate in meetings as if such Person were a Shareholder, subject to applicable Law.
- 3.6 Quorum for General Meetings: The quorum for a general meeting shall be in accordance with the Act.
- 3.7 Adjourned meeting: If a valid quorum as set out in Article 3.6 is not present within 30 (thirty) minutes of the scheduled time for any meeting of the Shareholders or ceases to exist at any time during such meeting, then in that event the non-quorate shareholders' meeting shall automatically stand adjourned to the same day and time in the next succeeding week and shall have the same agenda as the non-quorate shareholders' meeting and nothing further as regards the agenda. The shareholders present at such adjourned meeting shall constitute quorum, subject to and in accordance with applicable Law.
- 3.8 Decision Making: Decision at a general meeting shall be taken as per the provisions of the Act.
- 3.9 Electronic Participation: The Shareholders may participate and vote in general meetings by telephone or video conferencing or any other means of contemporaneous communication, in the manner permitted under Law.
- 3.10 No Affirmative Voting Matter shall be transacted or voted or taken up at a general meeting unless the same has been approved at a Board Meeting in accordance with Article 2.19.
- 4. PRE-EMPTIVE RIGHTS FOR NEW ISSUES OF EQUITY SECURITIES**
- 4.1 In the event the Company is desirous of issuing any new Equity Securities after the Closing Date, including by way of a preferential allotment ("**Proposed Issuance**"), the Company shall provide to the Investor the right to subscribe to their *pro rata* share of the Equity Securities proposed to be issued in any such Proposed Issuance ("**Pre-emptive Right**"). The Company shall give the Investor written notice of any such Proposed Issuance ("**Issuance Notice**")

specifying: (i) the number and class of Equity Securities proposed to be issued ("**Issuance Shares**"); (ii) the price per Equity Security of the Proposed Issuance ("**Issuance Price**"); (iii) the manner and time of payment of the subscription amount; and (iv) the date of the Proposed Issuance (the "**Offered Terms**").

- 4.2 The Investor shall be entitled to exercise its Pre-emptive Right by issuing a written notice to the Company, within 30 (Thirty) days from the date of receipt of the Issuance Notice, intimating the Company that it wishes to exercise its Pre-Emptive Right ("**Exercise Notice**") and shall pay for and subscribe to such number of Issuance Shares as it wishes to subscribe to, at the Issuance Price and on the terms and conditions set out in the Issuance Notice. Subject to the receipt of the payment against exercise of the Pre-emptive Right by the Investor, the Company shall issue and allot such number of the Issuance Shares as is set out in the Exercise Notice to the Investor on the date of closing of the issuance as stated in the Issuance Notice.
- 4.3 The Company shall give the Investor written notice of the total number of Equity Securities not taken up by other Shareholders of the Company as a part of the Proposed Issuance ("**Unpurchased Securities**") within 5 (Five) days of the expiry of the 30 (Thirty) days period referred to in Article 4.2 above. Such notice shall specify the number of Unpurchased Securities. The Investor shall have the right to subscribe to all or some of such Unpurchased Securities by issuing a written notice to the Company, within 30 (Thirty) days from the date of receipt of the notice from the Company. The Investor's right to subscribe to such Unpurchased Securities under this Article 4.3 shall apply only in case of a rights issue offer made by the Company.
- 4.4 If the Investor does not, in full or in part, exercise its Pre-emptive Right as mentioned in Article 4.2, then the Board may, in its discretion, issue and allot such of the Issuance Shares as are not subscribed by the Investor to any Person ("**Nominated Person**") as it deems fit on the terms and conditions set out in the Issuance Notice within a period of 90 (Ninety) days from the date of the Issuance Notice, provided that: (a) such Nominated Person shall not be a Related Party of the Company ; and (b) such issuance shall not be made to the Nominated Person at a price lower than the price at which the Investor had invested in the Equity Securities of the Company on the Closing Date. In the event the Company does not complete the issuance and allotment to such Nominated Person within 90 (Ninety) days from the date of the Issuance Notice, the Company shall not proceed with such issuance and allotment without issuing a fresh Issuance Notice and following the procedure set out in Article 4.
- 4.5 Notwithstanding the above, there exists no commitment by the Investor or their Affiliates to further capitalize the Company or to provide finance or any other form of support to the Company, including in the form of loans or guarantees or any security.

5. TRANSFER OF EQUITY SECURITIES

5.1 Lock-in

- (a) The Promoters shall at all times directly and in the aggregate together hold at least 50.01% (fifty point zero one percent) of the Share Capital until Part B of these Articles cease to be effective.
- (b) Subject to Article 5.1(a), the Promoters and/ or their Permitted Transferee shall not (together or individually), Transfer in any way or manner any of the Equity Securities or interest therein held by them, without the prior written consent of the Investor for a period of 3 (three) years from the Closing Date, provided however that Promoters shall be permitted to Transfer their shareholding *inter-se* or to their respective Immediate Family Members.
- (c) Subject to Articles 5.1(a) and 5.1(b), (I) the Promoters (and/ or their Permitted Transferee) shall be entitled to Transfer whether individually or together whether in a single tranche or in multiple tranches such number of Equity Securities as constituting

in the aggregate upto 15% (fifteen percent) of the Share Capital as at the date of such determination (“**Threshold Shares**”) without compliance with Articles 5.2 and 5.3; (II) in the event the Promoters individually or together whether in a single tranche or multiple tranches propose to Transfer such number of Equity Securities which in the aggregate exceed the Threshold Shares then such Transfer shall be subject to the right of first refusal and Tag Along Rights of the Investor as set out herein below.

- (d) The Company hereby agrees and confirms that it shall not record any such Transfer or agreement or arrangement to Transfer in its books and shall not recognize or register any equitable or other claim to, or any interest in, such Equity Securities which have been Transferred in any manner other than as permitted under Article 5 and all such purported Transfers shall be void *ab initio*, as well as a breach of Part B of the Articles.

5.2 Right of first refusal of the Investor

Subject always to Article 5.1 above, if any of the Promoters (and/or their Permitted Transferee) (“**Transferring Shareholder**”) proposes to Transfer more than the Threshold Shares held by him/them in the Company, either directly or indirectly, to any Person, then the Investor shall have a right of first refusal in respect of such Transfer. The process to be followed for the exercise of the right of first refusal is set out below:

- (a) Any of the Transferring Shareholder proposing to Transfer any Equity Securities, shall first give a written notice (hereinafter referred to as “**ROFR Notice**”) to the Investor. The ROFR Notice shall state: (i) the identity of the proposed transferee, (ii) the number of Equity Securities proposed to be Transferred (hereinafter referred to as the “**Transfer Shares**”) and the number and class of Equity Securities the Transferring Shareholder owns at that time on a Fully Diluted Basis, (iii) the proposed price per Equity Security for the Transfer Shares (“**ROFR Price**”) and other material terms and conditions, if any, of the proposed Transfer, and (iv) the proposed date of consummation of the proposed Transfer. Such notice shall be accompanied by documents evidencing key commercial terms as agreed between the Transferring Shareholder and the proposed transferee.
- (b) The Investor shall be entitled to respond to the ROFR Notice by serving a written notice (the “**ROFR Exercise Notice**”) on the Transferring Shareholder prior to the expiry of 20 (Twenty) days from the date of receipt of the ROFR Notice (the “**ROFR Period**”), communicating to the Transferring Shareholder, whether or not the ROFR Price and the terms set out in the ROFR Notice are acceptable to the Investor, and if acceptable, that it shall purchase all (and not less than all) the Transfer Shares. In the event that the Investor decides to exercise its right of first refusal, the Transferring Shareholder shall Transfer all the Transfer Shares to the Investor as mentioned in the ROFR Exercise Notice at the ROFR Price and on the terms as are mentioned in the ROFR Notice, within the period mentioned in the ROFR Exercise Notice or within 30 (Thirty) days of the Investor delivering the ROFR Exercise Notice, whichever is earlier.
- (c) In the event that the Investor does not deliver a ROFR Exercise Notice to the Transferring Shareholder prior to the expiry of the ROFR Period (or does not elect to purchase all of the Transfer Shares), upon the expiry of the ROFR Period, (but after compliance with Article 5.3) the Transferring Shareholder shall be entitled to Transfer the Transfer Shares to any proposed transferee mentioned in the ROFR Notice, at a price per Equity Security no less than the ROFR Price and on terms no more favourable to such proposed transferee than the terms offered to the Investor in the ROFR Notice, provided that such proposed transferee shall execute a Deed of Adherence.
- (d) If completion of the sale and Transfer to such proposed transferee does not take place

within the period of 90 (Ninety) days following the expiry of the ROFR Period, the Transferring Shareholder's right to sell the Transfer Shares shall lapse and the provisions of Article 5.2 shall once again apply to the Transfer Shares.

- (e) Where the Investor requires prior legal, governmental, regulatory or shareholder consent for acquiring the Transfer Shares pursuant to Part B of the Articles, then, notwithstanding any other provision of Part B of the Articles, the Investor shall only be obliged to acquire the Transfer Shares once such consent or approval is obtained, and the Company, Promoters and the Investor shall use their reasonable endeavours to obtain any such required approvals within a time period of no more than 180 (one hundred and eighty) days from the ROFR Period. The Company and the Promoters shall exercise reasonable endeavours to provide assistance to the Transferring Shareholder and the Investor to obtain any such required consents or approvals in a timely manner.

5.3 Tag-Along Right of the Investor

- (a) In the event that the Investor does not exercise its right of first refusal, as provided in Article 5.2 above, the Investor shall have the right (the “**Tag Along Right**”) to sell some or all of the Equity Securities (at its sole discretion) held by the Investor in the proposed Transfer by the Transferring Shareholder at the same price per Equity Security (which shall not be less than the ROFR Price) and on the same terms and conditions on which the Transferring Shareholder proposes to transfer the Transfer Shares.
- (b) If the Investor desires to exercise its Tag Along Right, it shall exercise the said right by giving the Transferring Shareholder a written notice (“**Tag Along Exercise Notice**”) to that effect within the ROFR Period, specifying the number of Equity Securities held by it with respect to which it has elected to exercise its Tag Along Right, (the “**Tag Along Shares**”) and upon giving such Tag Along Exercise Notice, the Investor shall be deemed to have effectively exercised its Tag Along Right.
- (c) In the event the Investor decides to exercise the Tag Along Right, the Transferring Shareholder shall cause the proposed transferee to purchase from the Investor, the Tag Along Shares at the same price per Equity Security at which the Transfer Shares are being purchased from the Transferring Shareholder. The Investor shall not be required to make any representation, provide any covenants or undertakings, grant any indemnifications or incur any obligations to the proposed transferee or any other Person (other than a representation on the clear title of the Tag Along Shares). The Transferring Shareholder shall ensure that all of the terms of the proposed Transfer offered by the proposed transferee are also offered to the Investor for the same consideration, provided that the Investor may, subject to applicable Law, choose to receive (in its absolute discretion) the cash equivalent of any such consideration which is in a form other than cash.
- (d) If for any reason, the proposed transferee acquiring the Transfer Shares hereunder is unable to or refuses to acquire the Tag Along Shares in respect of which the Investor has exercised its Tag Along Right (or any part thereof) within 90 (Ninety) days from the Tag Along Exercise Notice, then, at the sole option of the Investor, the Transferring Shareholder shall not be entitled to Transfer any of the Transfer Shares held by them in the Company to such proposed transferee.
- (e) If for any reason the proposed transferee acquiring the Transfer Shares hereunder refuses to or is unable to acquire the Transfer Shares and the Tag Along Shares together

(“**Total Shares**”) being sold by the Transferring Shareholder and the Investor respectively, then the Transferring Shareholder may elect either: (i) to cancel such proposed Transfer; or (ii) allocate the number of Transfer Shares and Tag Along Shares on a pro-rata basis set out in Article 5.3(a) (after considering the total number of Equity Securities proposed to be purchased by the proposed transferee), and consummate such Transfer on such terms, provided however, if such sale of Equity Securities by the Investor on a pro-rata basis results in dilution or reduction of the shareholding of the Investor in the Company below 5% (five percent) of the Share Capital, the Investor shall have the right to decide whether it would sell such pro rata Equity Securities held by it or not to the proposed transferee within 10 (ten) days of receipt of communication from the proposed transferee that it would be unable to acquire the Total Shares, and in such an event if the Investor decides not to exercise such right, the Transferring Shareholder(s) shall be free to transfer its/ their entire Transfer Shares.

5.4 The Equity Securities held by the Investor shall at all times be freely Transferable to any Person (including Affiliates) (“**Investor Transferee(s)**”) without the prior consent of any Person, including the Company or the Promoters, subject to the following:

- (a) prior to the Transfer, the Investor shall procure and cause such Investor Transferee(s) to execute the Deed of Adherence, and the rights and obligations of the Investor and Investor Transferee(s) shall be governed in accordance with Article 15 below.
- (b) the Investor shall not Transfer all or part of the Equity Securities to any Competitor, provided that such restriction will fall away in the event (i) the Company fails to provide an exit to the Investor within the Exit Period 2, including upon exercise of drag along right by the Investor in accordance with Article 6.11; or (ii) of occurrence of an Event of Default. The restriction under this Article shall not be capable of being avoided, and shall not be avoided, by the Investor selling the entity that holds Equity Securities of the Company to a Competitor.

5.5 Permitted Transfers

- (a) Nothing contained in Article 5 shall apply to any Transfer of Equity Securities that is:
 - (i) a Transfer of Equity Securities held by a Promoter (or his Immediate Family Members) to a Person who is his Immediate Family Member and/or to a family trust settled by a Promoter (“**Permitted Transferee**”), provided that such Permitted Transferee shall be required to execute a Deed of Adherence, simultaneously upon such Transfer of Equity Securities; and
 - (ii) such Permitted Transferees shall be permitted to hold such Equity Securities in accordance with Part B of the Articles, till such time it remains a relative or family trust of such Promoter. All the Equity Securities held by the Promoters and their Permitted Transferees from time to time, shall be treated as a single block and the Promoters and the Permitted Transferee shall be entitled to all of the rights of the 'Promoter' under Part B of the Articles, as a single block. Provided further that, the Permitted Transferee shall not be bound by any obligations of the Promoter contained in Part B of the Articles except for transfer restrictions as set out in Article 5 and the obligation to ensure that he/she shall exercise the voting rights attached to his/her Equity Securities in accordance with Part B of the Articles.
 - (iii) a transfer of Equity Securities by a Shareholder of the Company through an offer for sale as part of an IPO undertaken in terms of Clause 6 of these Articles, subject to Article 5.1(a) of the Articles.

- (iv) a transfer of Equity Securities held by the Promoters as part of a pre-IPO secondary sale prior to filing of the red herring prospectus with the jurisdictional Registrar of Companies in respect of an IPO, with prior intimation to the Investor, subject to Article 5.1(a) of the Articles.
- (b) Provided further that nothing herein shall apply to transmission of Equity Securities to legal heirs or successors of the Promoters and such legal heirs or successors shall not be bound by any obligations as may be applicable to the relevant Promoter whose legal heir or successors they may be. It is clarified that such legal heirs or successors shall however (a) be bound by transfer restrictions as set out in this Article 5, (b) ensure that they exercise the voting rights attached to their Equity Securities to give effect to the terms of Part B of the Articles and (c) be designated as a 'promoter', if required, to consummate an IPO/Qualified IPO under Article 6, if required under applicable Law.
- (c) Any agreement or arrangement to Transfer any Equity Securities other than in the manner set out in Article 5 shall be null and void. The Company shall not record any such Transfer or agreement or arrangement to Transfer on its books and shall not recognize or register any equitable or other claim to, or any interest in, such Equity Securities which have been Transferred in any manner other than as permitted under Article 5 and all such Transfers shall be deemed to be a breach of Part B of these Articles.
- (d) Notwithstanding the Transfer of Equity Securities by the Promoters to Permitted Transferees in accordance with Article 5, the Promoters shall, at all times, continue to be responsible for ensuring that all obligations of the 'Promoter' under Part B of these Articles are duly complied with.

6. EXIT

- 6.1 The Company shall use best efforts to consummate a Qualified IPO involving all or such portion of the Equity Securities held by the Investor and offered by the Investor, as permitted under applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended. The Board shall, with the prior written consent of the IPO Committee and in consultation with independent merchant bankers appointed for the Qualified IPO, and subject to such statutory guidelines as may be in force, decide on:
 - (a) The method of listing the Equity Securities, i.e., either:
 - (I) Through a public issue of fresh Equity Securities; or
 - (II) Through an offer of existing Equity Securities by some or all the Shareholders (an **"Offer of Existing Securities"**); or
 - (III) A combination of (I) and (II).
 - (b) The price and other terms and conditions of the Qualified IPO including size and structure of the Qualified IPO.
 - (c) The timing of the Qualified IPO.
 - (d) The stock exchanges on which the Equity Securities are to be listed.
- 6.2 Any such Qualified IPO shall be subject to the approval of the Investor.
- 6.3 The Promoters shall offer as many Equity Securities in the Qualified IPO as may be required, under Law, to enable the listing of Equity Securities of the Company, subject to the Investor offering (i) at least 50% (fifty per cent) of its shareholding in the Company for such listing

wherein under the applicable Law the Company is required to maintain a minimum public shareholding of 25% (twenty five percent) post listing , and (ii) 60% (sixty per cent) of its shareholding held by the Investor in the Company for such listing, wherein under the applicable Law the Company is required to maintain a minimum public shareholding of more than 25% (twenty five percent) post listing.

- 6.4 The Promoters and Investor hereby shall vote in favour of and to do all acts and deeds necessary for effecting the Qualified IPO. The Promoters, in the event of a Qualified IPO, shall offer such number of their Equity Securities for lock-in as may be required to meet the minimum lock-in requirements under the applicable SEBI regulations and guidelines. The Investor shall not be required to call itself, and the Company shall not refer to the Investor as “founder” or “promoter” in the offer documents or filings with the SEBI or any other Governmental Authorities, nor shall the Investor be required to offer any of such Investor's Equity Securities for such lock-in other than as required under applicable Law or by SEBI or any other Governmental Authority.
- 6.5 All fees and expenses required to be paid in respect of undertaking the Qualified IPO including in connection with any statutory filings, approvals and registration fees, listing fees, and fees payable to merchant bankers, underwriters, book-runners, issue registrars or any other intermediaries involved in any manner in relation to undertaking the Qualified IPO shall be borne and paid by the Company and the selling shareholders in accordance with applicable Laws and in such manner as may be agreed under the offer agreement that will be executed by the Company, BRLMs and the selling shareholders in relation to the Qualified IPO.
- 6.6 The Company and the Promoters shall indemnify the Investor to the maximum extent permitted under Law, against any Claim, arising out of or relating to any misstatements and omissions of the Company in any registration statement, offering document or preliminary offering document, and like violations of applicable securities Laws by the Company in connection with a public offering hereunder, other than with respect to information provided by the Investor, in writing, expressly for inclusion therein.
- 6.7 The Company and the Promoters shall make all the necessary applications and take all requisite steps to obtain all the relevant approvals/ Government authorizations, statutory or otherwise that are necessary for a Qualified IPO, and endeavor to complete the process of the Qualified IPO as required under applicable Law and/or as may be required by the lead merchant banker (such as permitting due diligence of the Company and other processes as may be customarily required for conducting a Qualified IPO for example, conducting road shows with adequate participation of senior management of the Company, entering into appropriate and necessary agreements, providing all required information and documents necessary to prepare the offer documents) and the Investor shall extend to the Company and the Promoters all reasonable co-operation required in this regard.
- 6.8 Neither the Investor nor the Investor Director(s) shall be required to execute any documents, undertakings or provide any warranties and/ or indemnities including to any lead merchant banker(s), stock exchanges, Governmental Authorities or brokers, other than as required under applicable Law or as may be reasonably necessary by a selling shareholder, if any, offered for sale by Investor in the Qualified IPO or as a Director of the Company, in connection with the said Qualified IPO.
- 6.8A. Notwithstanding the foregoing, and subject to Article 2.19, the Company and the Promoters may at any time offer for listing of its Equity Securities by any other means, subject to and in accordance with applicable Law.
- 6.9 **Secondary Sale**

If within the Exit Period 1, the Company does not or is unable to, for any reason, provide an exit to the Investor in accordance with Article 6.1, then within 6 (Six) months subsequent to the expiry of the Exit Period 1 (“**Exit Period 2**”), the Company and the Promoters shall, take all necessary steps to facilitate a secondary sale of all or such number of the Equity Securities held by the Investor, as the Investor requires, in favour of a Third Party identified by the Promoter at a price per share that is at least equal to the Exit Price and on terms and conditions acceptable to the Investor, it being clarified here that such terms and conditions acceptable to the Investor (acting reasonably) shall be agreed between the Investor and the Company (both acting reasonably) immediately prior to initiation of the process of such secondary sale by the Company.

6.10 **Exit Rights**

If within the Exit Period 2, the Company does not or is unable to, for any reason, provide an exit to the Investor in accordance with Article 6.9, then the Investor shall, by issuing a written notice (“**Exit Notice**”) to the Company at any time subsequent to the expiry of the Exit Period 2, have the right to exercise any of the following exit rights set out in Articles 6.10(i) and (ii) below, provided however that in the event the Company has offered a full exit to the Investor in accordance with Articles 6.1 to 6.8 (at such price which has been agreed upon by the IPO Committee and in consultation with the merchant bankers appointed for the Qualified IPO) or Article 6.9, and the Investor has either elected to not participate in such exit or the Investor elected to sell only part of the Equity Securities held by the Investor in such exit, then the Company shall be deemed to have fulfilled its obligations under Articles 6.1 to 6.9 and the Investor shall have no further right to require the Company and the Promoters to provide an exit or to comply with either Article 6.10 or Article 6.11.

(i) **IPO**

Call upon the Company and the Promoters to undertake an IPO which shall be either through (a) a fresh issue of Equity Shares, and/or (b) an offer for sale of the Equity Shares of the Investor and/or other Shareholders. The Company shall undertake all actions, and the Promoters undertake to use all their rights (including voting of its shares) in the Company to ensure that the Company takes all actions to facilitate such a suitable IPO. Such IPO shall be on terms and conditions as the Investor may deem reasonable and appropriate including at a price per share that is at least equal to the Exit Price and within 180 (One Hundred Eighty) days from the date of the Exit Notice.

(ii) **Buy-back**

- (a) To require the Company to buy-back the Equity Securities held by the Investor or any portion thereof (“**Buy Back Shares**”), in accordance with applicable Law, at a price per share that is equal to the FMV (“**Buy Back Price**”), within 180 (One Hundred Eighty) days from the date of the Exit Notice (“**Buy Back Exercise Period**”) (“**Buy Back Right**”).
- (b) The Company shall within Buy Back Exercise Period, buy back all the Buy Back Shares at the Buy-Back Price subject to and in accordance with applicable Law.
- (c) In the event that the Investor seeks to exercise its Buy Back Right, the Shareholders expressly agree to vote at Board and shareholder meetings in a manner so as to give effect to the buy back as contemplated in this Article and further with respect to Shareholders other than the Investor (i) agree, undertake and acknowledge that they will not have any right to participate in such buy-back and (ii) waive any right granted to each of them by operation of Law or otherwise to participate in such buy-back, until the Buy Back Shares have been bought back in full, in the manner stated herein.

6.11 **ROFO and Drag Sale**

- (i) In the event the Company is unable to provide exit to the Investor pursuant to the exercise of Exit Default Rights under Article 6.10 above within 180 (One Hundred Eighty) days from the date of the Exit Notice, then the Investor may offer its Equity Securities to the Promoters (“**ROFO Shares**”) who shall have the right of first offer in relation to such ROFO Shares (“**ROFO Right**”), in such manner and proportion, *inter se* the Promoters, as the Promoters may decide in their discretion. The process to be followed for the exercise of the ROFO Right is set out below:
 - (a) The Investor shall first give a written notice (“**ROFO Notice**”) to the Promoters. The ROFO Notice shall state the number of ROFO Shares proposed to be Transferred.
 - (b) The Promoters shall be entitled to respond to the ROFO Notice by serving a written notice (the “**ROFO Acceptance Notice**”) on the Investor prior to the expiry of 20 (twenty) days from the date of receipt of the ROFO Notice, specifying (i) the price at which the Promoter(s) (collectively or any one of them individually) proposes to exercise his/their right of first offer and acquire from the Investor all of the ROFO Shares (“**ROFO Price**”), and (ii) other proposed material terms and conditions of the proposed Transfer (“**ROFO Terms**”).
 - (c) On receipt of the ROFO Acceptance Notice, the Investor shall, at its own discretion, be entitled to Transfer all the ROFO Shares either (i) to the Promoter(s) issuing the ROFO Acceptance Notice at the ROFO Price and on the ROFO Terms, or in the event the ROFO Price or the ROFO Terms are not acceptable to the Investor, to a Third Party in the manner provided in Article 6.11(ii) and (iii), provided that Transfer to such a Third Party shall be either (a) at a price greater than the ROFO Price; or (b) on terms and conditions more favourable than the ROFO Terms.
- (ii) Subject to Article 6.11(i) and the Investor having provided the ROFO Right to the Promoters in accordance with Article 6.11(i) above, the Investor shall have the right to Transfer its Equity Securities to any Person (“**Drag Sale Purchaser**”) (such sale the “**Drag Sale**”), exercisable by written notice to the Company and the Promoters (“**Drag Along Notice**”), to require each of the Promoters to: (i) Transfer for value to such Drag Sale Purchaser up to 5% (five percent) of the Equity Securities then held by the Promoters, *provided that* the price (on a per Equity Security basis) offered to the Promoters shall be the same as that offered to the Investor (and in any event more than the ROFO Price or terms and conditions more favourable than the ROFO Terms); (ii) vote, as Shareholders of the Company and as holders of Equity Securities of the respective classes and series, in favour of a Drag Sale; and (iii) execute and deliver any and all agreements, certificates, deeds, instruments and other documents reasonably required in connection therewith and to take all other steps requested by the Investor to cause such Drag Sale to be consummated, including, as appropriate, exercising their best efforts to cause all Directors under their control or influence to vote, as Directors, to approve the Drag Sale.
- (iii) The Company and the Promoters agree to provide such access and information as may be requested by the Drag Sale Purchaser, co-operating in any due-diligence conducted by such Drag Sale Purchaser and providing such representations, warranties and related indemnities with respect to the operations of the Company that are same as the representations, warranties and related indemnities with respect to the operations of the Company as are provided to the Investor under the terms agreed in writing between the Company, Promoters and the Investor (subject to necessary modifications on account

of applicability of representations and warranties as on that date), in addition to the authority and title to the Equity Securities held by the Promoters.

- 6.12 All fees and expenses in respect of any exit to be provided to the Investor under this Article 6, including legal fees, accounting fees, merchant banker expenses, etc. shall be borne and paid by the Company, provided however, (i) in case of a Qualified IPO, such expenses shall be payable in accordance with Article 6.5; and (ii) in case of a successful consummation of a secondary sale in accordance with Article 6.9 or a drag sale in accordance with Article 6.11, the maximum amount payable by the Company under this Article 6.12 shall be not more than INR 20,000,000 (Indian Rupees Twenty Million)..
- 6.13 The Company and the Promoters shall facilitate any diligence that a Third Party buyer may wish to undertake in relation to the purchase of part or all of the Equity Securities held by the Investor in accordance with Article 6.
- 6.14 **Procedure for determination of FMV**
- (a) For the determination of FMV (wherever such term is used in Part B of the Articles), upon occurrence of the event requiring determination of the FMV, the Board shall promptly issue a notice to the Promoters and the Investor to appoint 2 (two) valuers from amongst the Big Five Firms (each such valuer referred to as an “**Independent Valuer**”), such that the Promoters shall appoint 1 (One) Independent Valuer (“**Promoter Valuer**”) and the Investor shall appoint 1 (One) Independent Valuer (“**Investor Valuer**”) to compute the FMV of the Equity Securities.
 - (b) Within 15 (Fifteen) days of receipt of notice from the Board, the Promoters and the Investor shall appoint the Investor Valuer and the Promoter Valuer respectively to compute the FMV of the Equity Securities (“**Preliminary Valuation**”) and deliver a valuation report (“**Preliminary Valuation Report**”) within a period of 1 (One) month of the date of their appointment (“**FMV Computation Date**”). The Promoters and the Investor shall bear the respective cost of the Independent Valuer appointed by them. *Provided that*, if either the Investor or the Promoters fail to appoint the Investor Valuer or Promoter Valuer (as the case may be) within the time period stipulated herein, the Independent Valuer, so appointed by the other party shall be deemed to be the sole authority to determine the FMV as per Article 6.14 and the FMV determined by the Independent Valuer, so appointed by the other party shall be the final and binding FMV.
 - (c) The Company shall provide all information as may be sought by the Promoter Valuer and the Investor Valuer; and provide all assistance and cooperation as may be required by the Promoter Valuer and the Investor Valuer, in relation to the determination of the FMV.
 - (d) In the event that the greater (in value) of the Preliminary Valuations (“**Greater Preliminary Valuation**”) is equal to or less than 120% (One Hundred Twenty Percent) of the lesser (in value) of the Preliminary Valuations (“**Lesser Preliminary Valuation**”), then the average of the 2 (Two) Preliminary Valuations shall be the FMV.
 - (e) In the event that the Greater Preliminary Valuation is greater than 120% (One Hundred Twenty Percent) of the Lesser Preliminary Valuation, then the Investor Valuer and the Promoter Valuer shall, within 7 (Seven) days from the FMV Computation Date, jointly select another Big Five Firm (not being either of the two Independent Valuers) or a valuer acceptable to the Investor and the Promoters (“**Third Valuer**”) to determine another FMV within a period of 30 (Thirty) days of such appointment.

- (f) The Company shall provide all information as may be sought by the Third Valuer and provide all assistance and cooperation as may be required by the Third Valuer, in relation to the determination of the FMV.
- (g) The average of the valuation determined by the Third Valuer and the valuation determined by the Independent Valuer which is the closest, in numerical terms, to the valuation of the Third Valuer, shall be the final and binding FMV. The cost of the Third Valuer shall be equally borne by the Investor and the Promoters.

6.15 In the event that the Company is unable to provide a full exit to the Investor in accordance with Article 6.10(ii) within the timeline thereunder solely on account of a restriction under the applicable Law, then the obligation on the Company to provide the exit shall be automatically extended till such time that a full exit can be provided to the Investor.

7. RIGHT OF INSPECTION

- 7.1 The Investor shall, at all times, by giving a notice of at least 10 (Ten) Business Days, be entitled to carry out inspection of site, accounts, documents, records, premises, and equipment and all other property of the Company or its Subsidiaries during normal working hours through its authorized representatives or agents at its own cost and the Company or its Subsidiaries shall use reasonable efforts to provide such information, data, documents, evidence as may be required for the purpose of and in the course of such inspection in connection therewith. All reasonable costs incurred in connection with such inspection shall be borne by the Investor conducting such inspection, provided that, any costs incurred in connection with any remedial action to be taken by the Company or its Subsidiaries (whether at the Investor's request or otherwise) pursuant to the inspection as mentioned herein above, shall be borne by the Company.
- 7.2 The Investor shall have the right to be kept informed and consult with the management of the Company with regard to any material developments in or affecting the Business, the Company or its Subsidiaries, to discuss business operations, analysis and market intelligence, market trends, properties and the financial or other condition of the Company or its Subsidiaries with its management and Directors, to consult with and advise the management on significant business issues and to regularly meet with the management during each year for such consultation and advice. The Investor shall also have the right to discuss the affairs of the Company or its Subsidiaries with the auditors, and the Company shall irrevocably authorize the auditors to communicate directly with the Investor at any time regarding the Company's or its Subsidiaries' accounts and operations.

8. INFORMATION RIGHTS

- 8.1 The Company shall deliver to the Investor (in relation to the Company and its Subsidiaries), the following information:
 - (i) As soon as practicable, but in any event within 180 (One Hundred and Eighty) days after the end of each Financial Year of the Company and its Subsidiaries, the audited Financial Statements;
 - (ii) As soon as practicable, but in any event within 45 (Forty-Five) days after the end of each quarter of each Financial Year of the Company and its Subsidiaries, unaudited quarterly management accounts;
 - (iii) As soon as practicable, but in any event within 90 (Ninety) days from the end of the preceding Financial Year, draft annual accounts of the Company and its Subsidiaries in the format prescribed by applicable Law;

- (iv) As soon as practicable, but in any event no later than 30 (Thirty) days prior to the beginning of the next each Financial Year, the draft Annual Budget for the next Financial Year;
- (v) As soon as practicable, but in any event within 30 (Thirty) days from the end of the preceding calendar month, monthly financial and operating management information system in a mutually agreed format;
- (vi) As soon as practicable, but in any event within 30 (Thirty) days from the end of the preceding calendar month, ESG related information;
- (vii) prompt notice of any event or circumstance having or reasonably expected to have a Material Adverse Effect;
- (viii) Copies of any reports filed by the Company and its Subsidiaries with any Governmental Authority including copies of all filings (including Tax returns) made with Governmental Authority or such other filings as may be requested by the Investor, from time to time;
- (ix) Such other information in relation to the Company, which in the opinion of the Promoters, has a significant impact on the Business of the Company and its Subsidiaries;
- (x) Prompt notice of any litigation / disputes / material adverse claims against the Company and its Subsidiaries that impedes or is likely to materially adversely affect its Business or assets or otherwise;
- (xi) As soon as practicable, but in any event within 30 (Thirty) days of such meeting, minutes of general meetings, Board Meetings and meetings of the committees of the Board; and
- (xii) any other information as such Investor may from time to time reasonably request.

8.2 The Financial Statements delivered under Article 8.1 shall be prepared in English and in accordance with applicable Law shall be signed by the respective Directors/ officers of the Company and or Subsidiaries as the case may be.

9. LIQUIDATION PREFERENCE

In the event of a Liquidity Event subject to applicable Law, the liquidation proceeds available for the Shareholders, shall be paid or distributed in the following manner:

- (i) The Investor shall first be entitled to receive an amount *pro-rata* to its shareholding in the Company (on a Fully Diluted Basis) on account of such common Equity Shares along with all due and unpaid dividends pertaining to such Equity Shares.
- (ii) After the amounts under sub-Article (i) above have been fully paid to the Investor, the remaining amounts in the proceeds available for distribution to the Shareholders shall be distributed to the other holders of common Equity Shares *pro-rata* to their shareholding in the Company (on a Fully Diluted Basis).

10. BORROWINGS & FUNDING

In the event the Company proposes to borrow funds from any Person, including but not limited to banks and financial institutions, the Investor shall not be asked, or be required to give any

warranties, letter of comfort and/or guarantees, of any nature whatsoever for any loans or with regard to any aspect of the business or functioning of the Company.

11. PLEDGE OF SHARES

The Investor shall not be required to pledge its Equity Securities or provide any support to any Third Party, including but not limited to lenders of the Company.

12. FINANCIAL ACCOUNTING AND AUDITS

12.1. Financial and accounting records: The Company shall and shall cause its Subsidiaries to maintain true and accurate financial and accounting records of all operations in accordance with applicable Law and the policies from time to time adopted by the Board. The Financial Statements and accounts of the Company and its Subsidiaries shall be prepared in English and shall be audited on an annual basis.

12.2. Statutory Auditors: The Company shall appoint and retain any of the Big Five Firms or such other auditing firm as may be approved by the Investor and the Promoters, as the statutory auditors of the Company, on the Closing Date, in accordance with applicable Law. Further, the Company shall cause the Subsidiaries to appoint one of the Big Five Firms or such other auditing firm as may be approved by the Investor and the Promoters, as their statutory auditor, for any Financial Year as required by the Investor.

13. COMPLIANCE WITH INVESTOR'S ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE ("ESG") REQUIREMENTS

The Investor adheres to the Global Impact Invest Rating System ("GIIRS") and have developed an Environment and Social ("E&S") policy in accordance with the International Finance Corporation's ("IFC") policies and procedures for social and environmental considerations for private equity funds. In line with the Investor's E&S policy, the Company shall:

- (i) Comply with all applicable, local, regional, national and international laws and regulations (as are applicable to the Company) at all times;
- (ii) Cooperate with the Investor's representatives in conducting due diligence related to ESG issues, at the cost and expense of the Investor;
- (iii) Undergo a preliminary and annual GIIRS Rating, costs in respect of which shall be borne by the Investor;
- (iv) Provide its full cooperation and shall, jointly with the Investor's representatives, undertake the following actions:
 - (a) Identifying and agreeing upon key performance indicators ("KPIs") related to ESG issues;
 - (b) Implementing initiatives to meet agreed upon ESG related KPIs;
 - (c) Improving ESG performance if it is unable to fulfil agreed upon ESG KPIs at any time from the Closing Date to the date of complete exit of the Investor from the Company; and

- (d) Track, measure and report data on ESG metrics and Environmental and Social Action Plan (ESAP) on a quarterly and annual basis as per the Investor's E&S policy, a copy of which shall be provided to the Company.

14. EVENTS OF DEFAULT

- 14.1 Upon occurrence of an Event of Default, the Investor shall, in addition to its other rights hereunder, have the right to seek an exit from the Company in the manner contemplated in Article 6 above on an immediate and accelerated basis, at any time notwithstanding the non-expiry of the Exit Period 1.
- 14.2 The Investor shall be entitled to all the rights and remedies (including right to claim damages) which are available to the Investor under Law, equity or otherwise including such other rights and remedies as may be mutually agreed in writing between the Company, the Promoters and the Investor provided that the Investor has not exercised its rights under Article 14.1, and the same has been duly honored by the Company and the Promoters.

15. NO ASSIGNMENT

- 15.1 Subject to the provisions of Part B of these Articles and except as may be permitted under Part B of these Articles, the Company or the Promoters shall not be permitted to assign the rights under Part B of the Articles to any Person (including Affiliates) without the prior written approval of the Investor. The Promoters shall not be permitted to assign any of their obligations or management/governance rights under Part B of the Articles, without the prior written approval of the Investor.
- 15.2 Notwithstanding anything to the contrary in Part B of these Articles, the Investor may, at its sole discretion, assign any of its rights under Part B of these Articles to the Investor Transferee(s) in connection with a Transfer of Equity Securities, provided that
 - (a) such Investor Transferee(s) shall execute a Deed of Adherence.
 - (b) For the purposes of Part B of these Articles, all the Equity Securities held by the Investor and the Investor Transferee from time to time, shall be treated as a single block and the Investor and the Investor Transferee(s) shall be entitled to all of the rights and shall be subject to all of the obligations of the 'Investor' under Part B of these Articles, as a single block. In the event that the Investor ceases to hold the Equity Securities in the Company, the Investor Transferee(s) shall continue to be entitled to all of the rights of the 'Investor' under Part B of these Articles (as a single block) and any references to Investor hereunder shall be deemed to include a reference to such Investor Transferee(s).

16. SUPERIOR RIGHTS

In the event any Person who invests in the Company is offered rights, including those relating to voting, dividends, transfer of Equity Securities, liquidation preference and further issues of Equity Securities, the Company and the Promoters shall undertake all acts as may be necessary to ensure that (a) the Investor continues to enjoy all rights granted under Part B of these Articles to the Investor; and (b) the rights of the Investor towards the Affirmative Voting Matters and exit under Article 6 shall remain unaffected and/or the exercise of such rights by the Investor will not require any consent of such new investor.

17. SUBSIDIARY

Unless stated otherwise in Part B of these Articles, any and all rights available to the Investor in or with respect to the Company under Part B of the Articles, including, without limitation, the right under Articles 2.2(i) and (ii), shall be also available to the Investor in the Company's Subsidiaries, applied *mutatis mutandis*, and the Company and Promoters shall procure that the Company's Subsidiaries comply with such related obligations.

The Company shall ensure that all of the rights, preferences and privileges of the Investor which are contained in Part B of these Articles, including all management principles set out in Part B of these Articles, shall be continuously made applicable to each of the future Subsidiaries of the Company and shall form part of the memorandum and articles of association or other charter documents of such Subsidiaries within the timelines agreed in writing by and among the Company, Promoters and the Investor till such time the Investor holds any Equity Security in the Company.

18. ARTICLES CEASING TO HAVE EFFECT

18.1 Part B of these Articles shall cease to have effect after issuance of a notice in writing of at least 30 (Thirty) days, upon the happening of any of the following events, in the manner and to the extent stated below:

- (i) With respect to a Shareholder, upon such Shareholder (and its Permitted Transferee(s) or Investor Transferee(s) (as applicable)) ceasing to hold any Equity Securities (in the manner permitted hereunder); or
- (ii) With respect to all Shareholders, on all the Shareholders and the Company agreeing regarding cessation of Part B of these Articles mutually.

18.2 Part B of these Articles shall cease to have effect immediately from the date of filing of the red herring prospectus of the Company with the jurisdictional Registrar of Companies in respect of an IPO or an earlier date as may be prescribed or suggested by the Securities and Exchange Board of India.

19. TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE

19.1 The Executive Committee shall, before the start of each Financial Year, review and approve the Annual Budget prepared by the management of the Company for that Financial Year.

19.2 The Executive Committee shall oversee the evaluation of Company's and its Subsidiaries' periodic (monthly / quarterly/ half yearly / yearly) performance to ensure achievement of the budget and goals, and recommend action points or corrective measures including any change to the Annual Budget to the Board;

19.3 The Executive Committee shall identify, review and approve the capital expenditure items which are not included in the Annual Budget for any Financial Year.

19.4 Any other business or strategic related matters.

20. GOVERNING LAW

Part B of these Articles and the relationship between the Company, Promoters and the Investor shall be governed by, and interpreted in accordance with, the laws of India. Subject to Article 21, the courts in New Delhi shall have exclusive jurisdiction over all matters arising pursuant to Part B of these Articles.

21. DISPUTE RESOLUTION

21.1 Notice

In the event any of the Company, Promoters or the Investor is in breach of any of the terms of Part B of these Articles, the other party(ies) may serve written notice to require the defaulting party in breach to cure such breach within 45 (forty five) Business Days of the receipt of such written notice thereof.

21.2 Amicable Resolution

In the case of any dispute or claim arising out of or in connection with or relating to Part B of these Articles, or a breach (where such breach has not been cured by the party in breach within 45 (forty five) Business Days of a written notice thereof) or invalidity hereof, the Company, Promoters and the Investor shall attempt to first resolve such dispute or claim through discussions amongst each other.

21.3 Arbitration

If the dispute is not resolved through such discussions within 45 (forty five) Business Days, then such dispute shall be referred, at the request in writing of any of the Company, Promoters and the Investor, who is a party to the dispute, to and finally resolved by arbitration in accordance with the international arbitration rules of the Singapore International Arbitration Centre ("SIAC"), in force at the relevant time ("**Rules**") (which are deemed to be incorporated into Part B of these Articles by reference). Part B of these Articles and the rights and obligations of the Company, Promoters and the Investor contained in Part B of these Articles shall remain in full force and effect pending issuance of the award in such arbitration proceedings, which award, if appropriate, shall determine whether and when any cessation of Part B of these Articles shall become effective. The arbitration shall be by a panel of 3 (Three) arbitrators, each of whom shall be appointed by the SIAC and not by the Company, Promoters and the Investor, unless the parties mutually agree to appoint a common arbitrator.

21.4 The seat, or legal place of arbitration shall be Singapore and any award shall be treated as an award made at the seat of the arbitration. The venue of arbitration shall be New Delhi. The language to be used in the arbitral proceedings shall be English.

21.5 Any arbitral award rendered in accordance with this Article 21 shall be enforceable by a court in New Delhi, including (if and to the extent determined by the arbitral tribunal) by injunctive relief or order for specific performance.

21.6 Good Faith

Each of the Company, Promoters and the Investor shall co-operate in good faith to expedite (to the maximum extent practicable) the conduct of any arbitral proceedings commenced under Part B of these Articles.

21.7 Costs

Each of the Company, Promoters and the Investor, who are a party to arbitration proceedings shall pay its own legal fees and expenses incurred in connection with the arbitration and the expenses of any witness produced by it. All other expenses of the arbitrators and the expenses of any witness or the cost of any proof produced at the request of the arbitrator shall be borne as determined by the SIAC.

21.8 Final and Binding

By agreeing to arbitration in accordance with this Article 21, the Company, Promoters and the

Investor undertake to abide by and carry out any award promptly and any award shall be final and binding on the Company, Promoters and the Investor.

21.9 Interim Relief

Nothing shall preclude either of the Company, Promoters or the Investor from seeking interim or permanent equitable or injunctive relief, or both, from a court in New Delhi.