

# **NARAYANA HRUDAYALAYA LIMITED**



THE COMPANIES ACT, 2013

AND

THE COMPANIES ACT, 1956 (AS APPLICABLE)

COMPANY LIMITED BY SHARES

\*ARTICLES OF ASSOCIATION

OF

NARAYANA HRUDAYALAYA LIMITED  
(THE "COMPANY")

***The Articles of Association of the Company comprises of two parts, Part I and Part II. Until the date of listing of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited, subsequent to an initial public offering of the Equity Shares, Part II of these Articles shall prevail and Part I shall not have any force and effect. Further, on the date of listing of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited, subsequent to an initial public offering of the Equity Shares, Part II shall automatically terminate and cease to have any force and effect and Part I shall prevail without any further action by the Company or by the Shareholders.***

## **PART I**

### **1. CONSTITUTION OF THE COMPANY**

- a) The regulations contained in table "F" of Schedule I to the Companies Act, 2013 shall apply to the Company only in so far as the same are not provided for or are not inconsistent with these Articles.
- b) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

### **2. INTERPRETATION**

#### **A. DEFINITIONS**

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- (a) **"Act"** means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof, and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under.
- (b) **"ADRs"** shall mean American Depository Receipts representing ADSs.
- (c) **"Annual General Meeting"** shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.
- (d) **"ADR Facility"** shall mean an ADR facility established by the Company with a depository bank to hold any Equity Shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

**\*Restated Articles of Association adopted at the A.G.M held on 08<sup>th</sup> August 2015 consequent upon conversion into Public Company.**

- (e) **“ADSS”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- (f) **“Affiliate”** of any specified Person means, with respect to:
  - (i) a specified person that is not an individual, any other Person controlling or controlled by or under common control with such specified Person, and with respect to any specified investment fund, any other investment funds owned, and / or sponsored and managed, and / or sponsored and advised by the same Person that owns and / or sponsors and manages and / or sponsors and advises such specified investment fund;
  - (ii) DS, any body corporate or entity that is wholly-owned by DS; and
  - (iii) SS, any body corporate or entity that is wholly-owned by SS; and
  - (iv) Sponsors, any body corporate or entity that is wholly owned by SS and DS together;

provided that neither the Company nor any Group Entity shall be considered as the Affiliate of any Shareholder. For the purposes of this definition, **control** when used with respect to any Person means the power to direct the management and policies of such Person whether through the ownership of voting securities or rights, by contract, or otherwise; and the terms **controlling** and **controlled** shall be construed, accordingly. For the avoidance of doubt, (i) an Affiliate of the PineBridge Investors shall be deemed to include PineBridge Investments Asia Limited and its Affiliates, (ii) an Affiliate of the JPM Investor shall be deemed to include JPMorgan Special Situations Asia Corporation and its Affiliates, and (iii) an Affiliate of CDC shall be deemed to include all direct and indirect wholly owned subsidiaries of CDC Group;

- (g) **“Articles”** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- (h) **“Associate Company”** shall mean each of NIARPL, NHPL and the Managed Entities.
- (i) **“Auditors”** shall mean and include those persons appointed as such for the time being by the Company.
- (j) **“Board”** shall mean the board of directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- (k) **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

- (l) **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of sub-section (1) of Section 2 of the Depositories Act.
- (m) **CDC** means collectively, CDC Group, CDC India Opportunities and any Affiliate of CDC that acquires any Company Securities in accordance with the terms of the Agreement and these Articles;
- (n) **“Capital” or “Share Capital”** shall mean the authorized share capital of the Company.
- (o) **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.
- (p) **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), to the extent that such provisions have not been superseded by the Companies Act, 2013 or de-notified.
- (q) **“Company” or “this Company”** shall mean **NARAYANA HRUDAYALAYA LIMITED**.
- (r) **“Committees”** shall have the meaning ascribed to such term in Article 74.
- (s) **“DS”** means Dr. Devi Shetty, residing at Narayana, 393 Cross lane, 3<sup>rd</sup> block, 13<sup>th</sup> Main, Koramangala, Bangalore 560 034;
- (t) **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- (u) **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- (v) **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act.
- (w) **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.
- (x) **“Dividend”** shall include interim dividends.
- (y) **“Elected Residue Equity Shares”** shall have the same meaning ascribed to such term in Article 17(a)(ii)(D).
- (z) **“Encumbrance”** shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any

interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

- (aa) **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.
- (bb) **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR **10/- (Rupees 10)** per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.
- (cc) **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- (dd) **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.
- (ee) **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- (ff) **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the Equity Share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for Equity Shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof.
- (gg) **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- (hh) **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- (ii) **“Group Entities”** shall mean the Owned Entities and the Managed Entity and Group Entities shall mean any of them.
- (jj) **“IPO”** means admission to trading of the Equity Shares on any Recognised Stock Exchange;

- (kk) **“Independent Director”** shall mean an independent director as defined under the Act and under clause 49 of the Listing Agreement.
- (ll) **“India”** shall mean the Republic of India.
- (mm) **“Investors”** mean the PineBridge Investors, the JPM Investor and CDC collectively and the term **Investor** shall be construed accordingly;
- (nn) **“Investment Agreement”** shall mean the agreement dated January 28, 2008 between PineBridge Investors, JPM Investor, DS, SS, NHAPL and the Company.
- (oo) **“Investor Elected Shares”** shall have the meaning ascribed to such term in Article 17(a)(ii)(B)(II).
- (pp) **“Investors Tag-along Notice”** shall have the meaning ascribed to such term in Article 17(a)(ii)(A).
- (qq) **“Investors Tag-along Shares”** shall have the meaning ascribed to such term in Article 17(a)(ii)(A).
- (rr) **“Investors Transfer Notice”** shall have the meaning ascribed to such term in Article 17(a)(ii)(D).
- (ss) **“Investors Unelected Shares”** shall have the meaning ascribed to such term in Article 17(a)(ii)(A).
- (tt) **JPM Investor** means JP Morgan Mauritius Holdings IV Limited, a company established under the laws of Mauritius, and having its registered office at 10, Frere Felix de Valois St., Port Louis, Mauritius
- (uu) **“Law/Laws”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- (vv) **“Listing Agreement”** means the agreement entered into with the stock exchanges in India, on which a Company’s Equity Shares are listed.
- (ww) **“Managing Director”** shall have the meaning assigned thereto by Section 2(54) of the Act.
- (xx) **“Managed Entity”** shall mean any of the Rabindranath Tagore International Institute of Cardiac Sciences at 124, Mukundapur (EM bypass), Kolkata 700 091,

Armenian Church Trauma Centre located at 124, Mukundapur (EM bypass), Kolkata 700 091, R. C Agarwal Memorial Hospital and Research Centre in Tinsukia, Assam and any other hospitals managed by the Company, the Associated Companies or the Managed Entity in the future, but excludes Rotary Narayana Nethralaya (“RNN”) located at CN-5, Salt Lake, Kolkata 700 091, Asia Health Foundation (“AHF”), a public charitable trust established at Kolkata (and includes all hospitals that may be owned, controlled and/or managed by AHF on and after the date of the Investment Agreement) obtains authorization for the Company to operate and manage RNN.

- (yy) “MCA” shall mean the Ministry of Corporate Affairs, Government of India.
- (zz) “Mazumdar Shaw Group” means any one or more of (i) Kiran Mazumdar Shaw, wife of J.M.M. Shaw, aged about 54 years, residing at ‘Glenmore’, Survey #58, Gollimangala Village, Sarjapura Hobli, Anekal Taluk, Bangalore, (ii) J.M.M. Shaw, son of John Shaw, aged about 58 years, residing at ‘Glenmore’, Survey #58, Gollimangala Village, Sarjapura Hobli, Anekal Taluk, Bangalore and, (iii) the respective heirs, legal representatives, or successors of Kiran Mazumdar Shaw or J.M.M. Shaw, including any trusts that receive testamentary bequests of any Shares held by the Mazumdar Shaw Group;
- (aaa) **Mazumdar Shaw Equity Shares** means issued and fully paid-up 8,135 Equity Shares of the Company, to be acquired from the Promoters free from all Encumbrances by one or more members of the Mazumdar Shaw Group, or their Affiliates;
- (bbb) “Memorandum” shall mean the memorandum of association of the Company, as amended from time to time.
- (ccc) “NHAPL” shall mean Narayana Health Academy Private Limited.
- (ddd) “Office” shall mean the registered office for the time being of the Company.
- (eee) “Officer” shall have the meaning assigned thereto by Section 2(59) of the Act.
- (fff) “Ordinary Resolution” shall have the meaning assigned thereto by Section 114 of the Act.
- (ggg) “Owned Entities” shall mean any of the Company, Narayan Institute for Advanced Research Private Limited (“NIARPL”), Narayana Hospitals Private Limited (“NHPL”), and any entities owned by the Company, the Associate Companies or the Owned Entities in the future and Owned Entities shall mean all of them.
- (hhh) “Paid-up” shall include the amount credited as paid up.
- (iii) “Person” shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust,

association or other entity (whether registered or not and whether or not having separate legal personality).

- (jjj) **PineBridge Investors** means (i) Ashoka Investment Holdings Limited, a company established under the laws of Mauritius, and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius; and (ii) Ambadevi Mauritius Holding Limited, a company established under the laws of Mauritius, and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius, together
- (kkk) **“Promoter Connected Person”** means any wholly-owned company of the Promoters, in which Dr. Devi Prasad Shetty owns more than fifty (50) percent of the issued and paid-up share capital;
- (lll) **“Promoters”** shall mean to include Dr. Devi Prasad Shetty and Mrs. Shakuntala Shetty.
- (mmm) **“Promoter Transfer Notice”** shall have the meaning ascribed to such term in Article 17(a)(i).
- (nnn) **“Purchaser”** shall have the meaning ascribed to such term in Article 17(a)(i).
- (ooo) **“Purchase Price”** shall have the meaning ascribed to such term in Article 17(a)(i).
- (ppp) **“Register of Members”** shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act.
- (qqq) **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- (rrr) **“Relevant Proportion”** means, in the case of each Shareholder, such percentage as equates to the total number of Equity Shares held by such Shareholder as a percentage of the total number of Equity Shares then issued and outstanding save that if the expression “Relevant Proportion” is used in the context of some (but not all) of the Shareholders, it shall mean such percentage as equates to the total number of Equity Shares held by such Shareholder as a percentage of the total number of Equity Shares held by the Shareholders to whom the context refers (**Relevant Shareholder**);
- (sss) **“Residue Election Notice”** shall have the same meaning ascribed to such term in Article 17(a)(ii)(D).
- (ttt) **“Residue Equity Shares”** shall have the same meaning ascribed to such term in Article 17(a)(ii)(D).
- (uuu) **“Residue Equity Shares Notice”** shall have the same meaning ascribed to such term in Article 17(a)(ii)(D).



- (vvv) **“Revised Shares”** shall have the same meaning ascribed to such term in Article 17(b).
- (www) **“Rules”** shall mean the rules made under the Act and notified from time to time.
- (xxx) **“SS”** means Ms. Shakuntala Shetty, residing at Narayana, 393 Cross lane, 3<sup>rd</sup> block, 13<sup>th</sup> Main, Koramangala, Bangalore 560 034;
- (yyy) **“Sale Shares”** shall have the meaning ascribed to such term in Article 17(a)(i).
- (zzz) \*\*
- (aaaa) **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- (bbbb) **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.
- (cccc) **“Securities”** shall mean any Equity Shares, scrips, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.
- (dddd) **“Seller”** shall have the meaning ascribed to such term in Article 17(a)(i).
- (eeee) **“Seller Original Shares”** shall have the meaning ascribed to such term in Article 17(a)(ii)(C).

*\*\* Article 2(zzz) deleted vide the special resolution passed at the 17<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> August 2017*

- (ffff) **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- (gggg) **“Shareholder”** shall mean any shareholder of the Company, from time to time.
- (hhhh) **“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

- (iii) **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.
- (jjj) **“Sponsors”** means DS and SS together and the term **Sponsor** refers to any one of them;
- (kkk) **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any Equity Shares, Securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such Equity Shares, Securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Equity Shares, Securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such Equity Shares, Securities (including convertible securities) or voting interests or any interest therein, and the word **“Transferred”** shall be construed accordingly.
- (lll) **“Tribunal”** shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

## B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (a) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- (b) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (c) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- (d) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (e) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.

- (f) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (g) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (h) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (i) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (j) References to any particular number or percentage of Securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (k) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

### **3. EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

### **4. SHARE CAPITAL**

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time and the Company may sub-divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Equity Shares, apportion the right to participate in profits in any manner as between the Equity Shares resulting from the sub-division.
- (b) The Company has power, from time to time, to increase or reduce its authorised

or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles.

- (c) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (d) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (e) The Board may, subject to the relevant provisions of the Act, allot and issue Equity Shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Equity Shares which may be so allotted may be issued as fully/partly Paid-up Equity Shares and if so issued shall be deemed as fully/partly Paid-up Equity Shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (f) The amount payable on application on each Equity Share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (g) Nothing herein contained shall prevent the Directors from issuing fully Paid-up Equity Shares at par or at premium, either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (h) Except so far as otherwise provided by the conditions of issue or by these presents, any Share Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (i) All of the provisions of these Articles shall apply to the Shareholders.
- (j) Any application signed by or on behalf of an applicant for Equity Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Equity Shares within the meaning of these Articles and every person who thus or otherwise accepts any Equity Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.

- (k) The money, (if any), which the Board shall, on the allotment of any Equity Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Equity Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

## **5. BRANCH OFFICES**

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places as its Board may deem fit.

## **6. PREFERENCE SHARES**

### **(a) Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

### **(b) Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

## **7. PROVISIONS IN CASE OF PREFERENCE SHARES.**

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall have been provided for out of

the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;

- (d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.

## **8. SHARE EQUIVALENT**

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

## **9. ADRS/GDRS**

The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of special resolution, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

## **10. ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;

- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares:

*Provided* that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

- (c) convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;
- (d) sub-divide its existing Equity Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel its Equity Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

#### **11. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

#### **12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or a special resolution of the Shareholders, as the case may be, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with rules made there under from time to time, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

#### **13. POWER TO MODIFY RIGHTS**

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 106 and 107 of the Companies Act, 1956 and applicable Laws, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of

that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.

#### **14. REGISTERS TO BE MAINTAINED BY THE COMPANY**

- (a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
  - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
  - (ii) A register of Debenture holders; and
  - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

#### **15. SHARES AND SHARE CERTIFICATES**

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:
  - (i) is proved to have been lost or destroyed; or
  - (ii) has been defaced, mutilated or torn; and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing Equity Shares, rematerialize its Equity Shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed there under, if any.
- (d) \*\*A certificate, signed by two directors duly authorised by the Board and the Company Secretary, specifying the Equity Shares held by any Person shall be *prima facie* evidence of the title of the Person to such Equity Shares. Where the Equity Shares are held in depository form, the record of Depository shall be the *prima facie* evidence of the interest of the beneficial owner.



- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate 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 the applicable provisions of the Act and Law.

- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be

*\*\* Amended vide the special resolution passed at the 17<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> August 2017*

consecutively machine-numbered and the forms and the blocks, engravings, facsimiles

and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of

this Article.

- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (m) If any Equity Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Equity Shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Equity Shares, and for all incidents thereof according to these Articles.
- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

## **16. SHARES AT THE DISPOSAL OF THE DIRECTORS**

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the

Articles require or fix for the payment thereof.

- (d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
- (i) \*\*Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the signature of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees fifty per certificate.
  - (ii) Every Shareholder 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 may from time to 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 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.
  - (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## 17. INVESTOR'S TAG ALONG

- (a) The Promoters of the Company agree with the Investors for the following:
  - (i) before transferring or disposing of any of their respective Equity Shares, whether directly or indirectly, to any Person other than the other Promoter or any Promoter Connected Person ("**Purchaser**"), the transferring Promoter ("**Seller**") shall give a written notice to each of the Investors ("**Promoter Transfer Notice**") that specifies:

\*\* Amended vide the special resolution passed at the 17<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> August 2017

- (A) the number of Shares (the "**Sale Shares**") that a Purchaser has indicated that it wishes to acquire; and
- (B) details of the offer to purchase the Sale Shares received from the Purchaser including the name of the Purchaser, the price per Share offered by the Purchaser for the Sale Shares (including, where such price comprises non-cash consideration, the Seller's certification of the cash value thereof) (the "**Purchase Price**") and the other terms of the transfer (including payment terms);
- (ii) the Seller shall not be entitled to transfer any Sale Shares to the Purchaser unless the Purchaser's offer is on bona fide arms length terms and the Seller complies with, and procures that the Purchaser complies with, the following provisions:
  - (A) Each Investor shall have the option, exercisable by notice in writing to the Seller and the other Investors within twenty (20) business days of the date of receipt of the Investor Transfer Notice, to transfer in the sale to the Purchaser, as part of the total number of Sale Shares, at the Purchase Price, up to a maximum number of Shares as is equal to the Investor Tag-along Shares ("**Investor Tag-along Notice**"). For the purposes of these Articles, the "**Investor Tag-along Shares**" means, subject to Articles 17 (a)(ii)(D) and 17(b):

- (I) where only one Investor serves an Investor Tag-along Notice, such number of Equity Shares held by the Investor and its Affiliates as is obtained by multiplying the total number of Equity Shares held by the Investor and its Affiliates at the date of the Investor Tag-along Notice by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be the total number of Equity Shares less (1) the Mazumdar Shaw Equity Shares, (2) the Shares held by Narayana Health Academy Private Limited (“**NHAPL**”) and (3) the number of Equity Shares held by the remaining Investors and their respective Affiliates; or
  - (II) where two Investors serve an Investor Tag Along Notice, up to such number of the Equity Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Equity Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Shares less (1) the Mazumdar Shaw Equity Shares (2) the Equity Shares held by NHAPL and (3) the number of Equity Shares held by the Investor that has not delivered the Investor Tag Along Notice; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Equity Shares vis a vis the other Investor;
  - (III) Where all the Investors serve an Investor Tag Along Notice, up to such number of the Equity Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Equity Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Equity Shares less the Mazumdar Shaw Equity Shares and less the Equity Shares held by NHAPL; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Equity Shares vis a vis the other Investors in the Company.
- (B) Any Investor Tag-along Notice delivered in accordance with Article 17(a)(ii)(A) must specify:
- (I) the maximum number of Equity Shares the Investor is entitled to transfer calculated in accordance with

Articles 17(a)(ii)(A)(I), (II) and (III); and

- (II) the actual number of Equity Shares the Investor wishes to transfer in each case (being the “**Investor Elected Shares**” which number shall, for the avoidance of doubt, not exceed the maximum number of Equity Shares calculated pursuant to the relevant Article),

and shall constitute an irrevocable offer to sell the applicable number of the Investor Tag-along Shares to the Purchaser at the Purchase Price.

- (C) If an Investor delivers an Investor Tag-along Notice within twenty (20) Business Days of the date of receipt of the Promoter Transfer Notice, the number of Sale Shares the Seller shall be entitled to transfer to the Purchaser shall be reduced by the sum of the number of the Investor Elected Shares (if any) and the number of Investor Residue Shares (as defined in Article 17(a)(ii)(D) below)(if any), such reduced number of Equity Shares being the “**Seller Original Shares**”. Further, the Seller shall not be entitled to transfer any Seller Original Shares to the Purchaser unless the Purchaser also concurrently completes the purchase of the Investor Elected Shares and Residue Shares (if any). Any transfer of any Seller Original Shares without a concurrent purchase by the Purchaser of the applicable number of Investor Elected Shares and Residue Shares (if any) in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

- (D) In the event that more than one Investor serves an Investor Tag-Along Notice and with respect of an Investor, if the Investor Elected Shares are less than the Investor Tag Along Shares of that Investor (“**Investor Unelected Shares**”) then, the Seller shall, within two (2) Business days of receipt of the last Investor Tag Along Notice, give a written notice to each of the remaining Investors that have already elected to transfer their entire Investor Tag Along Shares, that they are entitled to transfer an additional number of Equity Shares to the Purchaser in addition to their respective Investor Elected Shares already notified in the Investor Tag-along notice (such notice being the “**Residue Equity Shares Notice**” and such additional number of Equity Shares being the “**Residue Equity Shares**”) and states the number of Residue Shares. The Residue Shares in respect of each remaining Investor shall be calculated as follows:

$$RS = IUS \times IS / (SH-USI)$$

where,

RS = the Residue Equity Shares;

IUS = the Investor Unelected Equity Shares;

IS = the total number of Equity Shares held by the Investor receiving the Residue Equity Share Notice and its Affiliates;

SH = the total number of Equity Shares less the Mazumdar Shaw Equity Shares and less the Equity Shares held by NHAPL; and

USI = the total number of Equity Shares held by the Investor and its Affiliates whose Investor Elected Equity Shares is less than the Investor Tag Along Shares with respect to it.

The Investors receiving a Residue Equity Shares Notice shall have the option, exercisable by notice in writing to the Seller and the other Investors, within five (5) Business Days of the date of receipt of the Residue Equity Shares Notice to transfer in the sale to the Purchaser such number of Equity Shares in addition to the Investor Elected Shares as is equal to the Residue Equity Shares. Such notice (the “**Residue Election Notice**”) shall specify the number of Residue Equity Shares such Investor wishes to transfer (the “**Elected Residue Equity Shares**”). The Residue Election Notice shall constitute an irrevocable offer to sell the Elected Residue Equity Shares to the Purchaser at the Purchase Price.

- (b) In the event prior to completion of the transfer of the Sale Shares in accordance with this Article 17, the Purchaser notifies the Seller that it wishes to either increase or decrease the number of Sale Shares it is prepared to acquire from the Seller (such number of Equity Shares being the “**Revised Shares**”), any Promoter Transfer Notice, Investor Tag-along Notice, Residue Equity Shares Notice, Residue Election Notice served in respect of the original number of Sale Shares shall be immediately disregarded and have no further effect, and if the Seller wishes to transfer all or some of the Revised Shares to the Purchaser, the Seller shall be required to send a new Promoter Transfer notice in respect of the Revised Shares it is prepared to transfer. In such event the procedure following the issue of a Promoter Transfer Notice detailed in Articles 17(a) and 17(b) shall be followed in respect of the Revised Shares the Seller is prepared to transfer.

- (c) Notwithstanding anything else contained in these Articles but subject to Article 17 (d) and without prejudice to the following:
- (i) the Promoters shall hold and maintain the legal and beneficial right, title and interest in and to not less than an aggregate of fifty one (51) per cent of the Equity Shares and voting rights of the Company and an aggregate shareholding percentage of not less than fifty one (51) per cent;
  - (ii) neither of the Promoters shall create or permit to subsist any Encumbrance, over all or any part of the Promoters' interest in his/ her respective Equity Shares that would result in the un-Encumbered aggregate shareholding percentage of the Promoters falling below fifty one (51) per cent;
  - (iii) without prejudice to the provisions of Article 17(c)(i) and Article 17(c)(ii), disposal of Equity Shares by the Promoters shall be subject to the respective tag-along rights of the each of the Investors as set out in Article 17; and
  - (iv) subject to Article 17(c) above, the Promoters shall be entitled to Encumber only such number of their Equity Shares that when taken together with other previously Encumbered Shares of the Promoters will not result in the aggregate shareholding percentage of the Promoters, such shareholding percentage calculated on the basis of Equity Shares of the Promoters which are not Encumbered, falling below the shareholding percentage threshold specified in Article 17(c)(i).

if, as a result of the completion of any transaction disclosed in an Investor Transfer Notice (but not as a result of an IPO), the aggregate shareholding percentage of the Promoters will fall below fifty one (51) per cent, each Investor shall each have the right (but not the obligation) to sell up to a maximum of their entire shareholding to the relevant Purchaser in accordance with the terms of Article 17(a) and Article 17(b) respectively and, to the extent an Investor elects to exercise such right, the Promoters shall procure that, at the same time as the relevant Purchaser acquires the Seller's Equity Shares, the relevant Purchaser purchases such number of the relevant Investor's Equity Shares as notified by the relevant Investor to the Promoters in writing. Any transfer of any Seller's Equity Shares without a concurrent purchase by the Purchaser of the applicable number of Investor's Shares in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

- (d) The threshold referred to in Article 17 (c) shall not apply in the event that the aggregate shareholding percentage of the Promoters falls below fifty one (51) per cent as a result of an IPO.



## **18. UNDERWRITING AND BROKERAGE**

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

## **19. CALLS**

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by instalments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders

who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or instalment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by instalments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole

or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon; provided that the 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.

- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

## **20. COMPANY'S LIEN:**

### **A. On shares:**

- (a) The Company shall have a first and paramount lien:
  - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
  - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

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

- (b) Company's lien, if any, on the shares, (not being a fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares (not being a fully paid share). The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell such partly Paid-up

shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 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.

The net proceeds of any such 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. 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.

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

**B. On Debentures:**

- (a) The Company shall have a first and paramount lien:
  - (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
  - (ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures (not being a fully paid Debenture), shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall

operate as a waiver of the Company's lien, if any, on such Debentures (not being a fully paid Debenture). The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

- (d) For the purpose of enforcing such lien, the Board may sell such partly paid Debentures, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale of such Debentures.

Provided that no sale of such Debentures shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 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 Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such 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. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

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

## **21. FORFEITURE OF SHARES**

- (a) If any Shareholder fails to pay any call or instalment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been

incurred by the Company by reason of such non-payment.

- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or instalment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or instalment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, instalments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, cease to be a shareholder of the Company and notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

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

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
  - (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
    - a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - b. 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

clause a. above shall contain a statement of this right;

- c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
  - (ii) to employees under a 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 Law; or
  - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a 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 a General Meeting.
- (d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules, subsisting relevant provisions of Section 81 and Section 94-A of the Companies Act, 1956.

## **23. TRANSFER AND TRANSMISSION OF SHARES**

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized



form, the provisions of the Depositories Act shall apply.

- (b)
  - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
  - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (c) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (d) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- (e) Subject to the provisions of Sections 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 to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days 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 a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, 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.

- (f) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

- (g) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (h) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (i) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 23(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (j) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (k) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein

contained and until he does so, he shall not be freed from any liability in respect of the shares.

- (l) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (m) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (n) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (o) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into

denomination corresponding to the market unit of trading.

- (p) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (q) There shall be a common form of transfer in accordance with the Act and Rules.
- (r) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

#### **24. DEMATERIALIZATION OF SECURITIES**

- (a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause its promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **25. NOMINATION BY SECURITIES HOLDERS**

- a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

- b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **26. NOMINATION FOR FIXED DEPOSITS**

A Shareholder (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

## **27. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he



shall not be freed from any liability in respect of the Securities.

## **28. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

## **29. BORROWING POWERS**

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
- (i) accept or renew deposits from Shareholders;
  - (ii) borrow money by way of issuance of Debentures;
  - (iii) borrow money otherwise than on Debentures;
  - (iv) accept deposits from Shareholders either in advance of calls or otherwise;  
and
  - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom

the same may be issued.

- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) \*\*Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument signed by one director and the Company Secretary or some other person appointed by the Board for the purpose, authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

### **30. Share Warrants**

Share warrants may be issued as per the provisions of applicable law.

### **31. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account 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 privileges or advantages, (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.

*\*\* Amended vide the special resolution passed at the 17<sup>th</sup> Annual General Meeting held on 3<sup>rd</sup> August 2017*

### **32. ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

### **33. WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

### **34. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

- (a) Every Annual General Meeting shall be called during business hours, that is,

between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

### **35. NOTICE OF GENERAL MEETINGS**

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (i) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
  - (ii) Auditor or Auditors of the Company, and
  - (iii) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if

there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

- (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.
- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: 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.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

### **36. REQUISITION OF EXTRAORDINARY GENERAL MEETING**

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of

the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

### **37. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

### **38. CHAIRMAN OF THE GENERAL MEETING**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any

meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

### **39. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **40. QUESTIONS AT GENERAL MEETING HOW DECIDED**

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided voting in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have

power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.

- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

#### **41. PASSING RESOLUTIONS BY POSTAL BALLOT**

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

#### **42. VOTES OF MEMBERS**

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.



- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including

the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
  - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
  - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
  - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
  - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
  - (v) All appointments of Directors of the Company made at any meeting

aforesaid shall be included in the minutes of the meeting.

- (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
  - a. the names of the Directors and Alternate Directors present at each General Meeting;
  - b. all Resolutions and proceedings of General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the

Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.

#### **43. DIRECTORS**

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing special resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Agreement. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

#### **44. CHAIRMAN OF THE BOARD OF DIRECTORS**

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

#### **45. APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

#### **46. CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **47. DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

#### **48. INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Clause 49 of the Listing Agreement.

#### **49. EQUAL POWER TO DIRECTOR**

Except as otherwise provided in these Articles, and subject to the applicable provisions of the Act, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

#### **50. NOMINEE DIRECTORS**

Whenever the Board enters into a contract with any lenders for borrowing any money

or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

## **51. NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

## **52. REMUNERATION OF DIRECTORS**

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Agreement, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

## **53. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

## **54. TRAVEL EXPENSES OF DIRECTORS**

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other



expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

## 55. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

## 56. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:
- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
  - (ii) he applies to be adjudicated an insolvent; or
  - (iii) he is adjudged an insolvent; or
  - (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
  - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
  - (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or
  - (vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or

- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- (ix) he acts in contravention of Section 184 of the Act; or
- (x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956 or applicable Laws; or
- (xi) he is removed in pursuance of Section 169 of the Act; or
- (xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

#### **57. RELATED PARTY TRANSACTIONS**

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, the Company shall enter into any contract or arrangement with a 'related party' with respect to:
  - (i) sale, purchase or supply of any goods or materials;
  - (ii) selling or otherwise disposing of, or buying, property of any kind;
  - (iii) leasing of property of any kind;
  - (iv) availing or rendering of any services;
  - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
  - (vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - (vii) underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.
- (b) no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such

Shareholder is a related party.

- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Companies Act, 2013.
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

#### **58. DISCLOSURE OF INTEREST**

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or

interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

- (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
- (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

- I. a director of such company, and
- II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

**59. \* ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

At the Annual General Meeting of the Company held in every year, one third of such of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director and Director(s) appointed as Independent Directors under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of the Directors of one third Directors who are liable to retire from office under this Article.”

\* Amended at the Annual General Meeting held on 29<sup>th</sup> July 2016.

#### **60. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
  - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board , expressed his unwillingness to be so reappointed;
  - (iii) he is not qualified or is disqualified for appointment; or
  - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

#### **61. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS**

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

**62. REGISTER OF DIRECTORS ETC.**

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

**63. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.**

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

**64. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

**65. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

**66. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) /**

## **EXECUTIVE DIRECTOR(S)/ MANAGER**

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act, the rules thereunder and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

### **67. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **68. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under Section 68 of the Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;

- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees/ compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Agreement.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
- (b) to borrow money; and
- (c) any such other matter as may be prescribed under the Act, the Listing Agreement and other applicable provisions of Law.

#### **69. MAKING LIABILITY OF DIRECTORS UNLIMITED**

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956 or such applicable Laws.

#### **70. PROCEEDINGS OF THE BOARD OF DIRECTORS**

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date



and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

- (c) The Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

## **71. QUORUM FOR BOARD MEETING**

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

#### **72. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED**

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

#### **73. ELECTION OF CHAIRMAN OF BOARD**

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

#### **74. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
  - (i) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

- (ii) Remit, or give time for repayment of, any debt due by a Director;
- (iii) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
- (iv) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

## 75. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Agreement. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Agreement, form such committees as may be required under such rules in the manner specified therein, if the same are

applicable to the Company.

**76. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

**77. PASSING OF RESOLUTION BY CIRCULATION**

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

**78. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD**

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such

book as aforesaid by pasting or otherwise.

- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
  - (i) all appointments of Officers;
  - (ii) the names of the Directors present at each meeting of the Board;
  - (iii) all resolutions and proceedings of the meetings of the Board;
  - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
  - (i) is or could reasonably be regarded as defamatory of any person;
  - (ii) is irrelevant or immaterial to the proceedings; or
  - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

#### **79. REGISTER OF CHARGES**

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

#### **80. CHARGE OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged as security or other security is

created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

**81. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL**

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

**82. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY**

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

**83. OFFICERS**

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

**84. THE SECRETARY**

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may

from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

#### **85. DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

#### **86. ACCOUNTS**

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

**\*\*Article 86 is deleted vide the special resolution passed at the 17th Annual General Meeting held on 3rd August 2017**

- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other

place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
  - (i) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
  - (ii) number of meetings of the Board;
  - (iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
  - (iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
  - (v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;
  - (vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
    - a. by the auditor in his report; and
    - b. by the Secretary in practice in his secretarial audit report;



- (vii) particulars of loans, guarantees or investments under Section 186 of the Act;
  - (viii) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
  - (ix) the state of the Company's affairs;
  - (x) the amounts, if any, which it proposes to carry to any reserves;
  - (xi) the amount, if any, which it recommends should be paid by way of Dividends;
  - (xii) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;
  - (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
  - (xiv) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;
  - (xv) the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;
  - (xvi) in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and
  - (xvii) such other matters as may be prescribed under the Law, from time to time.
- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

## **87. AUDIT AND AUDITORS**

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a General

Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting shall appoint, in accordance with the provisions of Section 139 of the Act read with rules made thereunder, an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

#### **88. AUDIT OF BRANCH OFFICES**

The Company shall comply with the applicable provisions of the Act and the Companies

(Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

#### **89. REMUNERATION OF AUDITORS**

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

#### **90. DOCUMENTS AND NOTICES**

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same

to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

**91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA**

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

**92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

**93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

**94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (a) To the Shareholders of the Company as provided by these Articles.
- (b) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

- (c) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

#### **95. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

#### **96. DIVIDEND POLICY**

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c)
  - (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
    - a. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
    - b. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years

whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act against both.

- (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f)
  - (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
  - (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
  - (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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may

deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

- (j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.
- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount paid-up on each Equity Share in accordance with Section 51 of the Act.

#### **97. UNPAID OR UNCLAIMED DIVIDEND**

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend

of [●]”.

- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

#### **98. CAPITALIZATION OF PROFITS**

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize 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 Company’s profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
  - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
  - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

#### **99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE**

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.



- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
  - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
  - (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and
  - (ii) to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

#### **100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP**

- (a) 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 Shareholders, 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.
- (b) 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 Shareholders or different classes of Shareholders.

#### **101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY**

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the Company all costs, losses and expenses which any Director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him

on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims.

#### **102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of section 197 of the Act, no Director, Manager, Officer or Employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the Registrar in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the Company.

#### **103. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the above mentioned documents requires extracts of the same, the Company may charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

#### **104. Establishment and adoption of ESG committee**

The Company has established an Environmental, Social and Government (“ESG”) action plan defining actions, responsibilities, budgets, deliverables, compliance indicators, and a timeframe for the measures required to remedy any known non-compliances in its business activities. The Company has established and adopted an ESG committee to oversee the ESG action plans. The Company shall also prepare an ESG monitoring report not later than 180 (One Hundred and Eighty) days after every financial year to be

approved by the Board.

**105. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Company may amend its Memorandum of Association and Articles of Association subject to Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time.

**106. SECRECY**

No shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

**107. DUTIES OF THE OFFICER TO OBSERVE SECRECY**

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law a except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

**108. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT**

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these Articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

## PART II

The Articles of Association of the Company comprises of two parts, Part I and Part II. Part II of these Articles includes the rights and obligations of the parties to the Agreements (as defined below) all dated December 22, 2014.

Until the date of listing of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited, subsequent to an initial public offering of the Equity Shares, Part II of these Articles shall prevail and Part I shall not have any force and effect. Further, on the date of listing of the Equity Shares on BSE Limited and the National Stock Exchange of India Limited, subsequent to an initial public offering of the Equity Shares, Part II shall automatically terminate and cease to have any force and effect and Part I shall prevail without any further action by the Company or by the Shareholders.

It is clarified that, if listing of the Equity Shares of the Company on the National Stock Exchange of India Limited and BSE Limited is not completed on or before December 31, 2015, the Promoters and the Company undertake to take all such actions, and do all such things, necessary to ensure that the Investors are placed in the same position and possesses the same right as if these Articles had not been amended, approved and implemented except the procedural changes as required under the Companies Act and rules made thereunder, which are not prejudicial to the Investors in any manner whatsoever. However, the Investors may give consent for such procedural changes subject to their rights under the Articles of the Company.

The regulations contained in Table F of the First Schedule to the Companies Act, 2013 (hereinafter referred to as Table "F") shall apply in the same manner as if all such regulations of Table 'F' are specifically contained in these Articles so far and only as they are not inconsistent with any of the provisions contained in Part II of these Articles. In the event of any inconsistency or contradiction between the provisions of Part II of these Articles and the provisions of Table F, the provisions of Part II of these Articles shall override and prevail over Table F.

### **1. DEFINITIONS AND INTERPRETATION**

#### **1.1. Definitions**

Words and expressions used in the Investment Agreement shall have the same meaning in these Articles save as otherwise defined herein. In these Articles, the following words and expressions shall have the following meanings unless the context otherwise requires:

Affiliate of any specified Person means, with respect to:

- (a) a specified person that is not an individual, any other Person controlling or controlled by or under common control with such specified Person, and with respect to any specified investment fund, any other investment funds owned, and / or sponsored and managed, and / or sponsored and advised by the same Person that owns and / or sponsors and manages and / or sponsors and advises such specified investment fund;
- (b) DS, any body corporate or entity that is wholly-owned by DS; and
- (c) SS, any body corporate or entity that is wholly-owned by SS; and
- (d) Sponsors, any body corporate or entity that is wholly owned by SS and DS together;

provided that neither the Company nor any Group Entity shall be considered as the Affiliate of any Shareholder. For the purposes of this definition, control when used with respect to any Person means the power to direct the management and policies of such Person whether through the ownership of voting securities or rights, by contract, or otherwise; and the terms controlling and controlled shall be construed, accordingly. For the avoidance of doubt, (i) an Affiliate of the PineBridge Investors shall be deemed to include PineBridge Investments Asia Limited and its Affiliates, (ii) an Affiliate of the JPM Investor shall be deemed to include JPMorgan Special Situations Asia Corporation and its Affiliates, and (iii) an Affiliate of CDC shall be deemed to include all direct and indirect wholly owned subsidiaries of CDC Group;

Agreement means the amended and restated shareholders' agreement dated December 22, 2014, between the Company, the Sponsors, the PineBridge Investors, the JPM Investor, CDC and NHAPL;

Alternate Price has the meaning given to it in Article 10.4(a)(vi);

Amendment Agreement means, amendment dated July 16, 2015 to the Agreement;

Annual Business Plan means, in relation to the Company or any other Group Entity, a business plan with respect to each financial year of the Company or that Group Entity (as the case may be) that contains amongst other key performance indicators, (i) a revenue budget, (ii) an expense budget, (iii) an operating performance budget, and (iv) capital expenditure and indebtedness (including without limitation, borrowings or contingent liabilities or other liabilities);

Anti-Corruption Rules has the meaning given to it in Article 3.3(c)(i);

Approved Firm has the meaning given to it in Article 11.3;

Arbitration Board has the meaning given to it in Article 20.3;

Articles means these articles of association of the Company in force from time to time;

Assets has the meaning given to it in the Investment Agreement;

Associated Company and Associated Companies has the meanings given to them in the Investment Agreement;

Associated Company Board means the board of directors of the relevant Associated Company for the time being;

Associated Company Director means in relation to an Associated Company, a director for the time being of such Associated Company;

Associated Company Investor Director means PineBridge Associated Company Investor Director, JPM Associated Company Investor Director and CDC Associated Company Investor Director;

Beneficial Owner means a person or persons whose name is recorded as such with the Depository;

Board means the board of directors of the Company for the time being;

Business has the meaning given to it in Article 3.1(a);

Business Day means a day (other than a Saturday or Sunday) on which banks are generally open in Mumbai, Bangalore, Mauritius and Hong Kong for normal business;

Business Opportunity has the meaning given to it in Article 3.2(c);

Business Opportunity Notice has the meaning given to it in Article 3.2(c);

CDC means collectively, CDC Group, CDC India Opportunities and any Affiliate of CDC that acquires any Company Securities in accordance with the terms of the Agreement and these Articles;

CDC Associated Company Investor Director means any Associated Company Director nominated by CDC under Article 4.2(d)(ii)(B);

CDC Completion means Completion as defined in the Securities Subscription Agreement;

CDC Completion Date means the Completion Date as defined in the Securities Subscription Agreement;

CDC Group means CDC Group Plc, a company established under the laws of England, and having its registered office at 123 Victoria Street, London, UK SW1E 6DE;

CDC India Opportunities means CDC India Opportunities Limited, a company established under the laws of England, and having its registered office at 123 Victoria Street, London, UK SW1E 6DE;

CDC Investor Director has the meaning given to it in Article 4.2(d)(i);

CDC Securities means the Subscription Securities, provided that if the Optionally Convertible Debentures (“OCDs”) are redeemed, then the CDC Securities shall be deemed to refer only to the Equity Shares forming part of the Subscription Securities, and if the OCDs are converted, the Equity Shares issued on such conversion shall be deemed to form part of the Subscription Securities;

Chairman means the Chairman of the Board for the time being;

Companies Act means the Companies Act, 2013 of India and the Companies Act, 1956 of India (each as amended and to the extent in force from time to time);

Company means Narayana Hrudayalaya Limited, a company established under the laws of the Republic of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bangalore 560 099;

Company Notice has the meaning given to it in Article 2.1(a)(i);

Company Secretary means the company secretary for the time being of the Company;

Company Securities means (i) Equity Shares; (ii) equity or equity-linked securities or securities convertible into or exchangeable for Equity Shares or options, warrants, convertible bonds or other rights to purchase or subscribe for either Equity Shares, equity or equity-linked securities convertible or exchangeable for Equity Shares and for the avoidance of doubt does not include any instrument(s) that are not convertible or exchangeable into Equity Shares;

Competitor means an entity which is primarily engaged in the Business in India or outside India;

Completion has the meaning given to it in the Investment Agreement;

Completion Date has the meaning given to it in the Investment Agreement;

Confidential Information has the meaning given to it in Article 15.1(a);

DS means Dr. Devi Shetty, residing at Narayana, 393 Cross lane, 3rd block, 13th Main,

Koramangala, Bangalore 560 034;

Deed of Accession means a deed of accession in the form set out in Schedule 5 of the Agreement;

Depository means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a Depository under the SEBI Act, 1992.

Depositories Act means the Depositories Act, 1996 or any statutory modification or re-enactment thereof.

Director means a director of the Company for the time being;

Dispute has the meaning given to it in Article 20;

Encumbrance means any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

Environment means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water);

Equity Shares means the ordinary equity shares of the Company bearing a face value of Rs. 10/- (Rupees Ten only) each;

ESG Requirements means the requirements set out in Part E of Schedule 6 of the Agreement to the extent applicable to any Group Entity;

Excluded Matters means the matters listed at paragraphs (i), (ii), (iii), (v), (vi), and (x) of Article 6.5(a), paragraphs (ii), (iii), (vi), (vii), (ix) and (xi) of Article 6.5(b), paragraphs (i), (ii), (iii), (v), (vi), and (x) of Article 7.3(a) and paragraphs (ii), (iii), (vi), (vii), (ix) and (xi) of Article 7.3(b);

Event of Default has the meaning given to it in Article 13.1;



Existing SHA means the shareholders agreement dated January 28, 2008 between the PineBridge Investors, the JPM Investor, the Sponsors and the Company (as amended by the parties thereto on February 1, 2008);

Exit Notice has the meaning given to it in Article 13.3(a);

Exit Purchaser has the meaning given to it in Article 13.3(a)(iv);

Exit Right has the meaning given to it in Article 13.3(a);

Governance Laws means any law, rule or regulation relating to bribery, corruption, financial crime, anti-terrorism, terrorism financing, anti-money laundering, export controls, trade embargoes, travel bans applicable to any Group Entity or to CDC including, without limitation, the economic sanctions and regulations of a Sanctioning Body, any European Union restrictive measure that has been implemented pursuant to any European Council or Commission Regulation or Decision adopted pursuant to a Common Position in furtherance of the European Union's Common Foreign and Security Policy;

Group Company means any body corporate controlled by the Company or any of the Owned Entities. For the purposes of this definition, control means the power to direct the management and policies of such body corporate whether through the ownership of voting securities or rights, by contract, or otherwise; and the terms controlling and controlled shall be construed, accordingly;

Group Company Board means the board of directors of the relevant Group Company for the time being;

Group Company Investor Directors means a director on the Group Company Board who is a nominee of the Investors appointed in accordance with Article 4.2 and the term Group Company Investor Director shall be construed accordingly;

Group Entities has the meaning given to it in the Investment Agreement;

Hospitals means the hospitals that are or that may hereafter be owned, controlled, managed and/or operated by any of the Group Entities, and the hospitals owned, controlled, managed and/or operated by NHL;

Hrudayalaya Pharmacy means the existing pharmacy operating in NH, which primarily supplies consumables and medicines to NH and to certain inpatients and outpatients who need to purchase medicines in addition to the pre-paid surgical package and emergency procedure costs;

INR or Indian Rupees means the lawful currency of India;

Indemnified Loss has the meaning given to it in the Investment Agreement;

Independent Directors means the Directors who are appointed or designated as Independent Directors pursuant to Article 4.2(a) and Article 4.3;

India means the Republic of India and any state, district, municipal or other political subdivision thereof;

Indian GAAP means generally accepted accounting principles in India;

Indication of Interest has the meaning given to it in Article 10.4(a)(ii);

Insolvency Proceedings has the meaning given to it in the Investment Agreement;

Intellectual Property Rights has the meaning given to it in the Investment Agreement;

Investment Agreement means the investment agreement dated January 28, 2008 between the Company, the PineBridge Investors, the JPM Investor and the Sponsors (as amended by the parties thereto on February 1, 2008);

Investment Amount means the aggregate of the PineBridge Investment Amount and the JPM Investment Amount;

Investor Directors means (i) the PineBridge Investor Director or the PineBridge Investor Director's alternate, (ii) the JPM Investor Director or the JPM Investor Director's alternate and (iii) the CDC Investor Director;

Investor Elected Shares has the meaning given to it in Article 10.3 (a)(ii)(B)(II);

Investor Tag-along Notice has the meaning given to it in Article 10.3(a)(ii)(A);

Investor Tag along Shares has the meaning given to it in Article 10.3(a)(ii)(A);

Investors mean the PineBridge Investors, the JPM Investor and CDC collectively and the term Investor shall be construed accordingly;

Investors' Shares means the PineBridge Investors' Shares, the JPM Investor's Shares and the CDC Securities;

Investors' Affiliate means with respect to any Investor, any Affiliate of such Investor;

Investors' Transfer Notice has the meaning given to it in Article 10.4(a)(i);

Investors' Transfer Shares has the meaning given to it in Article 10.4(a);

IPO means admission to trading of the Equity Shares on any Recognised Stock

Exchange;

IPO Investment Bank has the meaning given to it in Article 9.1(e);

IRR means the internal rate of return calculated on any and all pre-tax (i.e., tax levied on the Investor concerned) earnings in U.S Dollars including dividend earnings or other distributions on the Shares of the relevant Investor(s) from the Group Entities and the Net Sales Proceeds from the sale of the Investors' Shares of the relevant Investor(s);

Issuer has the meaning given to it in Article 3.2(b)(ii);

JPM Associated Company Investor Director means any Associated Company Director nominated by the JPM Investor under Article 4.2(c)(ii)(B);

JPM Investor means JP Morgan Mauritius Holdings IV Limited, a company established under the laws of Mauritius, and having its registered office at 10, Frere Felix de Valois St., Port Louis, Mauritius;

JPM Investment Amount has the meaning given to it in the Investment Agreement;

JPM Investor Director has the meaning given to it in Article 4.2(c)(i);

JPM Investor's Shares has the meaning given to it in the Investment Agreement;

Key Executive has the meaning given to it in the Investment Agreement;

Lease has the meaning given to it in the Investment Agreement;

Management and Operation Agreement has the meaning given to it in the Investment Agreement;

Material Contract means any contract, commitment or arrangement that gives rise to or is likely to give rise to financial obligations (whether in the form of making of any payment contingent or otherwise and provision of any guarantee) on the Company or any Group Entity of any amount in excess of INR 100,000,000 (Indian Rupees one hundred million) in any particular financial year of the Company;

Mazumdar Shaw Group means any one or more of (i) Kiran Mazumdar Shaw, wife of J.M.M. Shaw, aged about 54 years, residing at 'Glenmore', Survey #58, Gollimangala Village, Sarjapura Hobli, Anekal Taluk, Bangalore, (ii) J.M.M. Shaw, son of John Shaw, aged about 58 years, residing at 'Glenmore', Survey #58, Gollimangala Village, Sarjapura Hobli, Anekal Taluk, Bangalore and, (iii) the respective heirs, legal representatives, or successors of Kiran Mazumdar Shaw or J.M.M. Shaw, including any trusts that receive testamentary bequests of any Shares held by the Mazumdar Shaw Group;

Mazumdar Shaw Equity Shares means issued and fully paid-up 8,135 Equity Shares of the Company, to be acquired from the Sponsors free from all Encumbrances by one or more members of the Mazumdar Shaw Group, or their Affiliates;

Mazumdar Shaw Director means Ms. Kiran Mazumdar Shaw or a nominee of the Mazumdar Shaw Group (acting jointly) acceptable to the Sponsors and appointed on the Board of the Company;

Minority Investors has the meaning given to it in Article 3.2(b)(ii);

Net Sales Proceeds means the total proceeds from any sale or other divestment of Investors' Shares, less selling expenses and taxes but excluding any taxes on income levied on that Investor in any jurisdiction in relation to the Net Sales Proceeds retained by the Investors;

New Securities means any new or additional Company Securities to be issued by the Company from time to time but, for the avoidance of doubt, excluding any issue of Company Securities pursuant to the Investment Agreement or the Securities Subscription Agreement and the term New Security shall be construed accordingly;

New Securities Pre-emptive Right has the meaning given to it in Article 2.1(a)(ii);

NH means Narayana Health, the hospital owned and operated by the Company located at Plot No. 258-A, Bommasandra Industrial Area, Anekal Taluk, Bangalore-560099;

NH Brand means the trademark/ logo and the tradename/ brandname "Narayana Hrudayalaya" and "Narayana Health", owned by the Company (and currently pending registration in the name of the Company with the trademark registry at Chennai) including without limitation all extensions and derivatives thereof, and all right, title and interest in and to the same and all goodwill associated therewith;

NH Land has the meaning given to it in Article 3.1(d)(i);

NH Lease Deed has the meaning given to it in Article 3.1(c);

NHAPL means Narayana Health Academy Private Limited, a company incorporated under the laws of the Republic of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bangalore-560099;

NHL means Narayana Hospitals Private Limited a company incorporated under the laws of India and having its registered office at Plot No. 258-A, Bommasandra Industrial Area Anekal Taluk, Bangalore-560099;

NIARPL means Narayana Institute of Advance Research Private Limited a company incorporated under the laws of India and having its registered office at Plot No. 258-

A, Bommasandra Industrial Area Anekal Taluk, Bangalore-560099;

Notices has the meaning given to it in Article 18 and Article 20.1;

Offer Price has the meaning given to it in Article 10.4(a)(ii);

Party means any of the parties to the Agreement and (in the case of the Investors) their successors and permitted assigns, and any Person that has duly entered into a Deed of Accession, and Parties means all of them;

Party Shareholders means each of, the PineBridge Investors, the JPM Investor, NHAPL, CDC and the Sponsors, and such other person in whose name Shares are registered in the Company's register of members and who becomes a Party to the Agreement in accordance with the terms of these Articles and the Agreement and a PartyShareholder means any of them;

Person has the meaning given to it in the Investment Agreement;

PineBridge Associated Company Investor Director means any Associated Company Director nominated by the PineBridge Investors under Article 4.2(b)(ii)(B);

PineBridge Investment Amount means the AIG Investment Amount (as the term is understood in the Investment Agreement);

PineBridge Investors means (i) Ashoka Investment Holdings Limited, a company established under the laws of Mauritius, and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius; and (ii) Ambadevi Mauritius Holding Limited, a company established under the laws of Mauritius, and having its registered office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius, together;

PineBridge Investor Director has the meaning given to it in Article 4.2(b)(i);

PineBridge Investors' Shares means the AIG Investors' Shares (as the term is understood in the Investment Agreement);

Pre-Money Valuation means, for each issue of New Securities, the New Securities' subscription price for each New Security offered for subscription on a per Equity Share equivalent basis multiplied by the number of Shares before the issue of such New Securities;

Preference Shares has the meaning given to it in the Investment Agreement;

Previous Reoffer has the meaning given to it in Article 2.1(a)(iii)(3);

Principals has the meaning given to it in the Investment Agreement;

Prohibited Lists has the meaning given to it in the Investment Agreement;

Purchase Price has the meaning given to it in Article 10.3(a)(i)(B);

Purchaser has the meaning given to it in Article 10.3(a)(i);

Receiving Party has the meaning given to it in Article 15.1;

Recognised Stock Exchange means:

- (b) the Bombay Stock Exchange Limited; or
- (c) the National Stock Exchange of India Limited; or
- (d) such other Indian or international stock exchanges as may be agreed between each of the Investors and the Sponsors;

Register and Index of Beneficial Owners means such Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 which shall be deemed to be the Register and Index of members and other security holders for the purposes of these Articles;

Registered Owner means a Depository whose name is entered as such in the records of the Company;

Relative has the meaning given to it in Article 4.9;

Relevant Proportion means, in the case of each Shareholder, such percentage as equates to the total number of Shares held by such Shareholder as a percentage of the total number of Shares then issued and outstanding save that if the expression "Relevant Proportion" is used in the context of some (but not all) of the Shareholders, it shall mean such percentage as equates to the total number of Shares held by such Shareholder as a percentage of the total number of Shares held by the Shareholders to whom the context refers (Relevant Shareholder);

Relevant Sponsor Group Shares has the meaning given to it in Article 13.3(a)(ii)(I);

Reoffer has the meaning given to it in Article 2.1(a)(iii)(2);

Request has the meaning given to it in Article 20.1;

Reserved Board Matters means any of the matters specified in Article 6.5 with respect to any of the Company or any Associated Company or any Group Company (as applicable);

Reserved Investors' Matters means any of the matters specified in Article 7.3 with

respect to any of the Company or any Associated Company or any Group Company (as applicable);

Residue Election Notice has the meaning given to it in Article 10.3 (a)(ii)(D);

Residue Formula has the meaning given to it in Article 2.1(a)(iii)(2);

Residue Notice has the meaning given to it in Article 10.3 (a)(ii)(D);

Residue Shares has the meaning given to it in Article 10.3 (a)(ii)(D);

Restricted Country has the meaning given to it in the Investment Agreement;

Restricted Reoffer has the meaning given to it in Article 2.1(a)(iii)(5);

Restated Articles means these Articles, as amended and restated to reflect the terms of the Agreement;

Revised Shares has the meaning given to it in Article 10.3(b);

Rules has the meaning given to it in Article 20.2;

SEBI means the Securities and Exchange Board of India established under Securities and Exchange Board of India Act, 1992;

Security means such securities as may be specified under the Act or under the SEBI Act, 1992 from time to time;

SS means Ms. Shakuntala Shetty, residing at Narayana, 393 Cross lane, 3rd block, 13th Main, Koramangala, Bangalore 560 034;

Sale Shares has the meaning given to it in Article 10.3(a)(i)(A);

Sanctioning Body means any one or combination of the following entities: the Office of Foreign Assets Control of the Department of Treasury of the United States of America, the United Nations Security Council, the European Union and/or Her Majesty's Treasury of the United Kingdom;

Securities Subscription Agreement means the securities subscription agreement dated December 22, 2014, between the Company and CDC;

Seller has the meaning given to it in Article 10.3(a)(i);

Seller Original Shares has the meaning given to it in Article 10.3(a)(ii)(C);

Shareholder means from time to time a Person in whose name Shares are registered

in the Company's register of members and/ or register of preference shares, and Shareholders means all of them. For avoidance of doubt, a Party Shareholder shall be a Shareholder for so long as any Share is registered in the name of such Party Shareholder in the Company's register of members/ shareholders;

Shareholding Percentage means, in relation to any Shareholder, the number of Equity Shares, held by such Shareholder, for which that Shareholder is registered in the Company's register of members/ shareholders or such other relevant register, expressed as a percentage of the total number of Shares of the Company;

Share Transfer Committee has the meaning given to it in Article 4.8(a);

Shares means issued shares in the capital of the Company;

SOP means a stock ownership plan or stock option plan or an equivalent thereof in respect of the Company, which shall be formulated by the Remuneration Committee of the Company, chaired by Kiran Mazumdar Shaw, for such number of Equity Shares presently held by Narayana Health Academy Private Limited, as would constitute up to 4.8% (four point eight per cent) of the equity share capital of the Company prior to the CDC Completion Date, for such categories of employees of the Group Entities as are identified by the Board, which shall be transferred to such employees by way of a secondary transfer and which shall not include any Equity Shares or other Company Securities to be issued by the Company on a primary basis;

Sponsor Connected Person has the meaning given to it in the Investment Agreement;

Sponsor Transfer Notice has the meaning given to it in Article 10.3(a)(i);

Sponsors means DS and SS together and the term Sponsor refers to any one of them;

Subscribing Shareholders has the meaning given to it in Article 2.1(a)(iii)(2);

Subscription Securities shall have the meaning ascribed thereto in the Securities Subscription Agreement;

Subsidiary has the meaning given to it in the Companies Act;

Super-Majority Resolution means a resolution passed at a duly convened and quorate meeting of the Board approved by a majority of the Directors present and voting or such other majority as may be prescribed under the Companies Act, which majority must (a) in the case of any Excluded Matters include the PineBridge Investor Director and the JPM Investor Director and his / her respective alternate Director, and (b) in all other cases, include the PineBridge Investor Director, the JPM Investor Director and the CDC Investor Director or his/ her respective alternate Director;



Target Fully Diluted Capital has the meaning given to in the Investment Agreement;

Taxation has the meaning given to it in the Investment Agreement;

Transferring Investor has the meaning given to it in Article 10.4(a); and

US Dollars or US\$ means the lawful currency of the United States of America.

## **1.2 Interpretation**

In these Articles, unless the context otherwise requires:

- (a) references to Recitals, Clauses, Appendices, Annexes and Schedules are to recitals, appendices and annexures to, and clauses and schedules of, the Agreement; and references to Articles are to articles of these articles of association;
- (b) the headings are for convenience only and shall not affect the interpretation or construction of these Articles;
- (c) references to the singular number shall include references to the plural number and vice versa;
- (d) words denoting one grammatical gender shall include all grammatical genders; any reference in these Articles to a statutory provision shall include that provision and any regulation made in pursuance thereof as from time to time modified or re-enacted, whether before or after the date of the Agreement;
- (e) for the avoidance of doubt, in calculating any shareholding under these Articles, including for (i) the exercise of any rights, or (ii) the purposes of determining the Shareholding Percentage, or (iii) determining the inter-se proportionate share / Relevant Proportion of the Investors with each other or the Sponsors, the Parties shall disregard and not take into account any Company Securities which have not been converted into Shares;
- (f) all rights under these Articles available to any one of CDC Group, CDC India Opportunities or any Affiliate of CDC that holds any Company Securities in accordance with the terms of these Articles shall be available to CDC and all such rights shall be exercised by CDC; and
- (g) where the context requires, a reference to the Investors shall be deemed to include any Investors and any Affiliate of any Investors that holds Shares in accordance with the provisions of these Articles and has executed a Deed of Accession, together.

## 2. EQUITY INTERESTS

### 2.1 Increases in capital

- (a) Each Party shall exercise all rights and powers available to it to procure that, without prejudice to the Investors' rights with respect to the Reserved Board Matters and Reserved Investors' Matters, in the event the Company elects to issue any New Securities or issues any New Securities for any reason whatsoever (except for any Shares allotted pursuant to an IPO, in accordance with the provisions of these Articles), such New Securities shall be offered for subscription in accordance with the following provisions of this Article 2.1(a) on such terms and conditions (including price per New Security) and based upon such valuation at that time as may be determined by the Board and the Shareholders subject always to Article 2.1(b):
- (i) The Company shall, prior to the issuance of the New Securities, give written notice (the Company Notice) to the Shareholders thirty (30) days prior to the proposed date of issuance, stating the number of New Securities, the price per New Security, the terms of payment and all other terms and conditions on which the Company proposes to make such issuance;
  - (ii) Each Shareholder shall have, as hereinafter provided, the option to purchase up to the number of New Securities determined as set forth in Article 2.1(a)(iii) at the price per New Security and on the other terms stated in the Company Notice (the New Securities Pre-emptive Right);
  - (iii) the New Securities Pre-emptive Right provided for in Article 2.1(a)(ii) shall be exercisable according to the following order of priority:
    - (1) First, each Shareholder shall be entitled to subscribe for up to such number of the New Securities offered as determined by multiplying the aggregate number of New Securities offered by a fraction equal to (x) the numerator, which shall be the sum of (A) the number of Equity Shares held by such Shareholder and (B) the number of Equity Shares issuable (but not yet issued) upon exercise of any Company Security convertible or exchangeable for Equity Shares held by such Shareholder (other than the OCDs) divided by (y) the denominator, which shall be the sum of (A) the total number of Equity Shares then outstanding and (B) the total number of Equity Shares issuable (but not yet issued) upon exercise of any Company Security

convertible or exchangeable for Equity Shares then outstanding and then held by such Shareholder (other than the OCDs). In order to make such a subscription, each Shareholder must give written notice to the Company within fifteen (15) days of the receipt of the Company Notice, stating the number of New Securities which such Shareholder desires to subscribe to;

- (2) Second, if all of the New Securities offered to the Shareholders are not fully subscribed to by such Shareholders, the remaining New Securities will, subject to Article 2.1(a)(iii)(5) below, be reoffered (the Reoffer) by the Company to the Shareholders subscribing for their full allotment upon the terms set forth in this Article 2.1(a)(iii)(1) (the Subscribing Shareholders) who shall be entitled to subscribe for up to such number of the remaining New Securities as shall be determined by multiplying the remaining number of New Securities by a fraction equal to (x) the numerator, which shall be the sum of (A) the number of Equity Shares held by such Subscribing Shareholder and (B) the number of Equity Shares issuable upon exercise of any Company Security convertible or exchangeable for Equity Shares held by such Subscribing Shareholder (other than the OCDs) divided by (y) the denominator, which shall be the sum of (A) the total number of Equity Shares held by the Subscribing Shareholders and (B) the total number of Equity Shares issuable (but not yet issued) upon exercise of any Company Security convertible or exchangeable for Equity Shares then outstanding and held by such Subscribing Shareholders (other than the OCDs) (the Residue Formula). The Subscribing Shareholders must exercise their subscription rights under this Article 2.1(a)(iii)(2) within two (2) Business Days of receipt of notice of such Reoffer;
- (3) Third, if all of the remaining New Securities offered in Article 2.1(a)(iii)(2) are not fully subscribed, the further remaining New Securities will, subject to Article 2.1(a)(iii)(5), be reoffered to the Subscribing Shareholders subscribing for their full allotment upon the terms set out in Article 2.1(a)(iii)(2) who shall be entitled to subscribe for such number of the remaining New Securities as shall be determined by applying the Residue Formula mutatis mutandis to the Previous Reoffer. This process shall be repeated, subject to the thirty (30) days period referred to in Article 2.1(a)(i) above, with each Subscribing Shareholder subscribing for their full allotment in the Previous Reoffer being,

subject to Article 2.1(a)(iii)(4), entitled to participate in the next Reoffer until all such New Securities are fully subscribed for or until none of the Subscribing Shareholders entitled to participate in a particular Reoffer choose to subscribe for the New Securities offered in such a Reoffer. The Subscribing Shareholders must exercise their subscription rights in respect of any Reoffer in which they are entitled to participate under this Article 2.1(a)(iii)(3) within two (2) Business Days of receipt of notice of each such Reoffer. As used herein Previous Reoffer shall mean the Reoffer of New Securities that immediately preceded the latest Reoffer;

- (4) Any remaining New Securities offered in Article 2.1(a)(iii)(3) that are not subscribed for by the Subscribing Shareholders shall not be subject to any further offer to any person and the number of New Securities specified in the Company Notice shall be deemed to be reduced by the number of any New Securities not subscribed for pursuant to Articles 2.1(a)(iii)(1) to (3) above; and
  - (5) It is clarified that the Investors shall be entitled to acquire only such New Securities pursuant to a Reoffer under Article 2.1(a)(iii)(2) and Article 2.1(a)(iii)(3) which New Securities when taken together with the Equity Shares then held by the Investors in the Company and the total number of Equity Shares issuable but not yet issued upon exercise of any Company Security convertible into or exchangeable for Equity Shares then outstanding and held by the Investors (other than the OCDs), would result in the Investors in aggregate always constituting a lesser or equal but not higher Shareholding Percentage than the Sponsors and the Sponsor Connected Person taken together in the Company (the Restricted Reoffer) immediately after the issuance of New Securities pursuant to Article 2.1(a). It is hereby agreed between the Investors that they shall be entitled to subscribe to every Restricted Reoffer in their Relevant Proportion (vis a vis other Investors) before each issue of New Securities pursuant to Article 2.1(a).
- (b) Notwithstanding anything contained in Articles 2.1(a) and 2.1(c), but subject to the Investors' rights with respect to the Reserved Board Matters and Reserved Investors' Matters and to the proviso to this Article 2.1(b) set out below, any future issue of New Securities, to any Person and the terms thereof, shall always be subject to applicable laws and the terms of these Articles and

the Agreement, including without limiting the generality of the foregoing, the fulfilment of the following condition:

the Company shall not issue any New Securities to any Person at a Pre-Money Valuation below INR 25,000,000,000 (Indian Rupees twenty five billion) at any time until the date on which the Investors cease to be Shareholders or the date of an IPO (whichever is earlier) without the prior written approval of the Investors;

- (c) Without prejudice to the Investors' rights with respect to the Reserved Board Matters and Reserved Investors' Matters, and without prejudice to the provisions of Article 2.1 (b) above, each of the Company and the Sponsors agrees with the Investors that except with the prior written consent of the Investors, no New Securities, except for Shares issued pursuant to an IPO, shall be issued to any Person on terms (specifically other than the Pre-Money Valuation as per the provisions of Article 2.1(b) above) that are more favourable to that Person than the terms obtained by the Investors for the Investors' Shares under these Articles and the Investment Agreement or the Securities Subscription Agreement, as the case maybe.
- (d) Without prejudice to the Investors' rights with respect to Reserved Board Matters or Reserved Investors' Matters, if any New Securities are to be offered to any Person(s), except for Equity Shares pursuant to an IPO, for any reason whatsoever on terms (other than Pre-Money Valuation referred to in Article 2.1(b) above) that are more favourable than those obtained by the Investors for the Investors' Shares under the Investment Agreement and these Articles, each of the Company and the Sponsors agree with the Investors that, subject to applicable law, the Investors' terms of investment for the Investors' Shares (including without limitation the terms and conditions of the respective Investors' Shares and the provisions of these Articles) shall be adjusted with retrospective effect so that the terms obtained by the Investors for the Investors' Shares are, in each of the above respects but without limitation, at least as favourable as those offered to such Person. Each of the Sponsors and the Company shall do all acts necessary to give effect to the provisions of this Article 2.1(d) under the legislative and regulatory framework in India.
- (e) Nothing contained in this Article 2.1 shall apply to any issuance of New Securities in an IPO.

**2.2 THE COMPANY, THROUGH ITS REMUNERATION COMMITTEE APPOINTED BY THE BOARD, SHALL IMPLEMENT THE SOP BY FEBRUARY 28, 2015 (IN A FORM AGREED WITH ALL THE INVESTORS). IF THE COMPANY FAILS TO IMPLEMENT THE SOP BY THE AFORESAID DATE, THEN THE SPONSORS SHALL PROCURE THAT SUCH SHARES ARE**

**TRANSFERRED TO THE JPM INVESTOR AND THE PINEBRIDGE INVESTOR, AS PER CLAUSE 3.2(G) OF THE EXISTING SHA.**

### **3. BUSINESS**

#### **3.1 Business**

**(a) The business of the Company (the “Business”) shall be the business of health care, healthcare delivery, healthcare research and education (to the extent permitted under applicable law), health insurance, health diagnosis, operating medical pharmacies associated with each of the Hospitals and such other business as is or may be conducted under the NH Brand and which relates to healthcare but excluding for these purposes:**

- (i) Hrudayalaya Pharmacy;
- (ii) any pharmacy related operation carried out outside of the Hospitals, and that is not carried on under or using the NH Brand or by DS; and
- (iii) any supply chain activities that source and supply pharmaceutical products, medical consumables, surgicals and equipments to multiple hospitals including NH.

It is agreed between the Parties that the Company shall at all times be the sole legal and beneficial owner of NH (subject to Article 3.1(d)), the NH Brand (including all extensions and derivatives thereof) and any and all other Intellectual Property Rights that the Company uses or has an interest in at the date hereof or that it may develop in the future, whether registered or not. Without prejudice to the Investors’ rights with respect to Reserved Board Matters and Reserved Investors’ Matters, the Company shall have the right to license/ assign the NH Brand and other Intellectual Property Rights that may be vested in it from time to time only on an arm’s length basis and under a written agreement that shall be in a form agreed between the Company and the Investors prior to such licensing or assignment.

- (b) The Company shall, and each of the Shareholders shall exercise all rights and powers available to it to procure that the Company shall carry on the Business in accordance with these Articles, all applicable laws and regulations and the then-applicable Annual Business Plan.
- (c) Without prejudice to the Investors’ rights with respect to Reserved Board Matters and Reserved Investors’ Matters, the Sponsors and the Company

jointly and severally undertake to procure that the Company shall not change or discontinue its Business in whole or in part, or enter into any new business or activity other than the Business, without the prior written consent of PineBridge Investors and the JPM Investor.

(d) NH Land

(i) Notwithstanding anything contained in these Articles or the Investment Agreement, DS shall during the entire term of the Agreement and the Investment Agreement, have the right, but not the obligation, to require the Company to transfer (subject to compliance with applicable laws) to DS or to any Sponsor Connected Person or Affiliate or a partnership firm in which DS is the majority partner, and nominated by DS in writing, all the Land of the Company described in Schedule 7 to the Agreement (the NH Land), provided that:

(a) all costs and expenses (including without limitation all stamp duties and registration charges) whatsoever connected with any such transfer of the NH Land to DS or a Sponsor Connected Person or Affiliate or such partnership firm, shall be borne entirely by DS, and DS shall indemnify and keep indemnified the Company from all liability for or in respect of such transfer;

(b) all transfers of the NH Land shall be made on an 'as is, where is' basis and the Company shall not be required to make or give any representation, warranty or covenant with respect to the NH Land; and

(c) such transfer shall not affect in any manner the use or occupation of any of the NH Land by any Group Entity, and without prejudice to the foregoing, DS shall, or shall procure that the relevant Sponsor Connected Person or Affiliate or such partnership firm shall, simultaneously with any such transfer of any NH Land, Lease back the relevant NH Land to the Company under an irrevocable lease deed (the NH Lease Deed) executed between DS or the relevant Sponsor Connected Person or Affiliate or such partnership firm (as the case may be) and the Company, inter alia on the following terms: (1) the NH Lease Deed shall be for an initial term of fifteen (15) years, with an option for the Company to renew the NH Lease Deed for a further term of ten (10) years, against payment of a one time interest free refundable deposit of INR 142,500,000 (Indian Rupees one hundred and forty two million five hundred

thousand only), which deposit shall be refundable in full at the end of the term of fifteen (15) years. Such deposit might be renewed for the same amount and on the same terms at the end of the fifteen (15) year period up to the end of the lease period, based on mutual agreement between DS and the Company, (2) the Company shall pay to DS or the Sponsor Connected Person or Affiliate or such partnership firm a sum of INR 1 (Indian Rupees one only) per month per acre as and by way of consideration for the entire term of the NH Lease Deed, and (3) the Company shall only bear or otherwise reimburse DS or the Sponsor Connected Person or Affiliate or partnership the amount of any municipal or other local land taxes whether current or future, (but excluding any taxes on such reimbursement) payable on the relevant NH Land during the tenure of NH Lease Deed to the Company at the same rate as it would be required to pay if the relevant NH Land were owned by the Company.

- (ii) DS hereby undertakes and assures the Investors and the Company that (1) he (either through himself or through the Sponsor Connected Person or Affiliate or partnership firm) shall procure that the NH Lease Deed is not terminated; and (2) the Company shall at all times during the term of the Agreement and the Investment Agreement have peaceful, uninterrupted possession, occupation, access and use of the NH Land, including pursuant to the NH Lease Deed.
- (iii) Notwithstanding anything contained in these Articles or the Shareholders' Agreement, any acts undertaken by either Sponsor or the Company in connection with the transfer of the NH Land in accordance with Article 3.1(d) above, including the exercise by DS of his right to require the transfer of NH Land, shall not be considered a variation, alteration or breach of any Warranty, condition precedent, pre-Completion or Pre-CDC Completion undertaking, or any other covenant, undertaking or term of the Agreement or the Investment Agreement.
- (iv) The Company agrees, and the Parties agree to the Company executing and delivering all instruments and documents and to perform all other acts, that may be reasonably necessary or expedient to further the purposes of this Article 3.1(d) and to refrain from any acts that would defeat the objects and purposes of this Article 3.1(d).



### 3.2 Sponsors' Covenants

- (a) Subject to Article 3.2(c), DS and SS covenant to each of the Company and the Investors that:
- (i) the Company together with the Associated Companies shall be the exclusive vehicle of DS and SS for the Business;
  - (ii) without prejudice to the generality of Article 3.2(a)(i), for so long as any Investor (whether alone or together with its Affiliates) holds not less than forty (40) per cent of the Investors' Shares issued to such Investor at Completion (or in CDC's case, forty (40) per cent of the CDC Securities), DS and SS shall not, and shall procure that none of the Sponsor Connected Persons shall, directly or indirectly engage in any capacity in any new business or invest in any venture that competes with any part of the Business,  
  
provided that the undertakings and covenants contained in this Article 3.2(a) shall not apply to any children of DS where such children are acting in an individual capacity.
- (b) For the purposes of Article 3.2(a), a Person, DS, SS or a Sponsor Connected Person shall be deemed to be directly or indirectly engaged in any capacity in any new business or invests in any venture that competes with any part of the Business if it carries it on as principal or agent, or if:
- (i) it is, a partner, director, employee, consultant, or agent in, or on secondment to, or provides any advice or any other form of assistance including any financial assistance or support to, any Person who carries on the business or venture that competes with any part of the Business;  
or
  - (ii) it has, any direct or indirect financial interest (as shareholder, creditor or otherwise) in any Person who carries on the business or venture that competes with any part of the Business provided that any financial interest of the Person, DS, SS or Sponsor Connected Person (as applicable) in any Person whose securities are listed or traded on any generally recognised market (the Issuer) shall be disregarded for the purposes of this Article 3.2(b)(i), (ii), and (iii) if, in the aggregate, DS, SS and the Sponsor Connected Persons or the Person (as applicable) (the Minority Investors) hold(s) securities amounting to less than five (5) percent of the issued securities of that class in the Issuer and that, in all circumstances, carry less than five (5) percent of the voting rights (if

any) attaching to the issued securities of that class in the Issuer and provided that none of the Minority Investors are involved in the management of the business of the Issuer or of any Person concerned with the Issuer or have been granted any rights not ordinarily available to all shareholders of the Issuer or of any Person concerned with the Issuer; or

- (iii) it is a partner, director, employee, consultant or agent in or on secondment to, or provides any advice or any other form of assistance including any financial assistance or support to, any person who has a direct or indirect financial interest (as shareholder, creditor or otherwise) in any person who carries on the business or venture that competes with any part of the Business.
- (c) Without prejudice to the generality of Article 3.2(a)(i), DS covenants to each of the Company and the Investors that during the term of the Agreement he shall offer by notice in writing to the Company (with a copy to each of the Investors) (the Business Opportunity Notice), all investment, acquisition, development, management or operation propositions/ opportunities relating to the Business, (each a Business Opportunity) as soon as is reasonably possible after DS becomes aware of the Business Opportunity but in any event within twenty-one (21) days from DS becoming aware of the Business Opportunity. The Business Opportunity Notice shall set forth, to the extent known, (i) full details of the Business Opportunity (including, without limitation, the location, name, financial viability, long-term prospects and all relevant production, marketing, financial and human resources information relating to the Business Opportunity); (ii) a statement of whether, either or both of the Sponsors intend to invest in the Business Opportunity if the Company does not invest in the Business Opportunity; (iii) the cost and anticipated methods of funding the Business Opportunity; and (iv) all such other details and information in the possession of DS which would or is likely to influence (the decision of the Investors and) the Company to engage or invest in the Business Opportunity.

If the Company determines not to engage or invest in any Business Opportunity offered as aforesaid on account of:

- (a) the Investor Directors not voting in favour of the Business Opportunity presented to the Board for approval or;
- (b) any one or more Investor Directors not voting in favour of the Business Opportunity presented to the Board, and pursuant to Article 12 of these

Articles, the Mazumdar Shaw Director also not voting in favour of such Business Opportunity,

then DS shall be entitled to undertake such Business Opportunity on terms which are not more favourable in any manner to those presented to the Company in the Business Opportunity Notice, provided that:

- (i) such Business Opportunity does not relate to any hospital business;
- (ii) DS has complied in all respects with the provisions of Article 3.2; and
- (iii) the engagement or investment by DS in the Business Opportunity shall not in the written opinion of any two (2) out of the PineBridge Investor, the JPM Investor, CDC or the Mazumdar Shaw Director materially and adversely affect the profitability of the then existing business of the Company.

For the purpose of this Article, hospital business means any business relating to owning and/or setting up and/or operating and/or managing any undertaking which offers medical and health care services and healthcare delivery to in patients and/or outpatients including but not limited to clinics, dispensaries, polyclinics, and diagnostic etc.

- (d) Each of the restrictions in each Article above shall be enforceable by the PineBridge Investors, the JPM Investor, CDC and the Company independently of each of the others and its validity shall not be affected if any of the others is invalid; if any of the restrictions is void but would be valid if some part of the restriction were deleted, the restriction in question shall apply with such modification as may be necessary to make it valid.
- (e) DS undertakes and assures that he shall, not wilfully do or omit to do, or cause to be done or omitted to be done, any act or thing which to the best of his knowledge would result (or be likely to result) in any outcome which may or will affect the operations of any of the Managed Entities in existence as of the date of the Agreement adversely.
- (f) DS hereby undertakes and assures the Investors that (i) he (either through himself or through the Sponsor Connected Person or Affiliate or partnership firm, to any of which the NH Land may be transferred to pursuant to Article 3.1(d)(i)) shall not terminate or cause the termination of the NH Lease Deed and (ii) the Company shall at all times during the term of the Agreement and the Investment Agreement have the right to peaceful, uninterrupted possession, occupation, access and use of NH Land.

- (g) The Company shall cause employees of the Company who have been mutually agreed and identified by the Parties, to enter into appropriate non compete and non solicit agreements with the Company, within a period of 60 (sixty) days from the date hereof.
- (h) The Sponsors hereby undertake and assure the Investors that they shall not during the term of the Agreement, (a) sell, transfer or otherwise dispose of in any manner, their legal and/ or beneficial right, title and interest or voting rights in or to the whole or any part of their shares in NHAPL, and (b) create or permit to subsist any Encumbrance, over all or any part of their shares in NHAPL.
- (i) DS acknowledges that the provisions of this Article 3.2 are no more extensive than is reasonable to protect the Company and the Investors as holders of Shares.
- (j) The Company and the Sponsors agree that none of the Investors shall be restricted from making any investments of any nature in any Persons, including in any Persons engaged in the Business or undertaking activities that are the same as or compete with the Business, provided that the Investors shall maintain the confidentiality of all information relating to the Company and the Sponsors and the Group Entities in accordance with Article 15 (Confidentiality). The Company and the Sponsors agree that none of the Investors shall have any obligations to refer any Business Opportunities to the Company.

### **3.3 Other Covenants**

- (a) The Company covenants and undertakes to each of its Shareholders that it shall, prior to the earlier of (i) and IPO; and (ii) December 31, 2015, implement and maintain each of the good governance and best practices matters including those set out in Schedule 8 of the Agreement, as would ordinarily be required to be complied with by public listed companies under applicable law.
- (b) The Company covenants and undertakes with the Party Shareholders that it shall comply with the undertakings set out in Schedule 6 of the Agreement. The Company and the Sponsors covenant and undertake to the Party Shareholders that an ESG committee constituted by the Board shall no later than one (1) month prior to the completion of an IPO by the Company, ratify a policy incorporating each of the ESG Requirements contained in Schedule 6 of the Agreement at all times thereafter, including following the completion of an IPO.
- (c) The Sponsors and the Company covenant and undertake with the Investors

that:

- (i) each of the Company and the Sponsors shall cause each Group Entity to (x) adopt appropriate policies and procedures in order to prevent any action which may or will involve a violation of any anti-bribery, money laundering or corrupt practice laws in India or the United States of America, United Kingdom or such other similar applicable laws elsewhere (the Anti-Corruption Rules) by the Group Entities and each of their respective officers, directors, employees, shareholders, members, agents or Affiliates; (y) ensure that no action which may or will involve a violation of the Anti-Corruption Rules is taken by any of the Group Entities or any of their respective officers, directors, employees, shareholders, members, agents or Affiliates, with the knowledge of or under the authority of or directions from the Company or its Board; and (z) take steps to address any instances of violation of the Anti-Corruption Rules that become known to the Company or to its Board and to the extent required, amend any policies or procedures adopted by the Group Entities with a view to prevent any future violations of a similar nature;
- (ii) the Company and the Sponsors shall immediately notify the Investors in writing of any request that such Group Entity or any of its officers, directors, employees, shareholders, members, agents or Affiliates, acting on its behalf, receives to take any action that may constitute a violation of any of the Anti-Corruption Rules;
- (iii) throughout the term of the Investors' investment in the Company, the Company shall not and shall cause the Group Entities, their subsidiaries, Affiliates or Principals not, to do any acts that will result in such Persons being identified as persons on the Prohibited Lists. In the event the Group Entities become identified as persons on the Prohibited Lists, either (a) as a result of their actions or (b) through a subsequent change in the Prohibited List or in the identification of Restricted Countries, the Sponsors and the Company will immediately take whatever action the Investors reasonably deem necessary to remedy the situation. In the event that the Group Entities are unable to remedy the situation, or in the event there are material changes in the nature or amount of the Group Entities business with Restricted Countries that, in the reasonable view of the Investors or its counsel, would cause the Investors to be in violation of U.S. law, the PineBridge Investors and the JPM Investor shall each have the right subject to the provisions of Article 13.3(a)(iii)) to sell or otherwise transfer their respective

ownership in the Company, and the Company and the Sponsor shall each use their best efforts to assist in such sale or transfer, to the extent that such sale or transfer is to a Person other than a Competitor; provided that if the event occurs on account of a subsequent change in the Prohibited List or in the identification of Restricted Countries, then the Sponsors shall not be liable to bear any cost in any manner whatsoever with respect to the sale and transfer of the Investors' Shares by the Investors;

- (iv) upon request with reasonable notice by the Investors each of the Company and the Sponsors shall, provide sufficient information regarding the Group Entities including but not limited to the sales, marketing, Affiliates, subsidiaries, Principals and investors to ensure each Group Entities' ongoing compliance with Article 3.3(c)(iii) and to determine whether there are any material changes in the Group Entities' business that, in the reasonable view of the Investors or its counsel, would cause the Investors to be in violation of U.S. law; and
  - (v) the proceeds of the transaction shall be used for the purpose set out in Clause 3 of the Investment Agreement and shall not be used directly in connection with business activities relating to any Restricted Country or with any person on the Prohibited Lists.
- (d) The Company agrees to provide or to cause the Group Entities to provide, the Investors, on a quarterly basis, with books and records of the Group Entities, information with respect to shareholders and other relevant financial information, to co-operate with the Investors and assist the Investors to fulfill their respective obligations, liabilities and tax election demands under U.S. tax law, and to comply with all necessary reporting requirements, provided that no Indian law will be violated.
- (e) The Parties hereby agree that the current terms of employment of DS with the Company, shall continue in its current form during the subsistence of the Agreement.
- (f) On or prior to January 7, 2015, the Company and the Sponsors shall agree on the form of the Restated Articles which will be in a manner satisfactory to all the Investors. Immediately thereafter, the Company and the Sponsors shall procure that the Company adopt the Restated Articles in a manner satisfactory to all the Investors and in accordance with applicable law.
- (g) In the event of any conflict between the provisions of the Agreement and these Articles, the provisions of the Agreement shall govern and prevail. Each of the

Shareholders and the Company agree to vote any Shares respectively owned by them so as to cause these Articles, to be amended from time to time, to the fullest extent permitted by applicable law to resolve any such conflict in favour of the provisions of the Agreement.

- (h) For the purposes of this Article 3.3, “subsidiaries” shall refer to all companies or other entities in which the Company holds more than a 25% equity interest.

#### **4. BOARD**

##### **4.1 Number of Directors**

At all times from the Completion Date, the Company shall, subject to applicable law, have no more than eleven (11) directors on its Board on the Completion Date, including at least two (2) Independent Directors and three (3) Investor Directors (as defined below). Apart from the Investor Directors appointed in accordance with Article 4.2, the Sponsors shall appoint the other Directors on the Board.

##### **4.2 Nomination of Directors**

- (a) Until completion of an IPO, the number of independent Directors (the Independent Directors) appointed to the Board excluding the Investor Directors shall be not less than two (2). For the purposes of these Articles, an Investor Director shall not be considered an Independent Director. The Independent Directors shall be appointed in accordance with Article 4.3.
- (b) As so long as the PineBridge Investors (whether alone or together with their Affiliates) hold in the aggregate not less than forty (40) per cent of the PineBridge Investors’ Shares issued to the PineBridge Investors at Completion, the PineBridge Investors shall:
  - (i) be entitled to nominate one (1) Director (the PineBridge Investor Director) on the Board;
  - (ii) have the right, but not the obligation, to nominate one (1) Associated Company Director being an individual nominated by the PineBridge Investors in writing to:
    - (A) the Associated Company Board of NHL, and the Company and the Sponsors shall cause NHL to appoint any Associated Company Director so nominated; and
    - (B) without prejudice to the foregoing, in the case of NIARPL, the Sponsors and the Company shall on a best efforts basis cause

the appointment of an individual nominated by the PineBridge Investors in writing as an Associated Company Director on the Associated Company Board of NIARPL (the PineBridge Associated Company Investor Director).

- (c) As long as the JPM Investor (whether alone or together with its Affiliates) holds in the aggregate not less than forty (40) per cent of the JPM Investor's Shares issued to the JPM Investor at Completion, the JPM Investor shall:
  - (i) be entitled to nominate one (1) Director (the JPM Investor Director) on the Board;
  - (ii) have the right, but not the obligation, to nominate one (1) Associated Company Director being an individual nominated by the JPM Investor in writing to:
    - (A) the Associated Company Board of NHL, and the Company and the Sponsors shall cause NHL to appoint any Associated Company Director so nominated; and
    - (B) without prejudice to the foregoing, in the case of NIARPL, the Sponsors and the Company shall on a best efforts basis cause the appointment of an individual nominated by the JPM Investor in writing as an Associated Company Director on the Associated Company Board of NIARPL (the JPM Associated Company Investor Director).
- (d) As so long as CDC (whether alone or together with its Affiliates) hold in the aggregate not less than forty (40) per cent of the CDC Securities, CDC shall:
  - (i) be entitled to nominate one (1) Director (the CDC Investor Director) on the Board; and in the absence of any CDC Investor Director, nominate an observer on the Board;
  - (ii) have the right, but not the obligation, to nominate one (1) Associated Company Director being an individual nominated by CDC in writing to:
    - (A) the Associated Company Board of NHL, and the Company and the Sponsors shall cause NHL to appoint any Associated Company Director so nominated; and
    - (B) without prejudice to the foregoing, in the case of NIARPL, the Sponsors and the Company shall on a best efforts basis cause the appointment of an individual nominated by the CDC



Investor in writing as an Associated Company Director on the Associated Company Board of NIARPL (the CDC Associated Company Investor Director).

- (e) If the Company has the right to appoint more than two (2) Company nominees as directors on the board of a Group Company then, the Sponsors and the Company shall cause the Group Company to appoint one (1) Group Company Investor Director. Such Group Company Investor Director shall be jointly nominated by the Investors.
- (f) It is agreed that, for so long as each Investor (whether alone or together with their Affiliates) hold in aggregate not less than forty (40) per cent of the Shares issued to such Investor on Completion (or forty (40) per cent of the CDC Securities, in respect of CDC) (as applicable), such Investor may replace its Investor Directors and/ or any Associated Company Investor Director or his/her alternate Director at any time. With respect to the Group Company Investor Director, the Investors may, acting jointly, at any time, replace such Group Company Investor Director.
- (g) An Investor Director may, by written notice to the Company Secretary, nominate an individual as an alternate Director to the Investor Director. The Board shall appoint each individual so nominated as alternate Director to act for the original Investor Director, at any meetings of the Board, in such manner and for such periods, as are permitted under applicable law. The Board shall, on written notice from the original Investor Director to the Company Secretary, terminate the appointment of the concerned original Investor Director's alternate and, where the said original Investor Director nominates a replacement, appoint such replacement as the alternate or unless the original Director provides prior written notice to the contrary, re-appoint the last appointed alternate, in the event that the alternate's appointment lapses under the provisions of applicable law, provided that an alternate Director shall not hold office for a period longer than that permissible to the original Investor Director in whose place the alternate has been appointed.
- (h) As long as an Investor (whether alone or together with its Affiliates) holds in the aggregate not less than forty (40) per cent of the Shares issued to the Investor at Completion (or in the case of CDC, forty (40) per cent of the CDC Securities) as the case may be, the Investor Directors, Associated Company Investor Director and Group Company Investor Director appointed by such Investor shall not be required to retire by rotation.
- (i) It is intended that the provisions of Article 4.2(g) and Article 4.2(h) shall apply mutatis mutandis in relation to each Associated Company and each Group

Company as if references in Article 4.2(g) to a “Director”, “the Company Secretary” and “Board” are to an “Associated Company Director”, “the company secretary of the relevant Associated Company” and “relevant Associated Company Board” respectively, and an “Group Company Director”, “the company secretary of the relevant Group Company” and “relevant Group Company Board” respectively, and references in Article 4.2(h) to the “Investor Director(s)” are to the “Associated Company Investor Director and to the “Group Company Investor Director(s)”. Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings and meetings of the relevant Associated Company Board and meetings of the relevant Group Company Board as well as general meetings of the Company and the relevant Associated Company and the Group Company in order to give full effect to the provisions of this Article 4.2(i), including without limitation amending the respective articles of association of each of the Associated Companies and each of the Group Companies, to procure that full effect is given to the provisions of this Article 4.2(g).

### **4.3 Investor Directors**

- (a) The Sponsors and the Company expressly agree and undertake that the Investor Directors and any other non-executive Directors (including for the avoidance of doubt, Directors who are not in the whole time or part time employment of the Group Companies) (together, the “Non-Executive Directors”) shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be or considered or identified as the “responsible officer”, the “authorised officer”, the “compliance officer”, the “officer having knowledge”, the “officer in charge”, “officer in default” or “an employer of the employees” for the purposes of various statutory and regulatory compliances and applicable laws, including any compliances under labour law, environmental laws and the Companies Act, and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any applicable laws.**
- (b) Further, the Sponsors and the Company undertake to endeavour that the other Directors or suitable persons are nominated as the “responsible officer”, the “authorised officer”, the “compliance officer”, the “officer having knowledge”, the “officer in charge”, “officer in default” or “an employer of the employees” for the purposes of various statutory and regulatory compliances and applicable laws, including any compliances under labour law, environmental laws and the Companies Act, failing which all the Directors nominated for appointment by the Sponsors shall be**

considered as the “responsible officer”, the “authorised officer”, the “compliance officer”, the “officer having knowledge”, the “officer in charge”, “officer in default” or “an employer of the employees” for the purposes of various statutory and regulatory compliances and applicable laws.

#### **4.4 Independent Directors**

The Board shall, following consultation and agreement between the Investors and the Sponsors, appoint as the Independent Directors, individuals who shall have appropriate experience and qualifications to hold a position of this nature on the board of a company such as the Company. For the avoidance of doubt, the Mazumdar Shaw Director shall be regarded as an Independent Director only for the purposes of these Articles and the Agreement, and the Independent Directors shall count towards the total number of Directors as set out in Article 4.1. Any changes to the Independent Directors other than Mazumdar Shaw Director shall be effected only with the prior consultation with the Investors.

#### **4.5 Chairman**

- (a) DS shall be the executive Chairman.
- (b) The Chairman shall not have a second or casting vote in the event of an equality of votes at Board meetings or general meetings of the Company or the relevant Associated Company or any Group Company, as applicable. The Company shall procure that the chairman of the board of directors and general meeting of each Associated Company or any Group Company shall not have a second or casting vote in the event of an equality of votes at board meetings or general meetings of such Associated Companies or any Group Company, as the case may be.

#### **4.6 Current Composition of the Board**

The current composition of board of directors of the Company are as under:

| Name of Director         | Type of Director                             |
|--------------------------|--|
| Dr. Devi Prasad Shetty   | Executive Chairman                           |
| Dr. Ashutosh Raghuvanshi | Vice Chairman, Managing Director & Group CEO |
| Mr. Viren Shetty         | Whole Time Director                          |
| Mrs.Kiran Mazumdar Shaw  | Non Executive Director                       |

|                          |  |
|--------------------------|--|
| Mr. Dinesh Krishna Swamy | Independent Director   |
| Mr. Arun Seth            | Independent Director   |
| Mr. B. Muthuraman        | Independent Director   |
| Mr. B.N.Subramanya       | Independent Director   |
| Mr. Harjit Singh Bhatia  | PineBridge Investor Director, with Mr. Ashish Kumar Agarwal as alternate Director              |
| Mr David Michael Easton  | CDC Investor Director, with an alternate Director as notified by CDC to the Company in writing |

#### **4.7 Board meetings**

Each Party Shareholder shall exercise all rights and powers available to it to ensure that the Company and the Directors adopt the following rules in relation to Board meetings:

- (a) Board meetings shall be held at least once in every three (3) months and at least four (4) times every year;
- (b) at least fourteen (14) calendar days' written notice shall be given to each Director of each meeting of the Board setting out the agenda for the meeting in reasonable detail and attaching the relevant papers to be discussed at the relevant meeting and all available data and information relating to matters to be discussed at the relevant meeting except as otherwise agreed in writing by all of the Directors;
- (c) unless otherwise agreed by the Investors in advance:
  - (i) in writing; or
  - (ii) by fax, e-mail or other written electronic communication,

and after the Investors have been provided with the agenda for the relevant meeting then, without prejudice to the Investors' rights with respect to Reserved Board Matters and Reserved Investors' Matters, the quorum for any meeting of the Board shall be three (3) Directors or such higher number as may be prescribed under the Companies Act, which quorum shall always include

one Investor Director or an Investor Director's alternate and one of the Directors nominated by the Sponsors and such Director's alternate;

- (d) if the Investors have agreed under subparagraph (c) above that the quorum for a meeting shall not include the Investor Directors or the Investor Directors' alternate, then:
  - (i) no matter shall be tabled, discussed or resolved at that meeting unless such matter was specifically described in the agenda provided to the Investors prior to its agreement under subparagraph (c) above and, notwithstanding any provision in that agenda for the tabling of, discussion regarding or resolution on "other business", "other matters with the permission of the Chairman" or similar, no such other matters shall be tabled, discussed or resolved at that meeting; and
  - (ii) such meeting shall be deemed inquorate if any matter is tabled, discussed or resolved in contravention of subparagraph (i) above;
- (e) each Director may cast one (1) vote;
- (f) except for any decisions which require a Super-Majority Resolution under these Articles, or which expressly require a higher majority under applicable provisions of the Companies Act, decisions of the Board shall be made on the basis of a majority of the votes cast by Directors entitled to vote at the relevant meeting;
- (g) when permitted under applicable law, any Director may upon his/ her request, participate in and vote at any meeting of the Board by means of a telephone, video conferencing or similar communications equipment which allows all persons participating in the meeting to hear each other and record the deliberations, whether or not the alternate nominated by that Director is physically attending the relevant meeting provided that where a Director is voting at a meeting of the Board by means of a telephone or video conference, the alternate nominated by that Director, shall not be entitled to vote on any matters put before the relevant meeting. Where any Director participates in a meeting of the Board by any of the means described in the preceding sentence of this Article 4.7(g), the Company shall ensure that such Director is provided with a copy of all documents referred to during such meeting of the Board before the relevant meeting commences;
- (h) a circular resolution in writing, executed by or on behalf of a majority of the Directors, shall constitute a valid decision of the Board provided that a draft of such resolution was sent to all of the Directors at their usual address together

with a copy of all supporting papers and provided further that unless (and only to the extent that) the resolution or decision concerned has been previously approved in writing by the Investors, no resolution concerning any Reserved Board Matters or any decision requiring a Super-Majority Resolution under these Articles, may be passed by a circular resolution;

- (i) the Chairman shall cause the Company Secretary to prepare minutes of each meeting of the Board and circulate them to each Board member within fifteen (15) calendar days of the relevant meeting. Members of the Board shall make any comments on the minutes of the relevant meeting within seven (7) calendar days of receipt of the minutes. If no comments are made within the time limit set out in this Article, the relevant minutes shall be deemed to be acceptable as drafted. The relevant minutes shall be signed at the commencement of the next meeting of the Board;
- (j) the Investor Directors are not entitled to be paid for acting as Directors, other than as prescribed by the Companies Act or as agreed to between a particular Director and the Company in writing, but they are entitled to be paid by the Company for all reasonable travelling, hotel and other expenses properly incurred by them in attending meetings and discharging their duties as Directors of the Company;
- (k) if no quorum is present by the appointed time for any meeting of the Board, the relevant meeting shall stand adjourned to the same day in the next week at the same time and place and the quorum at such relevant adjourned meeting shall be that prescribed under the Companies Act, provided that:
  - (i) written notice of the adjournment was given to each Director at his or her usual address for service of notices of Board meetings not less than five (5) Business Days before the date of the relevant adjourned meeting;
  - (ii) if any item on the agenda for the meeting relates to a Reserved Board Matter and an Investor Director has sent in writing to the Board at least one day prior to the date of the relevant adjourned meeting (notified to the Investor Director in accordance with Article 4.7(k)(i)), a refusal to give his or her affirmative vote on the Reserved Board Matter concerned, such Reserved Board Matter shall not be taken up at the adjourned Board meeting (or any further adjournment thereof), and no resolution approving such Reserved Board Matter shall be deemed to have been passed even if taken up, provided that items other than Reserved Board Matters may be taken up and approved at such meetings with the consent of the Board; and

- (iii) no items may be considered at the adjourned meeting which were not specifically set out on the agenda for the meeting which was adjourned.
- (l) The Sponsors and the Company shall procure that the provisions of Articles 4.5 and 4.6 apply mutatis mutandis to the board proceedings in, including board meetings of NHL, and each of the Group Companies, on and from the Completion Date. In the case of NIARPL, the Sponsors and the Company shall use their best efforts to procure that the provisions of Articles 4.5, 4.6 and 4.7 apply mutatis mutandis to the board proceedings in, including board meetings of, NIARPL. Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings, meetings of the relevant Associated Company Board and meetings of the relevant Group Company as well as general meetings of the Company, the relevant Associated Company and the relevant Group Company in order to give full effect to the provisions of this Article 4.6(l), including without limitation amending the respective articles of association of each of the Associated Companies and the relevant Group Companies, to procure that full effect is given to the provisions of this Article 4.7(l).

#### **4.8 Board Committees**

- (a) The Company shall constitute committees of the Board including but not limited to corporate governance committee, audit committee, compensation committee, and share transfer committee, in accordance with best corporate governance practices. Notwithstanding any provision in these Articles, all transfers or sales of Shares by any Sponsor shall require the approval of a committee of the Board (Share Transfer Committee), which shall include the Investor Directors. All resolutions by the Share Transfer Committee approving the transfer or sale of any such Shares, other than as per the provisions of these Articles, shall include the affirmative vote of the Investor Directors appointed to the committee. Articles 4.7(b), (c), (e), (g), (i), (j) and (k) shall apply to Share Transfer Committee meetings, where references to Directors are construed as references to members of the Share Transfer Committee.
- (b) The Board shall appoint the Investor Directors on such committee(s) and sub-committee(s) of the Board and such other management committee(s) or sub-committee(s) of the Company, as may be notified by the Investors in writing to the Sponsors. For the avoidance of doubt, any decision taken at any such committee or sub-committee that relates to a Reserved Board Matter shall not be valid unless it is ratified and approved by a Super-Majority Resolution and

any decision taken at any such committee or sub-committee that relates to a Reserved Investors' Matter shall not be valid unless it is approved in writing, in advance, by each of the Investors. Provided that the consent of CDC shall not be required in relation to any of the Excluded Matters.

- (c) Without prejudice to the foregoing, unless otherwise agreed in writing by the Investors, all provisions of these Articles relating to the Board and its meetings shall be applicable to meetings of committees and sub-committees of the Board.
- (d) The Sponsors and the Company shall procure that the provisions of this Article 4.8 shall apply mutatis mutandis to board of directors of each of the Associated Companies and the Group Company, on and from the Completion Date. Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings, meetings of the relevant Associated Company Board and meetings of the relevant Group Company as well as general meetings of the Company, the relevant Associated Company and the relevant Group Company in order to give full effect to the provisions of this Article 4.7(d), including without limitation amending the respective articles of association of each of the Associated Companies and the relevant Group Company, to procure that full effect is given to the provisions of this Article 4.8(d).

#### **4.9 Related party transactions**

Without prejudice to the Investors' rights with respect to Reserved Board Matters and Reserved Investors' Matters, and DS' rights under Article 3.1(d), all related party transactions, being transactions between any Group Entity and any Shareholder or Affiliate of any Shareholder or any Sponsor Connected Person or any Relative of the Shareholder or any director of an Affiliate or of any Sponsor Connected Person or any Related Party, including but not limited to investments in and loans to such Persons and the formation of Subsidiaries and/or Affiliates of any Group Entity, shall be conducted on an arm's-length basis in accordance with the policies and procedures approved by the Board. For the purposes of this Article, the terms Relative and Related Party shall have the meanings given to such terms in the Companies Act. The Company shall, prior to December 31, 2015, procure that the Independent Directors on the Board review all transactions entered into between any Group Entity and any of the Persons specified in this Article 4.9, to ensure that all transactions with such Persons have been conducted on arms' length terms.

#### **4.10 Provisioning Review**



The Company shall, prior to December 31, 2015, (a) appoint an external independent auditor to conduct a review of all provisioning policies of the Group Entities and to make recommendations in relation to any changes or modifications to such provisioning policies, and (b) adopt any such recommendations made by such independent auditor.

## **5. EXECUTIVE MANAGEMENT OF THE COMPANY**

**5.1 The Sponsors and the Investors intend that each of the Company and other Group Entities shall have a management structure and compensation that is appropriate and commensurate to the size, scale and the complexity of its business with a view to achieving market leadership.**

**5.2 The appointment and removal of the Key Executives shall be subject to prior consultation with the PineBridge Investors and the JPM Investor.**

**5.3 DS hereby agrees and undertakes to devote substantial amount of his time and attention to the Company and the Business.**

## **6. RESERVED BOARD MATTERS**

**6.1 Subject to Article 12 and the proviso to Clause 14.2(a) of the Agreement, the Company shall, and each of the Sponsors and the other Party Shareholders shall, exercise all rights and powers available to it/ them to procure that, none of the Reserved Board Matters shall occur with respect to the Company unless it has first been approved by a Super-Majority Resolution.**

**6.2** It is intended that the provisions of Article 6.1 shall apply mutatis mutandis in relation to each Associated Company and accordingly each of the Group Companies, and the Company shall, and each of the Sponsors shall, exercise all rights and powers available to it/ them to procure that, none of the Reserved Board Matters shall occur with respect to any Associated Company or any Group Company unless it has first been approved by a Super-Majority Resolution. For the purposes of this Article 6.2 only, the expression "Super-Majority Resolution" (a) when used in relation to an Associated Company shall mean a resolution passed at a duly convened and quorate meeting of the relevant Associated Company Board approved by a majority of the directors of the relevant Associated Company present and voting or such other majority of such directors as may be prescribed under the Companies Act, which majority shall in each case include the Associated Company Investor Directors or his/ her respective alternate director (as the case may be); and (b) when used in relation to an Group Company shall mean a resolution passed at a duly convened and quorate meeting of the relevant Group Company Board approved by a majority of the directors of the relevant Group Company present and voting or such other majority of such directors

as may be prescribed under the Companies Act, which majority shall in each case include the Group Company Investor Director or his/ her respective alternate director (as the case may be). Provided that, in relation to the Excluded Matters, the Super-Majority Resolution shall not require the consent of the CDC Associated Company Investor Director and/or his alternate director and/or Group Company Investor Director and/or his alternate if the same are appointed by CDC.

- 6.3 Without prejudice to Article 6.2 above, if and for so long as there is no Associated Company Investor Director on an Associated Company Board, or there is no Group Company Investor Director on the relevant Group Company Board (in the event the Investors have elected not to nominate and appoint any director to the board of the Associated Company or any Group Company) then none of the Reserved Board Matters shall occur with respect to that the relevant Associated Company or the relevant Group Company (as the case may be) unless it has first been approved in writing by a Super-Majority Resolution of the Board.
- 6.4 Without prejudice to the foregoing, each of the Sponsors and the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings, meetings of each Associated Company Board and board meetings of each of the Group Companies as well as general meetings of the Company, each of the Associated Companies and each of the Group Companies in order to give full effect to the provisions of this Article 6, including without limitation amending the respective articles of association of each of the Associated Companies and each of the Group Companies and, to procure that full effect is given to the provisions of this Article 6.
- 6.5 Reserved Board Matters:
- (a) Part A: Any of the following matters:
- (i) Major diversification, investments, divestments or expansion of, or other changes in the Business.
  - (ii) The establishment of any Group Entity or an Affiliate of a Group Entity and the acquisition (whether by purchase, subscription or otherwise) by any Group Entity of any share capital or loan capital, or the entry into by any Group Entity of any partnership or joint venture arrangement or merger with, any body corporate.
  - (iii) Any material change in the nature or scope of the Business or the activities undertaken by the Company.
  - (iv) Any “related party” transaction in excess of INR 10,000,000 (Indian Rupees ten million) per annum (where “related party” shall be understood as referred to in Indian GAAP).
  - (v) The approval or amendment of any Annual Business Plan.

- (vi) Any material deviations from the then-applicable Annual Business Plan including, without limitation, those arising from:
1. any additional borrowing or any guarantees, indemnities or other security or liabilities (actual or contingent) therefore in excess of ten (10) per cent of the amount approved in the relevant Annual Business Plan for such transactions for the financial year in question;
  2. any long-term debt, loans made by or to the Company or any Group Entity, guarantees, indemnities or other security in excess of ten (10) per cent of the aggregate amount approved for such transactions in the relevant Annual Business Plan for the financial year in question;
  3. any additional capital expenditure where the amount exceeds ten (10) per cent. of the amount provided for capital expenditures in the relevant Annual Business Plan for the financial year in question; or
  4. any special development expenditure in excess of ten (10) per cent of the amount provided therefore in the relevant Annual Business Plan.
- (vii) The taking of any loan or providing guarantees which results in the Company's aggregate debt and guarantee obligations exceeding INR 1,000,000,000 (Indian Rupees One Billion), and all subsequent loans and guarantees thereafter, up to INR 6,000,000,000 (Indian Rupees Six Billion) or one and a half times the net worth of the Company, whichever is higher.
- (viii) Any amendment of the Agreement, the Investment Agreement, the memorandum of association of the Company or these Articles or the memorandum and/or articles of association or trust deed of any Group Entity.
- (ix) Determination of dividend policy and any alteration thereof and the declaration and distribution of any dividends or any other distributions to Shareholders or shareholders of an Associated Company or any transfer of profits to reserves by the Company or any Associated Company.
- (x) Entry into, amendment or termination of any Material Contract.

- (xi) Use of the proceeds of the Investment Amount by the Investors for the Investors' Shares pursuant to the Investment Agreement.

Notwithstanding anything contained in this Part A of the Reserved Board Matters, any new Business project where the investment proposal has been approved by the Board at a duly organised Board meeting where at least two thirds of the Independent Directors have approved the said investment proposal shall not be a Reserved Board Matter. Provided that in the event that the Board consists of less than three (3) Independent Directors, the approval of all such Independent Director(s) shall be required to approve such new Business project.

- (b) Part B: Any of the following matters:
  - (i) Any change in the capital structure, including the entry into and approval of any stock option or purchase plan including the SOP, buy-back or issuance of Company Securities whether as a public offering or as a private sale or issue or otherwise howsoever.
  - (ii) Any merger, amalgamation, demerger, reorganisation or acquisition or disposition of any substantial Assets.
  - (iii) Any transfer or issue of Shares or equity or equity-linked securities or other induction or introduction of strategic investors/ partners or financial partners into the Company or its Business excluding those strategic initiatives wherein no Equity Shares are required to be issued to the corresponding partner at NH or any Group Entities or Affiliates.
  - (iv) Any investment made by using loan, credit or equity or equity-linked finance.
  - (v) Winding up or liquidation or the appointment of receivers or administrators over any of the Company's assets or undertaking or the initiation of any other insolvency or quasi-insolvency proceeding or the cessation of business.
  - (vi) Any matters concerning the IPO.
  - (vii) Any replacement, alteration, variation, assignment or novation or termination in any manner whatsoever of the Management and Operation Agreement.
  - (viii) Entry into and any amendment to any contract between the Company and the Mazumdar Shaw Group in the event the terms thereof vitiate in any manner, any of the rights of the PineBridge Investors and/ or the JPM Investor under the Agreement or the Investment Agreement.
  - (ix) Entry into and/or any replacement, alteration, variation or renewal of any contract by the Company with respect to the NH Land.
  - (x) Issue of any Shares other than Equity Shares.
  - (xi) Entry into or investment or engagement in or undertaking of, any

business, venture or activity which is not under the 'automatic route' or in respect of which a sectoral cap on foreign investment is prescribed, under the then prevailing foreign direct investment guidelines as laid down by the Government of India and the Reserve Bank of India. An investment, engagement or undertaking will be considered to be in the 'automatic route' if no permission of the Foreign Investment Promotion Board, the Reserve Bank of India or any other department of the Reserve Bank of India is required to engage in or make the investment, engagement or undertaking.

## **7. RESERVED INVESTORS' MATTERS**

7.1 Subject to Article 12 and the proviso to Clause 14.2(a) of the Agreement, the Company shall, and each of the Sponsors and the other Party Shareholders shall, exercise all rights and powers available to it/ them to procure that, none of the Reserved Investors' Matters shall occur with respect to the Company or with respect to any Associated Company or any of the Group Company unless it has first been approved in writing by the Investors. Provided that, for the purposes of these Articles, in relation to the Excluded Matters, the approval of CDC shall not be required.

7.2 Without prejudice to the foregoing, each of the Sponsors and the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings and meetings of the relevant Associated Company Board or any of the Group Companies as well as general meetings of the Company and the relevant Associated Company and any of the Group Companies in order to give full effect to the provisions of this Article 7, including without limitation amending the respective articles of association of each of the Associated Companies or any of the Group Companies and, to procure that full effect is given to the provisions of this Article 7.

7.3 Reserved Investors' Matters

(a) Part A: Any of the following matters:

- (i) Major diversification, investments, divestments or expansion of, or other changes in the Business.
- (ii) The establishment of any Group Entity or an Affiliate of a Group Entity and the acquisition (whether by purchase, subscription or otherwise) by any Group Entity of any share capital or loan capital, or the entry into by any Group Entity of any partnership or joint venture arrangement or merger with, any body corporate.
- (iii) Any material change in the nature or scope of the Business or the activities undertaken by the Company.
- (iv) Any "related party" transaction in excess of INR 10,000,000 (Indian

Rupees ten million) per annum (where “related party” shall be understood as referred to in Indian GAAP).

- (v) The approval or amendment of any Annual Business Plan.
- (vi) Any material deviations from the then-applicable Annual Business Plan including, without limitation, those arising from:
  1. any additional borrowing or any guarantees, indemnities or other security or liabilities (actual or contingent) therefore in excess of ten (10) per cent of the amount approved in the relevant Annual Business Plan for such transactions for the financial year in question;
  2. any long-term debt, loans made by or to the Company or any Group Entity, guarantees, indemnities or other security in excess of ten (10) per cent of the aggregate amount approved for such transactions in the relevant Annual Business Plan for the financial year in question;
  3. any additional capital expenditure where the amount exceeds ten (10) per cent. of the amount provided for capital expenditures in the relevant Annual Business Plan for the financial year in question; or
  4. any special development expenditure in excess of ten (10) per cent of the amount provided therefore in the relevant Annual Business Plan.
- (vii) The taking of any loan or providing guarantees which results in the Company’s aggregate debt and guarantee obligations exceeding INR 1,000,000,000 (Indian Rupees One Billion), and all subsequent loans and guarantees thereafter, up to INR 6,000,000,000 (Indian Rupees Six Billion) or one and a half times the net worth of the Company, whichever is higher.
- (viii) Any amendment of the Agreement, the Investment Agreement, the memorandum of association of the Company or these Articles or the memorandum and/or articles of association or trust deed of any Group Entity.
- (ix) Determination of dividend policy and any alteration thereof and the declaration and distribution of any dividends or any other distributions to Shareholders or shareholders of an Associated Company or any transfer of profits to reserves by the Company or any Associated Company.
- (x) Entry into, amendment or termination of any Material Contract.
- (xi) Use of the proceeds of the Investment Amount by the Investors for the Investors’ Shares pursuant to the Investment Agreement.

Notwithstanding anything contained in this Part A of the Reserved Investor Matters, any new Business project where the investment proposal has been approved by the Board at a duly organised Board meeting where at least two thirds of the Independent Directors have approved the said investment proposal shall not be a Reserved Investor Matter. Provided that in the event that the Board consists of less than three (3) Independent Directors, the approval of all such Independent Director(s) shall be required to approve such new Business project.

- (b) Part B: Any of the following matters:
- (i) Any change in the capital structure, including the entry into and approval of any stock option or purchase plan including the SOP, buy-back or issuance of Company Securities whether as a public offering or as a private sale or issue or otherwise howsoever.
  - (ii) Any merger, amalgamation, demerger, reorganisation or acquisition or disposition of any substantial Assets.
  - (iii) Any transfer or issue of Shares or equity or equity-linked securities or other induction or introduction of strategic investors/ partners or financial partners into the Company or its Business excluding those strategic initiatives wherein no Equity Shares are required to be issued to the corresponding partner at NH or any Group Entities or Affiliates.
  - (iv) Any investment made by using loan, credit or equity or equity-linked finance.
  - (v) Winding up or liquidation or the appointment of receivers or administrators over any of the Company's assets or undertaking or the initiation of any other insolvency or quasi-insolvency proceeding or the cessation of business.
  - (vi) Any matters concerning the IPO.
  - (vii) Any replacement, alteration, variation, assignment or novation or termination in any manner the Management and Operation Agreement.
  - (viii) Entry into and any amendment to any contract between the Company and the Mazumdar Shaw Group in the event the terms thereof vitiate in any manner, any of the rights of the PineBridge Investors and/ or the JPM Investor under the Agreement or the Investment Agreement.

- (ix) Entry into and/or any replacement, alteration, variation or renewal of any contract by the Company with respect to the NH Land.
- (x) Issue of any Shares other than Equity Shares.
- (xi) Entry into or investment or engagement in or undertaking of, any business, venture or activity which is not under the 'automatic route' or in respect of which a sectoral cap on foreign investment is prescribed, under the then prevailing foreign direct investment guidelines as laid down by the Government of India and the Reserve Bank of India. An investment, engagement or undertaking will be considered to be in the 'automatic route' if no permission of the Foreign Investment Promotion Board, the Reserve Bank of India or any other department of the Reserve Bank of India is required to engage in or make the investment, engagement or undertaking.

## **8. GENERAL MEETINGS**

- 8.1 The form and substance of any notices to convene general meetings of the Company or any Associated Company or Group Company at which any Reserved Board Matter or any Reserved Investors' Matter will be considered and any other notices to Shareholders of the Company or shareholders of any other Associated Company or of the Group Company relating to any Reserved Board Matter or any Reserved Investors' Matter shall be subject to prior approval by Super-Majority Resolution, and the Sponsors shall procure that no such notices shall be issued without such approval.**
- 8.2 Each of the Sponsors and the other Party Shareholders shall exercise all rights and powers available to them, including the exercise of voting rights, to ensure that the necessary general meeting resolutions of the Company or any Associated Company or any Group Company are passed to give effect to any Reserved Board Matter which has been approved by Super-Majority Resolution and any Reserved Investors' Matter which has been approved in writing by the Investors, with respect to the Company. It is further agreed that in the case of the Company or any Associated Company or Group Company, no general meeting resolution shall be passed with respect to any Reserved Board Matter unless that Reserved Board Matter has first been approved by a Super-Majority Resolution and no general meeting resolution shall be passed with respect to any Reserved Investors' Matter unless that Reserved Investors' Matter has first been approved in writing by the Investors.**
- 8.3 The Sponsors and other Party Shareholders hereby agree and undertake that no Party Shareholder shall vote in favour of any matter that is a Reserved Investor Matter put to vote at a general meeting of the Company unless such matter has first been**



approved in writing by the Investors. Provided that, for the purposes of these Articles, in relation to the Excluded Matters, the approval of CDC shall not be required.

8.4 For the purposes of this Article 8.1, Article 8.2 and Article 8.3 only, the expression “Super-Majority Resolution” (a) when used in relation to an Associated Company shall mean a resolution passed at a duly convened and quorate meeting of the relevant Associated Company Board approved by a majority of the directors of the relevant Associated Company present and voting or such other majority of such directors as may be prescribed under the Companies Act, which majority shall in each case include the Associated Company Investor Directors or their respective alternate director (as the case may be); and (b) when used in relation to an Group Company shall mean a resolution passed at a duly convened and quorate meeting of the relevant Group Company Board approved by a majority of the directors of the relevant Group Company present and voting or such other majority of such directors as may be prescribed under the Companies Act, which majority shall in each case include the Group Company Investor Director or his/ her respective alternate director (as the case may be). Provided that, in relation to the Excluded Matters, the Super-Majority Resolution shall not require the consent of the CDC Associated Company Investor Director and/or his alternate director and/or Group Company Investor Director and/or his alternate if the same are appointed by CDC.

8.5 Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to each of them, including the exercise of votes at Board meetings, meetings of the relevant Associated Company Board and meetings of the relevant Group Company Board as well as at general meetings of the Company, the relevant Associated Company and the relevant Group Company in order to give full effect to the provisions of this Article 8, including without limitation amending the respective articles of association of each of the Associated Companies and the Group Company, to procure that full effect is given to the provisions of this Article 8.

8.6 Notwithstanding anything contained in these Articles, the consent of CDC and/or the CDC Investor Director and/or the CDC Group Company Investor Director and/or the Group Company Investor Director and/or his alternate if the same are appointed by CDC, shall not be required in respect of any Excluded Matters.

## **9. IPO**

### **9.1 Process for IPO**

(a) The Sponsors and the Company undertake to the PineBridge Investors and the JPM Investor that the Company will complete an IPO on or prior to December 31, 2015 (IPO Date).

- (b) The Company and the Sponsors undertake that they will do all acts, deeds and things that are commercially reasonable to ensure a successful IPO.
- (c) Subject to Article 9.1(e) and Article 9.1(g), the terms, timing and pricing for the IPO shall be subject to the prior written approval of the PineBridge Investors and the JPM Investor as set out in Article 7 and approval by a Super-Majority Resolution as set out in Article 6.
- (d) The IPO will be based on the advice of a reputable and internationally renowned investment bank and shall be structured so as to maximise value to the Shareholders.
- (e) The Company has the right, with the prior written approval of the Sponsors, the JPM Investor and the PineBridge Investors, at the cost of the Company, to engage a reputable and internationally renowned investment bank (the IPO Investment Bank) and such other financial and legal advisors as it deems fit, to advise on the IPO prospects of the Company. In the event that an IPO Investment Bank is not engaged by the Company by the end of ninety (90) months from the Completion Date, then either of the PineBridge Investors or the JPM Investor, at any time thereafter, shall have the right at the cost of the Company, to engage the IPO Investment Bank and the PineBridge Investors (acting jointly) or the JPM Investor shall appoint such IPO Investment Bank in consultation with the other Investor. The Sponsors agree with the JPM Investor and the PineBridge Investors that, if the IPO Investment Bank advises that the timing and structure for any proposed IPO are favourable, the Sponsors shall procure and do all acts and things necessary for the Company to implement the proposed IPO in accordance with the recommendations of the IPO Investment Bank. In particular, but without limitation, the Sponsors and the Company agree to provide all necessary information and support including attending investors road shows and management presentations as may be required by the IPO Investment Bank and access to records and materials of the Company to the IPO Investment Bank, subject to standard non-disclosure and other terms associated with the provision of such information, and to permit the IPO Investment Bank to carry out all necessary tasks to enable it and the JPM Investor and the PineBridge Investors and Sponsors to agree on an appropriate underwriting price.
- (f) The Sponsors agree and acknowledge that the Investors shall not give any representation, warranty or indemnity whatsoever in connection with the IPO, including to the IPO Investment Bank, other than that their respective Investors' Shares, if any, offered in the IPO, have clear title. To the extent the Investor Directors are required to provide any representation, warranty or

indemnity in connection with the IPO, such Investor Directors shall in turn be indemnified by the Company and held harmless from any liability whatsoever arising as a result of such representation, warranty or indemnity made by the Investor Directors in connection with the IPO.

- (g) At any time after the expiry of ninety (90) months from the Completion Date, the PineBridge Investors and/ or the JPM Investor shall have the unilateral right to cause an IPO in any manner and the Sponsors, the other Party Shareholders, and the Company shall, and the Sponsor shall procure that the Company shall, do all such acts, deeds, matters and things as may be necessary or reasonably required by the JPM Investor and the PineBridge Investors causing the IPO, including appointing an IPO Investment Bank and exercise all their rights (including but not limited to exercising their voting rights) to ensure that such an IPO is achieved. In particular, but without limitation, the Sponsors and the Company agree:
- (i) to provide all necessary assistance to achieve an IPO, including by providing information and access to the records and materials of the Company to the investment bank selected by the JPM Investor and the PineBridge Investors, attending road shows and management presentations as may be required by such IPO Investment Bank and to permit the IPO Investment Bank to carry out all necessary tasks to enable it and the JPM Investor and the PineBridge Investors to agree an appropriate underwriting price; and
  - (ii) that the IPO can be either through new issues of the Shares of the Company and/or an offer for sale of Shares of the Company by the Shareholders. In the event of an offer for sale the JPM Investors and the PineBridge Investors shall have the right, but not the obligation, to offer their Shares in the IPO prior to an offer for sale of the Shares held by the Sponsors and CDC.
- (h) The Investors' Shares shall not be considered as:
- (ii) Sponsor shares;
  - (iii) promoter shares; or
  - (iv) shares equivalent to "promoter shares" as such term is defined under the rules of the Securities and Exchange Board of India,

and by the rules of the relevant Recognised Stock Exchange(s) for the purposes of the IPO.

## **9.2 Sponsors' obligation to provide exit**

The Investors acknowledge that the obligation of the Sponsors and the Company to assist the Investors in realising their investment shall cease upon the IPO of the Company. It is further agreed and clarified that each of the provisions of this Part II of these Articles and the Agreement shall terminate upon an IPO of the Company. The Company shall, prior to the IPO, adopt the ESG Policies with the intention that the Company shall continue to comply with the said policies after the IPO.

9.3 Notwithstanding anything contained herein, the consent of CDC and/or its nominee director shall not be required for any fresh issuance of securities by the Company and/or any IPO and/or any matters or steps relating thereto.

## **10. SHARE TRANSFER RESTRICTIONS**

### **10.1 Restrictions on transfer**

- (a) Any transfer or sale or any other assignment of Shares, or the granting of any Encumbrance over Shares in breach of these Articles shall be null and void ab initio and shall not be liable to be registered or otherwise recognised by the Company or any of the other Shareholders of the Company. Without prejudice to the generality of the foregoing, any transfer or sale or any other assignment of Shares, or the granting of any Encumbrance over any Shares by any Party Shareholder to or in favour of a Competitor (subject to the provisions of Article 13.3(a)(iv)) shall be null and void and shall not be liable to be registered or otherwise recognised by the Company or any of the other Shareholders of the Company.
- (b) The Investors shall be entitled to transfer their Shares to their respective Affiliates, without any restriction on such right of transfer being imposed by the Sponsors or the Company provided that the transferor Investor and the transferee Affiliate in such case shall always be required to enter into a Deed of Accession prior to such transfer.
- (c) The Sponsors shall be entitled to freely transfer any Shares held by them to any Sponsor Connected Person, and the Mazumdar Shaw Equity Shares to the Mazumdar Shaw Group in the manner contemplated under these Articles and the Investment Agreement, without any other restriction on such right of transfer being imposed by the Investors or the Company provided that (a) transferor Sponsor and the transferee Sponsor Connected Person in such case shall always be required to enter into a Deed of Accession prior to such transfer, and (b) the Sponsors shall continue to be jointly and severally liable with the transferee Sponsor Connected Person for all obligations of the

Sponsors under these Articles.

- (d) Except for any transfer of Shares in accordance with the SOP or clause 3.2(g) of the Existing SHA, NHAPL shall not, and the Sponsors shall procure that NHAPL shall not, (a) sell, transfer or otherwise dispose of in any manner, NHAPL's legal and/ or beneficial right, title and interest or voting rights in or to the whole or any part of its Shares, and (b) create or permit to subsist any Encumbrance, over all or any part of NHAPL's interest in its Shares.

## **10.2 Non-disposal undertaking from the Sponsors**

The Sponsors agree and undertake that at all times from the Completion Date and until an IPO and for so long as any Investor (whether alone or together with its Affiliates) holds not less than forty (40) per cent of the Investors' Equity Shares issued to such Investor at Completion (or in the case of CDC, forty (40) per cent of the CDC Securities):

- (a) the Sponsors shall hold and maintain the legal and beneficial right, title and interest in and to not less than an aggregate of fifty one (51) per cent of the Shares and voting rights of the Company and an aggregate Shareholding Percentage of not less than fifty one (51) per cent;
- (b) neither of the Sponsors shall create or permit to subsist any Encumbrance, over all or any part of the Sponsors' interest in his/ her respective Shares that would result in the un-Encumbered aggregate Shareholding Percentage of the Sponsors falling below fifty one (51) per cent;
- (c) without prejudice to the provisions of Article 10.2(a) and Article 10.2(b), disposal of Shares by the Sponsors shall be subject to the respective tag-along rights of the each of the Investors as set out in Article 10.3; and
- (d) subject to Article 10.2(b) above, the Sponsors shall be entitled to Encumber only such number of their Shares that when taken together with other previously Encumbered Shares of the Sponsors will not result in the aggregate Shareholding Percentage of the Sponsors, such Shareholding Percentage calculated on the basis of Shares of the Sponsors which are not Encumbered, falling below the Shareholding Percentage threshold specified in Article 10.2(a).

## **10.3 Investors' tag-along rights**

- (A) Without prejudice to Article 10.1 and Article 10.2 the Sponsors agree with the Investors as follows:

- (i) before transferring or disposing of any of their respective Shares, whether directly or indirectly, to any Person other than the other Sponsor or any Sponsor Connected Person (Purchaser), the transferring Sponsor (Seller) shall give a written notice to each of the Investors (Sponsor Transfer Notice) that specifies:
  - (A) the number of Shares (the Sale Shares) that a Purchaser has indicated that it wishes to acquire; and
  - (B) details of the offer to purchase the Sale Shares received from the Purchaser including the name of the Purchaser, the price per Share offered by the Purchaser for the Sale Shares (including, where such price comprises non-cash consideration, the Seller's certification of the cash value thereof) (the Purchase Price) and the other terms of the transfer (including payment terms);
- (ii) the Seller shall not be entitled to transfer any Sale Shares to the Purchaser unless the Purchaser's offer is on bona fide arms length terms and the Seller complies with, and procures that the Purchaser complies with, the following provisions:
  - (a) Each Investor shall have the option, exercisable by notice in writing to the Seller and the other Investors within twenty (20) Business Days of the date of receipt of the Investor Transfer Notice, to transfer in the sale to the Purchaser, as part of the total number of Sale Shares, at the Purchase Price, up to a maximum number of Shares as is equal to the Investor Tag-along Shares (Investor Tag-along Notice). For the purposes of these Articles, the Investor Tag-along Shares means, subject to Articles 10.3 (A)(ii)(d) and 10.3(c):
    - (I) where only one Investor serves an Investor Tag-along Notice, such number of the Shares held by the Investor and its Affiliates as is obtained by multiplying the total number of Shares held by the Investor and its Affiliates at the date of the Investor Tag-along Notice by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be the total number of Shares less (1) the Mazumdar Shaw Equity Shares, (2) the Shares held by NHAPL and (3) the number of Shares held by the remaining Investors and their respective Affiliates; or

- (II) where two Investors serve an Investor Tag Along Notice, up to such number of the Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Shares less (1) the Mazumdar Shaw Equity Shares (2) the Shares held by NHAPL and (3) the number of Shares held by the Investor that has not delivered the Investor Tag Along Notice; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Shares vis a vis the other Investor;
  - (III) Where all the Investors serve an Investor Tag Along Notice, up to such number of the Shares held by the Investors and their respective Affiliates as is obtained by multiplying the total number of Shares held by the Investors and their respective Affiliates by a fraction equal to (x) the numerator, which shall be the number of Sale Shares divided by (y) the denominator, which shall be sum of the total number of Shares less the Mazumdar Shaw Equity Shares and less the Shares held by NHAPL; each Investor shall thereafter be entitled to transfer its Relevant Proportion of the above number of Shares vis a vis the other Investors in the Company.
- (b) Any Investor Tag-along Notice delivered in accordance with Article 10.3(A)(ii)(a) must specify:
- (I) the maximum number of Shares the Investor is entitled to transfer calculated in accordance with Articles 10.3(A)(ii)(a)(I), (II) and (III); and
  - (II) the actual number of Shares the Investor wishes to transfer in each case (being the Investor Elected Shares which number shall, for the avoidance of doubt, not exceed the maximum number of Shares calculated pursuant to the relevant Article),

and shall constitute an irrevocable offer to sell the applicable number of the Investor Tag-along Shares to the Purchaser at the Purchase Price.

- (c) If an Investor delivers an Investor Tag-along Notice within twenty (20) Business Days of the date of receipt of the Sponsor Transfer Notice, the number of Sale Shares the Seller shall be entitled to transfer to the Purchaser shall be reduced by the sum of the number of the Investor Elected Shares (if any) and the number of Investor Residue Shares (as defined in Article 10.3(A)(ii)(d) below)(if any), such reduced number of Shares being the Seller Original Shares. Further, the Seller shall not be entitled to transfer any Seller Original Shares to the Purchaser unless the Purchaser also concurrently completes the purchase of the Investor Elected Shares and Residue Shares (if any). Any transfer of any Seller Original Shares without a concurrent purchase by the Purchaser of the applicable number of Investor Elected Shares and Residue Shares (if any) in accordance with the immediately preceding sentence shall be deemed to be void ab initio.
- (d) In the event that more than one Investor serves an Investor Tag-Along Notice and with respect of an Investor, if the Investor Elected Shares are less than the Investor Tag Along Shares of that Investor (Investor Unelected Shares) then, the Seller shall, within two (2) Business days of receipt of the last Investor Tag Along Notice, give a written notice to each of the remaining Investors that have already elected to transfer their entire Investor Tag Along Shares, that they are entitled to transfer an additional number of Shares to the Purchaser in addition to their respective Investor Elected Shares already notified in the Investor Tag-along notice (such notice being the Residue Shares Notice and such additional number of Shares being the Residue Shares) and states the number of Residue Shares. The Residue Shares in respect of each remaining Investor shall be calculated as follows:

$$RS = IUS \times IS / (SH-USI)$$

where,

RS = the Residue Shares;

IUS = the Investor Unelected Shares;

IS = the total number of Shares held by the Investor receiving the Residue Share Notice and its



Affiliates;

SH = the total number of Shares less the Mazumdar Shaw Equity Shares and less the Shares held by NHAPL; and

USI = the total number of Shares held by the Investor and its Affiliates whose Investor Elected Shares is less than the Investor Tag Along Shares with respect to it.

The Investors receiving a Residue Shares Notice shall have the option, exercisable by notice in writing to the Seller and the other Investors, within five (5) Business Days of the date of receipt of the Residue Shares Notice to transfer in the sale to the Purchaser such number of Shares in addition to the Investor Elected Shares as is equal to the Residue Shares. Such notice (the Residue Election Notice) shall specify the number of Residue Shares such Investor wishes to transfer (the Elected Residue Shares). The Residue Election Notice shall constitute an irrevocable offer to sell the Elected Residue Shares to the Purchaser at the Purchase Price.

- (B) In the event prior to completion of the transfer of the Sale Shares in accordance with this Article 10.3, the Purchaser notifies the Seller that it wishes to either increase or decrease the number of Sale Shares it is prepared to acquire from the Seller (such number of Shares being the Revised Shares), any Sponsor Transfer Notice, Investor Tag-along Notice, Residue Shares Notice, Residue Election Notice served in respect of the original number of Sale Shares shall be immediately disregarded and have no further effect, and if the Seller wishes to transfer all or some of the Revised Shares to the Purchaser, the Seller shall be required to send a new Sponsor Transfer notice in respect of the Revised Shares it is prepared to transfer. In such event the procedure following the issue of a Sponsor Transfer Notice detailed in Articles 10.3(A) and 10.3(B) shall be followed in respect of the Revised Shares the Seller is prepared to transfer.
- (C) Notwithstanding anything else contained in these Articles but subject to Article 10.3(D) and without prejudice to Article 10.2, if, as a result of the completion of any transaction disclosed in an Investor Transfer Notice (but not as a result of an IPO), the aggregate Shareholding Percentage of the Sponsors will fall below fifty one (51) per cent, each Investor shall each have the right (but not

the obligation) to sell up to a maximum of their entire shareholding to the relevant Purchaser in accordance with the terms of Article 10.3(A) and Article 10.3(B) respectively and, to the extent an Investor elects to exercise such right, the Sponsors shall procure that, at the same time as the relevant Purchaser acquires the Seller's Shares, the relevant Purchaser purchases such number of the relevant Investor's Shares as notified by the relevant Investor to the Sponsors in writing. Any transfer of any Seller's Shares without a concurrent purchase by the Purchaser of the applicable number of Investor's Shares in accordance with the immediately preceding sentence shall be deemed to be void ab initio.

- (D) The threshold referred to in Article 10.3(C) shall not apply in the event that the aggregate Shareholding Percentage of the Sponsors falls below fifty one (51) per cent as a result of an IPO conducted in accordance with these Articles.

#### **10.4 Restrictions on Share transfers by the Investors**

Subject to the provisions of Article 3.3(c)(iii), Article 10.3(B), Article 10.3(C) and Article 13, the following provisions shall apply to transfers of Shares held by the Investors and their respective Affiliates whether acting together or individually:

- (a) If any Investor (Transferring Investor) proposes to transfer all or part of its Shares (Investor's Transfer Shares) to any Person other than to an Affiliate or pursuant to Article 10.1(b), Article 10.3 or Article 13 or pursuant to or in connection with an IPO:
- (i) the Transferring Investor shall serve a written notice (Investor's Transfer Notice) on the Sponsors indicating its intention to sell the Investor's Transfer Shares;
  - (ii) within sixty (60) calendar days of receipt of the Investor's Transfer Notice, the Sponsors (acting jointly) shall serve a written notice on the Transferring Investor (an Indication of Interest) indicating whether they (acting jointly or singly) wish to purchase all (but not part) of the Investor's Transfer Shares and, if they so wish, the price (the OfferPrice) at which they are offering to purchase all the Investor's Transfer Shares, the method of finance and the proposed date for the completion of the purchase of the Investor's Transfer Shares;
  - (iii) notwithstanding anything contained in Article 10.3, the Sponsors shall be entitled to assign to any Sponsor Connected Person the right to

purchase such part of the Investors' Transfer Shares, as the Sponsors may require to serve and act on an Indication of Interest pursuant to the provisions of this Article 10.4(a);

- (iv) if the Sponsors (acting jointly) fail to deliver an Indication of Interest within sixty (60) calendar days of receipt of the Investor's Transfer Notice, they shall be deemed to have served an Indication of Interest stating that they do not wish to purchase the Investor's Transfer Shares;
- (v) if the Sponsors (acting jointly) deliver an Indication of Interest that contains an offer to purchase the Investor's Transfer Shares within sixty (60) calendar days of receipt of the Investor's Transfer Notice, then that offer shall be capable of acceptance by the Transferring Investor and shall be irrevocable and shall remain open for acceptance for a period of ninety (90) calendar days from the date of the Indication of Interest;
- (vi) if the Transferring Investor does not accept the offer of the Sponsors (acting jointly) contained in the Indication of Interest, the Transferring Investor shall be permitted to sell the Investor's Transfer Shares to any Person other than a Competitor within a period of ninety (90) calendar days from the date of the delivery of the Indication of Interest at a price (Alternate Price) that is at least ten (10) per cent higher than the Offer Price provided that the Transferring Investor shall not disclose the Offer Price to such Person and shall communicate the Alternate Price to the Sponsors in writing within ten (10) calendar days of the receipt of Alternate Price by the Transferring Investor;
- (vii) if the Sponsors (acting jointly) deliver an Indication of Interest that states that they are not offering to purchase the Investor's Transfer Shares, or they are deemed to have delivered an Indication of Interest to this effect under Article 10.4(a)(iv), then the Transferring Investor shall, subject to Article 10.4(a)(viii), be free to sell the Investor's Transfer Shares to any Person other than a Competitor at any price within a period of ninety (90) calendar days from the date of the Indication of Interest (or the date on which the Sponsors were deemed to have served an Indication of Interest), as the case may be;
- (viii) however, if the Alternate Price is an amount between the Offer Price and a price that is one hundred ten (110) per cent of the Offer Price, the Transferring Investor shall notify the Sponsors of the Alternate Price and the Sponsors (acting jointly) shall be entitled to purchase the Investor's Transfer Shares at such Alternate Price within forty-five (45)

- calendar days from the date of such notification. For the avoidance of doubt, if the Sponsors (acting jointly) do not purchase the Investor's Transfer Shares within the aforesaid forty-five (45) calendar days period, the Transferring Investor may sell the Investor's Transfer Shares at such Alternate Price to any Person other than a Competitor provided that the terms of payment offered to such Person shall be no more favourable than the terms of payment offered to the Sponsors;
- (ix) if the Alternate Price is lower than the Offer Price, the Transferring Investor may not sell the Investor's Transfer Shares to any other Person and the Sponsors shall purchase all of the Investor's Transfer Shares at the Offer Price if so requested by the Transferring Investor within forty-five (45) calendar days from the date of the indication of the Alternate Price. Provided that failing such purchase by the Sponsor, the Investors shall be free to sell the Investor's Transfer Shares to any Person other than a Competitor at any price, on the expiry of forty-five (45) calendar day period from the date of the indication of the Alternate Price; and
  - (x) the Sponsors and the Company shall provide all necessary support requested by the Transferring Investor, including the sharing of Confidential Information, to allow a due diligence exercise to be conducted and to facilitate the evaluation of the sale of the Investor's Transfer Shares by the Person (not being a Competitor) to which the Investors proposes to sell the Investor's Transfer Shares, subject to such Person being bound by a non-disclosure and confidentiality agreement with the Company in this regard.
- (b) Subject to Article 10.4(a), each of the Investors is permitted to freely transfer the Investors' Shares along with the rights and obligations of the relevant Investor contained in these Articles. For the purposes of this sub-paragraph, the Sponsors shall, and shall procure that the Company shall, provide all reasonable support including sharing of Confidential Information, and preparation and presentation of a company information memorandum that may be required to facilitate a third party to evaluate the sale of the respective Investors' Shares by the relevant Investor, subject to such Person being bound by a non-disclosure and confidentiality agreement with the Company in this regard. For the avoidance of doubt, this Article 10.4(b) shall not be subject to Article 10.4(a) if the relevant Investor wishes to place reliance on Article 13.3 and accordingly undertake a transfer of the Investors' Shares held by it.

## 10.5 Share transfers

The Sponsors and Investors undertake and covenant to each other that they shall exercise all rights and powers available to them to procure that the Directors who sit on the Company's share transfer committee (or on the Board if it is making a decision as to share transfers) that are nominated by any of them under these Articles or otherwise shall approve all transfers of Shares that are in accordance with the terms of these Articles.

## **11. INFORMATION, ACCOUNTING RECORDS, AUDIT, ACCESS, TAX STATUS AND DIVIDEND POLICY**

### **11.1 Information**

The Company shall provide each Party Shareholder with the following information relating to the Company and each Group Entity:

- (a) quarterly, unaudited consolidated financial statements relating to the Company, the Associated Companies, Group Entities and any of their respective Subsidiaries and Affiliates, and quarterly, unaudited financial statements relating to any Group Entity that is not consolidated with the Company, in each case prepared in accordance with Indian GAAP, within thirty (30) calendar days of the end of each quarter;
- (b) audited annual consolidated financial statements of Company, the Associated Companies, Group Entities and any of their respective Subsidiaries and Affiliates, and audited annual financial statements of each Group Entity that is not consolidated with the Company, within two (2) months after the end of each financial year of the Company and each such Group Entity; which audited accounts and financial statements shall include an analysis of the principal risks that the Directors believe the relevant Group Entity faces and the steps taken to mitigate such risks and a review of the bribery and financial crime risks faced by the relevant Group Entity, the systems, policies and procedures for managing such risks, and the implementation and effectiveness of those systems, policies and procedures;
- (c) monthly management statements in such form as the Investors reasonably require within fifteen (15) calendar days of the end of each month; and
- (d) copies of any management letters addressed to any Group Entity by its external auditors;
- (e) such further information relating to the business, affairs or financial position of the Company or any Group Entity, including but not limited to material litigation, books and accounts and other records.

The Company and Sponsors shall also procure that the Investors shall have access to and the right to inspect all information and material, financial or otherwise, provided

to any member of the Board, books of accounts and other business records, and the right to advise or consult with, management of each Group Entity as they may from time to time require.

### **11.2 Accounting records**

The Company shall procure that each Group Entity shall, maintain accurate and complete accounting and other financial records and procure that those accounting records are available for inspection by each of the Investors or their respective authorised representatives during normal business hours. The Company shall ensure that there is no financial irregularity in the Company or any other Group Entity. The Company shall exercise all rights and powers available to it to procure that the Party Shareholders have equivalent rights with respect to each of the Group Entity and that in any event, none of the Shareholders have rights that are more favourable in any manner to those of the Investors with respect to any Group Entity.

### **11.3 Auditors**

The statutory auditors of the Company and each of the Associated Companies shall be one of the top five (5) internationally reputed and recognised firm of accountants (the Approved Firm). In any case where the statutory auditor of the Company or any Associated Company is not an Approved Firm, an Approved Firm shall be appointed as soon as possible after Completion.

### **11.4 Accounting principles**

The financial statements of the Company and each Group Entity shall be prepared in accordance with Indian GAAP. The accounting principles of the Company shall reflect conservative best practices. The accounting principles of the Company shall not be changed without the prior written consent of the Investors.

### **11.5 Preparation and approval of Annual Business Plan**

The Company shall procure that the draft Annual Business Plan of the Company and each of the other Group Entities for the following financial year is delivered to each Director at least fifteen (15) days prior to the end of the then current financial year of the Company or that other Group Entity (as applicable). Unless all the Directors agree otherwise, the Board shall meet to consider such draft Annual Business Plan not later than ten (10) calendar days prior to the end of the then current financial year of the Company or that other Group Entity, as the case may be.

### **11.6 Tax information**

- (a) The Company shall, procure that each Group Entity shall make available to the Investors upon request, the books and records of the Group Entity and the Subsidiaries of the Group Entity, and provide any information reasonably required by the Investors for the completion of any returns, documents and applications relating to tax, the meeting of tax obligations, performance of tax analysis and other tax-related purposes.
- (b) The Company shall procure that each Group Entity will use, and will cause each of its Subsidiaries to use, commercially reasonable efforts to avoid classification as a passive foreign investment company within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended for the current year or any subsequent year.
- (c) The Company shall, and the Sponsors and the Company shall procure that each Group Entity shall permit the Investors to visit and inspect any of the properties of the Group Entity, and examine the books of account and records of the Group Entity. Each Investor shall have the right to discuss, advise and consult on the affairs, finances and accounts of the Group Entity with the directors, trustees, officers, management employees, accountants, legal counsel and investment bankers of such companies, at such times as may be requested in writing by the Investors.
- (d) The Company shall exercise all rights and powers available to it to procure that the Party Shareholders have equivalent rights with respect to the tax information set out in this Article 11 of each of the Group Entity and that in any event, none of the Shareholders have rights that are more favourable in any manner to those of the Investors with respect to any Group Entity.
- (e) The Company shall procure that each Group Entity will not take any action inconsistent with the treatment of the Group Entity as a corporation for U.S. federal income tax purposes and will not elect to be treated as an entity other than corporation for U.S. federal income tax purposes.

#### **11.7 Dividend policy**

- (a) Without prejudice to any of the Investors' rights with respect to Reserved Board Matters and Reserved Investors' Matters, if after the fourth anniversary of the Completion:
  - (i) the cash reserves of the Company are equivalent to INR 1,000,000,000 (Indian Rupees one billion only) or more throughout a period of six (6) months or more; and

- (ii) there is no potential identified use for such cash reserves under the then applicable Annual Business Plan,

then, subject to provisions of the Companies Act or any other applicable laws, on the amounts available for distribution, each of the Sponsors jointly and severally undertakes that they shall, jointly with the Investors, exercise all rights and powers available to them to procure that the necessary Board and Shareholders' resolutions are passed to approve the declaration of dividends in respect of such cash reserves pro rata to Shareholders in accordance with their respective Shareholding Percentages and applicable law, the maximum amount of dividends so declared to be such that immediately following the declaration of such dividends the cash reserves of the Company are at least INR 1,000,000,000 (Indian Rupees one billion only).

For the purposes of this Article 11.7(a), cash reserves mean cash at bank plus all other marketable securities.

- (b) Subject to any applicable legal limitations, each of the Sponsors and the Investors agrees to procure that the Company shall maximise the amount of profits that are available for distribution by dividend as distributable profits.

#### **11.8 Obligations of the Sponsors**

The Sponsors jointly and severally undertake to procure fulfilment/ compliance by the Company with the terms of this Article 11.

#### **11.9 ESG Covenants**

The Company shall adopt the covenants in Schedule 6 of the Agreement on the CDC Completion. The Company covenants and undertakes to CDC that it shall, and shall cause each of the Group Entities to, duly undertake, implement and comply with each of the covenants set out in Part B and Part E of Schedule 6 of the Agreement within 12 (twelve) months of the date of the Agreement (such twelve month period is referred to as the "ESG Implementation Period").

### **12. DEAD LOCK**

- 12.1 Subject to the proviso to Clause 14.2(a) of the Agreement, (A) for so long as any three Investors (whether alone or together with their Affiliates) holds in aggregate not less than forty (40) per cent of the Investors' Equity Shares issued to such Investor at Completion (or in the case of CDC, forty (40) per cent of the CDC Securities) as applicable, if at least two of the Investor Directors give his or her approval in writing to any Reserved Board Matter set out in Article 6.5(a) (other than an Excluded Matter) within thirty (30) calendar days of such Reserved Board Matter**



first being put to the Board in accordance with Article 6, or (B) where there are only two Investors (whether alone or together with their Affiliates) who hold in aggregate not less than forty (40) per cent of the Investors' Equity Shares issued to such Investor at Completion (or in the case of CDC, forty (40) per cent of the CDC Securities) as applicable, if only one of the Investor Directors gives his or her approval in writing to any Reserved Board Matter set out in Article 6.5(a) (other than an Excluded Matter) within thirty (30) calendar days of such Reserved Board Matter first being put to the Board in accordance with Article 6, then, in either case (as applicable), the Board shall seek the written approval of the Mazumdar Shaw Director on such Reserved Board Matter. In the event that the Mazumdar Shaw Director, approves the relevant Reserved Board Matter in writing within fifteen (15) calendar days of such Reserved Board Matter first being put to the Mazumdar Shaw Director, then such Reserved Board Matter shall for the purposes of Article 6, be deemed to have been approved by the Investor Directors, save that nothing in this Article 12 shall apply to any approval required from an Investor Director under any other provision of these Articles (including Article 2.1(b)) and/ or the Reserved Board Matters set out in Article 6.5(b) and nothing contained in this Article 12.1 shall apply to a Reserved Board Matter in respect of which none of the Investor Directors have given their approval in writing within thirty (30) calendar days of such Reserved Board Matter first being put to the Board.

- 12.2 If either one of the JPM Investor Director or the PineBridge Investor Director does not give his or her approval in writing to any Excluded Matter set out in Article 6.5(a) within thirty (30) calendar days of such Excluded Matter first being put to the Board in accordance with Article 6, then, in such case, the Board shall seek the written approval of the Mazumdar Shaw Director on such Excluded Matter in the manner provided under Article 12.1 above.
- 12.3 Subject to the proviso to Clause 14.2(a) of the Agreement, (A) for so long as at least three Investors (whether alone or together with their Affiliates) hold in aggregate not less than forty (40) per cent of the Investors' Equity Shares issued to such Investor at the Completion or (in the case of CDC, forty (40) per cent of the CDC Securities) as the case maybe, if any two Investors give their approval in writing to any Reserved Investors' Matter set out in Article 7.3(a) (other than an Excluded Matter) within thirty (30) calendar days of such Reserved Matter first being put to the Investors for their approval in accordance with Article 7, or (B) where there are only two Investors (whether alone or together with their Affiliates) who hold in aggregate not less than forty (40) per cent of the Investors' Equity Shares issued to such Investors at the Completion or (in the case of CDC, forty (40) per cent of the CDC Securities) as the case maybe, if any one Investor, gives its approval in writing to any Reserved Investors' Matter set out in Article 7.3(a) (other than an Excluded Matter) within thirty (30) calendar days of such Reserved Investors' Matter first

being put to the Investors for their approval in accordance with Article 7, then in either case (as applicable), the Company shall seek the written approval of the Mazumdar Shaw Group on such Reserved Investors' Matter. In the event that all Persons constituting the Mazumdar Shaw Group at the relevant time, approve the relevant Reserved Investors' Matter in writing within fifteen (15) calendar days of such Reserved Investors' Matter first being put to them, then such Reserved Investors' Matter shall for the purposes of Article 7, be deemed to have been approved by all the Investors save that nothing in this Article 12 shall apply to any approval required from an Investor under any other provision of these Articles (including Article 2.1(b)) and/ or the Reserved Investor Matters set out in Article 7.3(b) and nothing contained in this Article 12.3 shall apply to a Reserved Investors' Matter in respect of which none of the Investors have given their approval in writing within thirty (30) calendar days of such Reserved Investors' Matter first being put to the Investors.

- 12.4** If either one of the JPM Investor Director or the PineBridge Investor Director does not give its approval in writing to any Excluded Matter set out in Article 7.3(a) within thirty (30) calendar days of such Excluded Matter first being put to the Investors for their approval in accordance with Article 7, then in such case, the Company shall seek the written approval of the Mazumdar Shaw Group on such Excluded Matter in accordance with the provisions of Article 12.3 above.
- 12.5** The provisions of Articles 12.1, 12.2, 12.3 and 12.4 apply mutatis mutandis to the proceedings of each Group Company on and from the Completion Date as if references to Article 12.1 to the "Board" and "Investors' Director" are to the board of the relevant "Group Company" and the "Investors' Group Company Director" respectively. In the case of NIARPL, the Sponsors and the Company shall use their best efforts to procure that the provisions of Articles 12.1 and 12.2 apply mutatis mutandis to the board proceedings in, including board meetings of, NIARPL. Without prejudice to the foregoing, each of the Sponsors and the other Party Shareholders as well as the Company shall exercise all rights and powers available to them/ it, including the exercise of votes at Board meetings, meetings of the relevant meetings of the relevant Group Company as well as general meetings of the Company the relevant Group Company in order to give full effect to the provisions of this Article 12.3, including without limitation amending the respective articles of association of each of the relevant Group Company, to procure that full effect is given to the provisions of this Article 12.3.

### **13. EVENTS OF DEFAULT**

#### **13.1 Events of Default**

Subject to the proviso of Clause 14.2(a) of the Agreement, each of the following is an

Event of Default provided it occurs after the Completion Date:

- (a) if any of the Sponsors or the Company is in material breach (as defined below) of the terms of the Agreement, these Articles or the Investment Agreement;
- (b) if any of the Sponsors, or any Group Entity or any part of such Group Entity's Assets or undertaking, is subject, other than on an action by a purely commercial (sundry) creditor, to any proceedings for liquidation or bankruptcy before a court of competent jurisdiction, provided that such proceedings have not been dismissed by the relevant court or tribunal within 30 (thirty) days of notice of such proceedings being received by the Sponsors or Group Entity (as the case may be) or the Sponsors or such Group Entity, as the case may be, has not obtained from a senior counsel of a High Court in India a legal opinion that is reasonably acceptable to the Investors, stating that the proceedings for liquidation or bankruptcy are without merit;
- (c) if any Group Entity files for voluntary winding up other than as part of a court approved scheme of arrangement under Section 391 to Section 394 of the Companies Act;
- (d) if any of the Sponsors, or any Group Entity has stopped or suspended payment of his/ her/ its debts that have become due and payable for a period exceeding one hundred and eighty (180) days, or has become unable to pay any such debts and is subject to any proceedings for insolvency arising out of such stoppage or suspension or inability to pay any such debts;
- (e) if any of the Sponsors or any Group Entity is the subject of any investigation, inquiry or enforcement proceedings or process by any governmental, administrative or regulatory body, and which investigation, inquiry, proceedings or process prevents the Sponsors from discharging their obligations under the Agreement, or materially affect the operations of any Group Entity and which investigation, inquiry, proceedings or process has not been vacated by reason of a petition to vacate or dismiss or close such proceedings having been dismissed or closed without any liability to the Company or relevant Group Entity by the relevant body, provided that a petition to vacate, dismiss or close such proceedings shall have been made within 30 (thirty) days of such investigation or inquiry having been received by the Company or Group Entity;
- (f) if any Group Entity is in material breach of any contract, arrangements or obligation (i) to which such Group Entity is a party and (ii) which material breach, whether by reason of its nature, term, scope, price or otherwise, is likely to be of material importance to its business; and

- (g) In the event that the Company is prevented in any manner from using, operating, managing and/ or enjoying any Key Managed Asset, or is prevented from receiving or enjoying in full all of the revenues and other incomes arising from the use, operation, management and enjoyment of any Key Managed Asset by the Company. For purposes of this Article, Key Managed Asset means any land, property, building or other asset of any specie (whether appearing in the balance sheet of the Company or not) that is used, operated or managed by the Company, and the revenues from which represent in excess of fifteen (15) per cent of the aggregate revenues of all Group Entities as on the date of the Agreement. A material breach for the purposes of this Article means a breach that, if capable of remedy, has not been remedied within forty five (45) calendar days of service of a written notice from any of the Investors to the Company and the Sponsors requiring that such breach be remedied provided that any breach of Clauses 2, 3.1(d), 3.2, 3.3 , 4.6(d), 4.8, 6, 7, 9, 10.2, 10.3, 11, 15, 20 and 21 of the Agreement and clauses 4.2, 4.4, 5, 7.1, 7.2, 7.3, 7.4, and 12 of the Investment Agreement and any persistent breach of any term of the Agreement or the Investment Agreement shall be deemed to be material for the purposes of this Article; and
- (h) Only with respect to CDC, if any material breach of the provisions of Article 11.9 (ESG Covenants) occurs after the ESG Implementation Period which is (a) not capable of being cured, or (b) if capable of being cured, is not cured to the reasonable satisfaction of CDC, within 90 (ninety) days from the date of issue of a written notice by CDC to the Company in connection with the occurrence of such breach.

### **13.2 Effect of an Event of Default**

**In addition to any other rights that the Investors have under these Articles and/ or the Investment Agreement, on an Event of Default (other than an event under Article 13.1(g)), each of the Investors shall have the right, but shall be under no obligation, to terminate the Agreement and the Investment Agreement with immediate effect and without prejudice to any rights and obligations accrued to or incurred by the Parties to the Agreement prior to such termination and subject to the survival provisions of Clause 14 of the Agreement and:**

- (a) each Investor may sell all of its Investors' Shares in the Company by exercising at its sole discretion, any one of the Exit Rights, in accordance with the provisions set out in Article 13.3;
- (b) all restrictions on the Investors' ability to transfer any Company Securities held by them, including restrictions pursuant to Article 10.1 and Article 10.4, shall terminate and cease to have effect. Provided that all restrictions under

Article 13.3(a)(iv) shall continue; and

- (c) the Sponsors and the Company, shall, immediately pay to the Investor(s) terminating the Agreement, all sums due to such Investor(s) under the Agreement and the Investment Agreement, including interest on such sums from (and including) the date on which payment is due until (but excluding) the date of actual payment at an annual rate of fifteen (15) per cent in US Dollar terms, which interest shall accrue monthly and be compounded annually, after setting-off of any sums due or payable by the Investors to the Sponsors and the Company pursuant to the Agreement and the Investment Agreement.

### 13.3 Exit for default

- (a) Upon the occurrence of an Event of Default pursuant to Article 13.1 (a), (b), (c), (d), (e), or (f), each Investor shall, without prejudice to any of their respective rights in Article 13.2, have the right by issue of a notice to the Sponsors (the Exit Notice) to exercise the following entitlements (as applicable to the relevant Investor) (each an Exit Right):
  - (i) the Investors shall be entitled to require that the Sponsors and the Company cause an IPO within six (6) months of the date of the Exit Notice, on the terms and conditions set out in Article 9.1(g); and/or
  - (ii) in the case of the JPM Investors and the PineBridge Investors, such Investors shall be entitled to require the Sponsors or any Person nominated by the Sponsors (other than an Investor) to purchase all (but not part of) the Investors' Shares of the relevant Investor(s) at the higher of:
    - (A) the fair market value of the Investors' Shares held by the Investors (determined in accordance with Article 13.3(f) by an independent investment bank appointed in accordance with Article 13.3(e)) as at the date of the Exit Notice, or
    - (B) such price as provides the relevant Investor a fifteen (15) percent IRR ,

provided that:

- (I) the Sponsors' total liability, in respect of all claims under this Article 13.3(a) (ii) and clause 5.4(c) of the Investment Agreement shall not exceed the fair market value (determined in accordance with Article 13.3(f) by an independent

**investment bank appointed in accordance with Article 13.3(e)) of all of the Shares held by the Sponsors together with all Sponsor Connected Persons as at the date of the Exit Notice (collectively the Relevant Sponsor Group Shares); and**

- (II) any such liabilities of the Sponsors under this Article 13.3 (a)(ii) shall not affect or attach to any property of the Sponsors (whether existing as on the date hereof or acquired subsequently) other than to the Relevant Sponsor Group Shares and/or to the proceeds receivable from the sale by the Sponsors and/or any Sponsor Connected Persons from the disposal of the Relevant Sponsor Group Shares through an arms length transaction carried out at the fair market value of the Relevant Sponsor Group Shares determined in accordance with Article 13.3(f) below; and**
- (III) if the SOP has not been implemented as per these Articles, the Agreement and the Investment Agreement as at the date of the relevant Exit Notice, then the Shares held by NHAPL, shall be included as Relevant Sponsor Group Shares for the purposes of this Article 13.3(a)(ii).**

It is clarified that only the PineBridge Investors and the JPM Investor shall be entitled to rights under this Article 13.3(a)(ii). For the avoidance of doubt, the rights of the PineBridge Investors and the JPM Investor under this Article 13 are separate rights granted to each Investor and may be exercised severally by each of the PineBridge Investors and the JPM Investor without reference to each other (and the provisions of this Article 13 shall be accordingly construed).

- (iii) in the case of CDC, for the occurrence of any Event of Default, other than (i) an IPO not having been completed by the IPO Date; and/or (ii) an event which relates to matters covered under Article 13.1(g), CDC shall be entitled to require the Company to purchase all (but not part of) the CDC Securities at a price equal to the subscription price of the CDC Securities together with simple interest thereon at ten decimal point five percent (10.5%) per annum, subject to applicable law. Such buy back shall be completed within two (2) years of CDC requiring the Company to carry out such buy back, unless the Company has sufficient reserves to carry out the buy back within a shorter period of time. It is clarified that: (A) only CDC shall be entitled to rights under this Article 13.3(a) (iii); and (B) if the Event of Default relates to an event covered**

under Article 13.1(h), then the process set out below in Article 13.3(a)(iii)(AA) below needs to be followed before CDC can exercise its remedies under this Article 13.3(a) (iii).

(iii)(AA) Upon the occurrence of an Event of Default relating to an event covered under Article 13.1(h), CDC may at any time thereafter, request the Company to assist CDC in achieving an exit in respect of its shareholding in the Company. In such event, the Company shall promptly provide all assistance to enable CDC to sell its shareholding in the Company to any Person at a price, which is no less than the fair market value of such shareholding. For this purpose, the Company shall appoint an investment banker and provide such information as the investment banker requires (subject to the investment banker consenting to abide by reasonable confidentiality obligations). The investment banker shall identify the highest price available for the purchase of the Equity Shares held by CDC and the Company shall provide assistance and access to any potential purchasers (subject to such potential investors consenting to abide by reasonable confidentiality obligations) for this purpose. CDC shall be entitled to sell its shares to any Persons identified by such investment banker or to any other Persons. If CDC does not wish to proceed with such sale or if the investment banker does not identify a potential purchaser within 180 days of its appointment (as the case may be), CDC shall thereafter be entitled to exercise its remedies under Article 13.3(a)(iii) above.

(iv) the Investors shall be entitled to sell the Investors' Shares to any one (1) or more Persons (the Exit Purchasers) without compliance with any of the share transfer restrictions contained in these Articles (including Article 10.4) in the following manner:

- (1) if such Exit Purchaser is not a Competitor, subject to the relevant Investor and the Exit Purchaser entering into a Deed of Accession prior to such sale; or
- (2) if such Exit Purchaser is a Competitor, then without any rights and obligations.

The Sponsors and the Company shall jointly and severally, do all such acts, deeds, matters and things as may be necessary or reasonably required by the Investors, and exercise all their rights (including but not limited to exercising their voting rights) to ensure that the Exit Right exercised by the Investor(s) is achieved. In particular, but without limitation, the Sponsors and the Company agree to:

- (i) provide all necessary assistance to achieve an IPO, including by providing information and access to the records and materials of the Company to the investment bank selected by the Investors and to permit such investment bank to carry out all necessary tasks to enable it and the Investors to agree an appropriate underwriting price, subject to such investment bank entering into a non-disclosure and confidentiality agreement with the Company; and
  - (ii) ensure, if any Investor(s) elect to cause an IPO, that the relevant Investors shall have the right, but not an obligation, to offer their Shares in the IPO of the Company prior to an offer for sale of the Shares held by the Sponsors
- (b) At the request of the Company and the Sponsors, the per Share subscription consideration amounts paid by the Investors for their respective Investors' Shares has been calculated/ derived based on a valuation of the Company that assumes that all of the Key Managed Assets shall continue to be managed exclusively by the Company. The Parties estimate that the loss of any Key Managed Asset would result in diminution of the value of the Investors' Shares by an amount of INR 1,000,000,000 (Indian Rupees one billion only), and accordingly upon the occurrence of an Event of Default pursuant to Article 13.1(g), the Company shall and the Sponsors shall cause the Company to pay to the Investors in their Relevant Proportion to each other (or if so nominated by any such Investor, then in the case of that Investor only, to any other Person nominated by that Investor in writing), within twelve (12) months of the occurrence of the Event of Default, an aggregate sum not exceeding INR 1,000,000,000 (Indian Rupees one billion only)), together with interest on the outstanding amount calculated from (and including) the date of occurrence of the Event of Default until (but excluding) the date of actual payment in full of the outstanding amount, at an annual rate of fifteen (15) per cent in US Dollar terms, which interest shall accrue monthly and be compounded annually, and payable, in such manner as each such Investor may (for itself) require, as and by way of compensation/ damages for diminution of the value of such Investors' Shares. The Parties agree that the amount of INR 1,000,000,000 (Indian Rupees one billion only) is a genuine pre-estimate of loss/ damages, agreed by all Parties as being likely to result to the Investors from the occurrence of an Event of Default pursuant to Article 13.1 (g).
- (c) In the event that,
  - (i) an Event of Default occurs pursuant to Article 13.1(a) by reason of the Company not having completed an IPO by the IPO Date, and



- (ii) such non-completion of the IPO by the Company occurred on account of the Investors withholding their approval for a proposed IPO in circumstances where the IPO Investment Bank has advised the Investors in writing that the timing and structure for such proposed IPO were favourable,

then notwithstanding anything to the contrary contained in Article 13.3(a) above, the relevant Investors shall only be entitled to the Exit Rights under Article 13.3(a)(i) and/or Article 13.3(a)(iv) in relation to such Event of Default.

- (d) In the event any Investor elects to sell its Investors' Shares to an Exit Purchaser on an Event of Default, then upon receipt of an Exit Notice, the Sponsors and the Company shall be obligated to take all action required by the Investor(s) in a timely manner and in any event within six (6) months of receipt of the Exit Notice, in order to successfully complete the sale of the Investors' Shares to the Exit Purchaser free of Encumbrances, including, without limitation, voting in favour of/ procuring the approval of the Board (and any relevant committee thereof) to, the relevant sale/ transfer of the Investors' Shares to the Exit Purchaser, expressly waiving any dissenter's rights or rights of appraisal or similar rights, providing all necessary support including access to Confidential Information in order to allow a due diligence exercise to be conducted, subject to such Exit Purchaser entering into a non-disclosure and confidentiality agreement with the Company, delivering share certificates and executing and delivering the relevant share transfer forms, any certificates or other documents or representations or covenants required by the Investors and/or the Exit Purchaser.
- (e) For the purposes of Article 13.3(a)(ii), the independent investment bank shall be appointed as follows:
  - (i) each of (A) the Sponsors and (B) the relevant Investor(s) shall agree on a list of five (5) leading and internationally reputed investment banks operating in India. If there is a failure to reach agreement on the identities of such investment banks within five (5) Business Days of the Exit Notice, then the relevant Investor(s) shall in their absolute discretion prepare a list of five (5) leading and internationally reputed investment banks that shall form the list of leading investment banks referred to in Article 13.3(e)(ii), and the provisions of Article 13.3(e)(ii) and Article 13.3(e)(iii) shall apply;
  - (ii) each of (A) the Sponsors and (B) the relevant Investor(s) shall nominate three (3) of the banks from the list of leading investment banks (each, an Acceptable Investment Bank); and

- (iii) the Acceptable Investment Bank that is nominated by both the Sponsors and the Investors shall be the independent investment bank for the purposes of Article 13.3(a)(ii) provided that if more than one (1) Acceptable Investment Bank is nominated by both the Sponsors and the relevant Investor(s), then the relevant Investor(s) shall in their absolute discretion select which such Acceptable Investment Bank shall be the independent investment bank for the purposes of Article 13.3(a)(ii).
- (f) For the purposes of Article 13.3(a)(ii) the determination of the fair market value of the Relevant Sponsor Group Shares shall:
  - (I) include the value of the business of the Group Entity as a whole, including the value of any business conducted with third parties, and the management and operation contracts entered into for the purpose of conducting the Business and for the operation and management of the Hospitals; and
  - (II) not to be discounted in any way as a consequence of (i) the fact that the Shares are not listed on a Recognised Stock Exchange (ii) the holding company structure of the Group Entities; or (iii) the management and operation contracts entered into for the purpose of conducting the Business and for the operation and management of the Hospitals.
- (g) In the event that an IPO has not been completed by the Company on or before December 31, 2021, then CDC may at any time thereafter, request the Company to assist CDC in achieving an exit in respect of its shareholding in the Company. In such event, the Company shall provide all assistance to enable CDC to sell its shareholding in the Company to any Person at a price which is no less than the fair market value of such shareholding. For this purpose, CDC shall appoint an investment banker and the Company shall provide such information as the Investment Banker requires (subject to the investment banker consenting to abide by reasonable confidentiality obligations). The Investment Banker shall identify the highest price available for the purchase of the Equity Shares held by CDC and the Company shall provide assistance and access to any potential purchasers (subject to such potential investors consenting to abide by reasonable confidentiality obligations) for this purpose. CDC shall be entitled to sell its shares to any Persons identified by such investment banker or to any other Persons.
- (h) In the event that an IPO has not been completed by the Company or on prior to December 31, 2021 and if CDC is not able to sell all of the CDC Securities

held by it in the Company pursuant to Article (g) above on or prior to June 30, 2022, then the Company shall undertake a buy back of the CDC Securities in the Company (in priority to the shares held by the Sponsors and other shareholders of the Company, except the PineBridge Investors and the JPM Investor). Such buy back shall be undertaken at the fair market value of the Company's equity shares, as determined by an independent investment banker and confirmed by the statutory auditors of the Company to the extent required under applicable law. If such buy back is required to be conducted over more than one year in order to ensure that CDC is able to transfer all of the CDC Securities held by it in the Company to the Company pursuant to the buy back, then the Company shall undertake a buy back every year until CDC ceases to hold any CDC Securities.

- (i) In the event that an IPO has not been completed by the Company or on prior to December 31, 2021 and if CDC is not able to sell all of the CDC Securities held by it in the Company pursuant to Articles (g) or (h) above on or prior to December 31, 2023, CDC shall be entitled to require the Sponsors or any Person nominated by the Sponsors (other than an Investor) to purchase all (but not part of) the CDC Securities the fair market value of the CDC Securities (determined in accordance with Article 13.3(f) by an independent investment bank appointed in accordance with Article 13.3(e)) as at the date of the exercise of such right by CDC, provided that for the purpose of determination of the fair market value of the CDC Securities solely for the purposes of this Article (i), all references in Article 13.3(e) and Article 13.3(f) to Investors shall be deemed to mean references only to CDC.

#### **14. NO PLEDGING OF INVESTORS' SHARES**

The Investors shall not be required to Encumber their Shares in favour of, or provide any other support to, any third party dealing with any Group Entity including, without limitation, lenders to any Group Entity. The Company shall make this fact clear in any discussions or negotiations with such third parties and any financing plans of any Group Entity shall take this fact into account.

#### **15. CONFIDENTIALITY**

##### **15.1 Confidentiality obligation**

- (a) Each Party (the Receiving Party) agrees with the other Party that it will keep confidential and shall not disclose to any third party any information (Confidential Information) which it holds or receives relating to:

- (i) the negotiation and contents of the Agreement or the Investment Agreement; or
  - (ii) the business and affairs of the other Party and any business or business proposal from the other Party; or
  - (iii) any information of a secret or confidential nature relating to the business or the affairs of the business or the affairs of any Group Entity, including but not limited to the Business or any proposition relating to the Business.
- (b) For the purposes of this Article, keep confidential includes limiting the disclosure of Confidential Information to those employees of any Group Entity or the Investors or their Affiliates, as appropriate, that are involved in senior management of any Group Entity or the Investors or their Affiliates.

## 15.2 Exceptions

Each Receiving Party may disclose Confidential Information:

- (a) in accordance with the other terms of the Agreement;
- (b) in order to allow it to exercise its rights under these Articles, the Agreement or the Investment Agreement including, but not limited to, the exit rights of the Investors in respect of an IPO or a transfer of shares to a third party/ Person, other than a Competitor unless under Article 13.3 (a)(iv), in accordance with the terms of these Articles, provided it obtains such further assurances of non-disclosure as the other party may reasonably require;
- (c) to the extent to which it is required to be disclosed pursuant to judicial or arbitral action, government regulations or stock exchange, law society or other similar requirements provided that wherever reasonably practicable, prior notice of such disclosure shall be made by the Receiving Party to the other party;
- (d) to the extent that the Confidential Information is publicly available (other than as the result of a breach by the Receiving Party of its confidentiality obligation under Article 15);
- (e) to its professional advisers including tax advisers and auditors but only to the extent necessary subject to such advisers accepting an equivalent confidentiality obligation to that set out in this Article 15, and provided it obtains such further assurances of non-disclosure as the other Party may reasonably require;

- (f) in the case of the Investors, to any of their Investor Affiliates, subject to each such Affiliate being made aware of and accepting the confidentiality obligation set out in this Article 15;
- (g) to the extent the Party seeking to disclose any Confidential Information receives written consent with respect to such disclosure from the other Parties to the Agreement; and
- (h) to lenders or financiers of the Company, including other investors in the Company, provided it obtains such further assurances of non-disclosure as the other party may reasonably require.

## **16. PROCURING OBLIGATION**

Each of the Sponsors and Investors shall, exercise all rights and powers available to such party to procure that the Company, the Sponsor Connected Person and any Investors' Affiliates that holds Shares or receives Confidential Information, shall comply with all of their obligations under and generally comply with these Articles and the Agreement.

## **17. RIGHTS AND LIABILITIES**

### **17.1 Investors' Affiliates and Sponsor Connected Person's rights and liabilities**

- (a) If the Investors have transferred any of their Shares to any Affiliate of the Investors in accordance with the terms of these Articles, then any right may be exercised by the Investors on behalf of themselves and any Affiliate of the Investors that holds Shares from time to time and such exercise shall be valid for the purposes of these Articles. In any case where the Sponsors are obliged to make or procure to be made any payment to an Investor and, (by virtue of their owning Shares and entering into a Deed of Accession), any Affiliate of an Investor, the Sponsors shall be entitled to make such payment or procure that such payment is made to the relevant Investor, whose receipt shall be a good and valid discharge. Subject to the foregoing, obligations of the Investors under these Articles with respect to any Investors' Shares transferred shall stand transferred to the Investors' Affiliate on the transfer of the said Shares by an Investor to its Affiliates.
- (b) If the Sponsors have transferred any of their Shares to any Sponsor Connected Person in accordance with the terms of these Articles, then any right may be exercised by the Sponsors on behalf of themselves and any Sponsor Connected Person that holds Shares from time to time and such exercise shall be valid for the purposes of these Articles. Subject to the foregoing, obligations of the

Sponsors under these Articles with respect to any Sponsors' Shares transferred shall stand transferred to the Sponsor Connected Person on the transfer of the said Shares by a Sponsor to such Sponsor Connected Person.

## **17.2 Sponsors' and Investors' liabilities**

- (a) As between the Sponsors, the liability of the Sponsors under these Articles / the Agreement and the Investment Agreement shall be joint and several. Where any obligation, representation, warranty or undertaking in these Articles or the Agreement is expressed to be made, undertaken or given the Sponsors, they shall be jointly and severally responsible in respect of it.
- (b) As between the PineBridge Investors, the liability of the PineBridge Investors under these Articles / the Agreement and the Investment Agreement shall be joint and several. Where any obligation or warranty in these Articles / the Agreement or the Investment Agreement is expressed to be made, undertaken or given by the PineBridge Investors, they shall be jointly and severally responsible in respect of it and the PineBridge Investors shall not be responsible or liable for any obligations or liabilities whatsoever of the JPM Investor.
- (c) It is clarified that any obligation or warranty in these Articles / the Agreement or the Investment Agreement concerning the JPM Investor shall be several and the JPM Investor shall not be responsible or liable for any obligations or liabilities whatsoever of the PineBridge Investors.
- (d) Each of the rights of the PineBridge Investors under these Articles / the Agreement shall be exercisable independently of the JPM Investor. Each of the rights of the JPM Investor under these Articles / the Agreement shall be exercisable independently of the PineBridge Investors.
- (e) The Sponsors agree to perform all acts that may be necessary or expedient to perform their obligations under these Articles / the Agreement and agree to refrain from any acts that would hamper performance of their obligations under these Articles / the Agreement.
- (f) Notwithstanding anything to the contrary contained in these Articles / the Agreement or the Investment Agreement, it is clarified that the liability of SS under these agreements shall not affect or attach to any of her personal properties other than the Relevant Sponsor Group Shares.

## **18. NOTICES**

### **18.1 Notice requirements**

All notices under these Articles shall be in writing and be effective upon delivery to the applicable Party (whether by mail, fax, personal delivery or otherwise) at the address indicated below:

- (a) if to the PineBridge Investors (and any Affiliate of the PineBridge Investors that holds Investors' Shares) (marked for the attention of International Financial Services Limited), at:

Address: IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius

Fax: +230 467 4000

(marked for the attention of Mr. Sangeeta Bissessur / Mr. Fareed Soreefan)

with copies to: PineBridge Investments Asia Limited at:

Address: Level 31, Three Pacific Place, 1 Queen's Road East, Hong Kong

Fax: +852 2893 6606

(marked for the attention of the Legal Department)

- (b) if to the JPM Investor (and any Affiliate of the JPM Investor that holds Investors' Shares) (marked for the attention of GSOG Middle Office), at:

Address: The Directors

c/o. J.P. Morgan Securities (Asia Pacific) Limited,

Level 6, Chater House,

8 Connaught Road, Central,

Hong Kong.

Email: GSOG-MO@jpmorgan.com

Fax: +852 2877 0360

- (c) if to the Sponsors, (marked for the attention of Dr. Devi Shetty) at:

Address: Narayana, 393 Cross lane,

3rd block, 13th Main,

Koramangala,

Bangalore 560 034

Fax: +91 80-2783 6777

- (d) if to NHAPL, (marked for the attention of Dr Devi Shetty) at:

Address: Plot No. 258-A,

Bommasandra Industrial Area,  
Anekal Taluk,  
Bangalore 560 099  
Fax: +91 80-2783 6777

(e) if to the Company, (marked for the attention of Dr Devi Shetty) at:

Address: Plot No. 258-A,  
Bommasandra Industrial Area,  
Anekal Taluk,  
Bangalore 560 099  
Fax: +91 80-2783 6777

(f) if to CDC, (marked to the attention of General Counsel) at:

Address: 123 Victoria Street,  
London, SW1E 6DE  
Fax: +44 20 7963 4750  
Email: mkdavies@cdcgroup.com

## 18.2 **Delivery**

Any notice, document or communication:

- (a) given by hand is deemed to be received at commencement of the next Business Day following delivery to that addressee; and
- (b) sent by fax is deemed to be received at the commencement of the Business Day next following receipt by the sending Party of an electronic confirmation of transmission of the notice to that addressee, which transmission is to be confirmed by a courier transmission date-marked the same day as the fax transmission it is confirming.

## 18.3 **Notices to Directors**

All notices to any Director (including notices of Board meetings and adjournments of Board meetings) shall be sent to the address of that Director as set out in the Company's register of Directors with a copy sent to that Director by facsimile to such facsimile number (if any) which that Director has notified to the Company Secretary in writing for this purpose with an electronic confirmation of transmission received by the sender.



## **19. ASSIGNMENT**

**No right or obligation under these Articles may be assigned or transferred by any Party or by operation of law or otherwise without the prior written consent of the other Parties except as otherwise expressly permitted under these Articles.**

## **20. DISPUTE RESOLUTION**

### **20.1 Negotiation**

Any dispute, difference, controversy or claim arising out of or relating to these Articles or the breach, or validity thereof (a Dispute) shall be resolved in accordance with this Article 20. Upon the written request (a Request) of any Party served in accordance with Article 18 (Notices), the Parties shall promptly meet and attempt to negotiate in good faith a resolution of the Dispute. For this purpose, each of the Parties shall within thirty (30) calendar days of the Request nominate a senior executive with authority to settle the Dispute and in the case of the Company this shall be an Independent Director.

### **20.2 Arbitration**

If the Parties are unable to resolve the Dispute through negotiation within forty five (45) calendar days after a Request is served, the Dispute shall be finally resolved by arbitration in Singapore in accordance with the rules of International Chamber of Commerce (the Rules).

### **20.3 Arbitration Board**

Unless the Parties mutually agree within thirty (30) calendar days of the Dispute being referred to arbitration on the appointment of one (1) arbitrator the arbitration shall be conducted by an arbitration board consisting of three (3) arbitrators (the Arbitration Board). The Arbitration Board shall be appointed in accordance with the Rules.

### **20.4 Language and enforcement**

(a) The arbitration proceedings shall be conducted in the English language.

(b) Judgment upon any arbitral award rendered hereunder may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be.

(c) The parties agree that for the purposes of enforcing any arbitration award delivered pursuant to this Article 20 in India, such award shall be a "foreign award" as defined under section 44 of the Arbitration and Conciliation Act, 1996 of India.

#### **20.5 Interim relief**

Without prejudice to the arbitration agreement contained in this Article 20, the Parties expressly agree that nothing in this Article 20 shall prevent any Party from applying to a court which would otherwise have jurisdiction for conservatory or interim measures. After the appointment of the Arbitration Board has been effected and pending its final award, the Arbitration Board shall also have jurisdiction to hear such applications with respect to the Dispute. The Parties agree that any measures ordered by the Arbitration Board may be immediately and specifically enforced by a court otherwise having jurisdiction over the Parties.

#### **20.6 Award final and binding**

Any award made by the Arbitration Board shall be final and binding on the Parties. To the extent that such waiver can be validly made, the Parties expressly agree to waive the applicability of any laws and regulations that would otherwise give any right of recourse against the decisions of the Arbitration Board.

#### **20.7 Costs**

The costs of the arbitration shall be borne by the Parties in such manner as the Arbitration Board shall direct in its arbitral award.

### **21. PUBLIC COMPANY**

The Company is a public limited company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly:

#### **21.1 Restricts the right to transfer of its shares as contained in these Articles;**

**21.2 The number of members of the Company (exclusive of the persons who are in the employment of the Company and persons, who having been formerly in the employment of the Company, were members of the Company while in that employment and have continued to be members after the employment ceased) shall not exceed two hundred, but where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of these Articles be treated as a**

single member;

**Prohibits any invitation to the public to subscribe for any securities of the Company save and except as contained in these Articles.**

## **22. DEMATERIALISATION**

**22.1 Notwithstanding anything contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the Securities of the Company in dematerialized form or rematerialized form under the provisions of the Depositories Act and may offer the Securities of the Company for subscription/allotment in dematerialized form in the manner provided by the Companies Act, 2013.**

**22.2 Notwithstanding anything to the contrary contained in the Companies Act, 2013 or these Articles, where the Securities are dealt with or by a Depository, the Company shall intimate the details of allotment of relevant Securities to the Depository immediately on allotment of such Securities and the necessity of having distinctive numbers for Securities issued by the Company shall not apply to Securities held with a Depository.**

**22.3 When any Securities of the Company are held or dealt in dematerialized form:**

(a) Every person holding any Securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a Depository;

(b) All Securities held with Depository shall be dematerialized and the Depository shall hold the same for the Beneficial Owners thereof in a fungible form;

(c) Every person holding securities of the Company and whose' name is entered as a beneficial owner in the records of the Depository shall be deemed to be a shareholder of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held with a Depository.

(d) Every person holding Securities of the Company with a Depository, being the Beneficial Owner thereof, may at any time opt out of the Depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfilment of the conditions and on payment of the fees prescribed

under the said Act, the Company shall rematerialize the relevant Securities and issue to the Beneficial Owner thereof, the requisite certificates of such Securities.

- 22.4 **The Company shall make available to the Depository copies of the relevant records in respect of Securities held by such Depository for the Beneficial Owner thereof.**
- 22.5 **When a holder or an allottee of Securities opts to hold the same with a Depository, the Company shall intimate such depositor the details of his holdings or allotment of Securities and there upon the Depository shall enter in its records the names of the holders/allottees as the Beneficial Owners of such Securities.**
- 22.6 **The Register and Index of Beneficial Owners of Securities maintained by a Depository under the Depositories Act, shall be deemed to be and form part of the Register and Index of members/share holders and Security holders of the Company.**

### **23. WAIVERS**

No waiver of any right under these Articles shall be effective unless in writing. Unless expressly stated otherwise a waiver shall be effective only in the circumstances for which it is given. No delay or omission by any Party in exercising any right or remedy provided by law or under these Articles shall constitute a waiver of such right or remedy. The single or partial exercise of a right or remedy under these Articles shall not preclude any other nor restrict any further exercise of any such right or remedy. The rights and remedies provided in these Articles are cumulative and do not exclude any rights or remedies provided by law.

### **24. ENTRENCHMENT PROVISIONS UNDER THE COMPANIES ACT, 2013**

Each of the provisions contained in these Articles are hereby entrenched pursuant to (i) Section 5 of the Companies Act; and (ii) passage of a unanimous shareholder resolution as required under applicable law. Notwithstanding anything to the contrary contained in the Agreement and/ or these Articles, the provisions contained in these Articles can only be amended after receipt of a written consent of the Investors approving such amendment (and only to the extent of amendments specifically approved by the Investors under such approval).

### **25. EXERCISE OF RIGHTS**

Each of the Shareholders agree to exercise all powers and rights available to them (including their voting rights and their rights as, and in respect of, the directors) in support of the provisions of the Agreement and/or these Articles and so as to procure and ensure that the provisions of the Agreement and/or these Articles are complied with by each of the Shareholders and the Company in a manner that fully and

effectively implements the spirit, intent and specific provisions of the Agreement and/or these Articles.

## **26. AUTHORIZATIONS**

Wherever in the Companies Act, 2013 it has been provided that the Company or the Board shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company or the Board is so authorized by its Articles, then and in that case this Article hereby authorizes and empowers the Company and/ or the Board (as the case may be) to have all such rights, privileges, authorities and to carry out all such transactions as have been permitted by the Companies Act, 2013 without there being any specific regulation to that effect in these Articles save and except to the extent that any particular right, privilege, authority or transaction has been expressly negated or prohibited by any other Article herein). As and by way of illustration of the rights, privileges, authorities and transactions referred to in this Article, the Company is inter alia authorized to:

- (a) accept unpaid capital although not called up (as contemplated by Section 50 of the Companies Act, 2013); and
- (b) issue bonus shares (as contemplated by Section 63 of the Companies Act, 2013);

## **27. OVERRIDING PROVISIONS**

Where any law or ruling requires that a specific provision of the Agreement, which is not expressly incorporated in these Articles, be incorporated for the purposes of enforceability or otherwise, such provision of the Agreement is deemed to be incorporated in these Articles. Further if the Companies Act specifically requires that an enabling provision be made in the Articles for authorizing the Company to do or cause to be done certain acts and deeds contemplated by the Agreement, such enabling provisions are hereby deemed to be granted to the Company.

| Sl. No | Name, Addresses, Description occupation of the Subscribers  | Signature of the subscribers | Name, address, occupation, description and signature of witness   |
|--------|---|------------------------------|---|
| 01     | C .Narayana Shetty<br>S/o. Late C. Hiriyananna Shetty<br>No.12, Walton Road, Bangalore-560 001,<br>Business   | Sd/-                         |   |
| 02     | Dr. Devi Prasad Shetty<br>S/o. Bommayya Shetty<br>No.70, Lavelle Road,<br>Bangalore-560 001<br>Medical Doctor | Sd/-                         | Sd/-<br>N.K. MADHUSUDHAN<br>No.132, Kantha Centre,<br>Lalbagh Road,<br>Bangalore-560027<br>Chartered Accountant |

Dated this the 12th day of July 2000 at Bangalore