

Disclosure pursuant to Regulation 30A (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) read with Para 5A of Part A, Schedule III of the LODR Regulations and Paragraph A.5A of Annexure I of the circular issued by Securities and Exchange Board of India bearing reference number SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023

Complete details of the **Investment Agreement dated February 19, 2010 (“Agreement”) between Nectar Lifesciences Limited (“Company”) and NSR Direct PE Mauritius LLC**

Sr.	Particulars	Disclosure
1.	Details of the counterparties	NSR Direct PE Mauritius, LLC (Currently name changed to ISENGARD DIRECT PE LLC) (“Investor”).  The Investors are not related parties of the Company.
2.	Purpose of entering into the agreement	Investment Agreement dated on February 19, 2010 for investment and Allotment of 26,000,000 (Twenty-Six Million) Equity Shares of face value of Re. 1/- each at a price of Rs. 35 per Equity Share, fully paid-up.
3.	Shareholding, if any, in the entity with whom the agreement is executed	Nil of Investor as on the date of the entering into Agreement
4.	Significant terms of the agreement	As per Annexure 1
5.	Extent and the nature of impact on management or control of the listed entity	Not applicable, however, the Investors have the right to jointly nominate for appointment, 1 non-retiring non- executive director on the board of the Company and its material subsidiaries. The details are discussed in Annexure 1.
6.	Details and quantification of the restriction or liability imposed on the listed entity	Not quantifiable, however, rights of the Investors are as mentioned in Annexure 1.
7.	Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of	The Investors are not related to the promoter/ promoter group/ group companies in any manner.

	relationship	
8.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	No, the transaction did not fall within the definition of ‘related party transactions’.
9.	Details of issue price and class of shares issued	The Company has allotted 26,000,000 equity shares of face value of Re. 1/- each at a price of Rs. 35 per Equity Share, fully paid-up.
10.	Any other disclosure related to such agreements	The entire agreement falls away if the aggregate ownership of the Investors falls below 5% of the share capital of the Company. The key terms of the said Agreement were incorporated in the articles of association of the Company.

## Annexure 1

Significant terms of the agreement of **Investment Agreement dated February 19, 2010 (“Agreement”)** between **Nectar Lifesciences Limited (“Company”)** and **NSR Direct PE Mauritius LLC (“Investor”)**

- 1) The Introduction part contains the total share capital of the Company, the holding of promoters in the Company etc.
- 2) The various terms specified in the Agreement has been defined in the Definition Clause
- 3) The terms and conditions contained in the Agreement, the Investor agreed to subscribe to the 26000000 equity shares at a price of Rs.35 per equity share and in consideration thereof, the Company agreed to issue and allot the 26,000,000 equity shares to the Investor as per the ICDR Regulations and provide the Investor with the rights contained herein and to adopt the Restated Articles. The Company has allotted above shares got listed the said 26,000,000 equity shares with the BSE Limited and National Stock Exchange of India Limited and filed the requisite forms/ returns with the Registrar of Companies and Reserve Bank of India.
- 4) The Subscription Shares were locked-in for a period of 1 (one) year from the Completion Date under the SEBI (ICDR) Regulations.
- 5) The Company would, as soon commercially practicable but no later than 31 March, 2010, complete placement of global depository receipts (GDRs) to be listed on the Luxembourg Stock Exchange, of up to United States Dollar equivalent of Rs. 2,500,000,000/- on terms and conditions usual and customary to such issue.
- 6) The Investor would make the requisite disclosures in compliance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.
- 7) The Company has represented and provided Warranties as specified in the Investment Agreement.
- 8) The Company had agreed and undertook to indemnify, against any and all Losses:
  - a) arising out of or in connection with any misrepresentation and/or any breach of any Warranty, any breach or non-performance of any covenant, undertaking and/or agreement;
  - b) arising due to acts, omissions or events on or before the Completion (including contingent liabilities) of the Company, not disclosed to the Investor in the Accounts and/or the Disclosure Letter;
  - c) arising out of any Litigation against the Company and/ or the Subsidiaries, which relate to or arise out of any event, matter or circumstance relating to the period prior to Completion, but to the extent not disclosed in the Accounts and/or the Disclosure Letter; and/or
- 9) The Company would not be liable to make payment in respect of any Claims for breach of any Warranty to the Indemnified Parties unless the cumulative aggregate amount of Losses claimed in respect of the Warranties exceeds Rupees one crore only. The

maximum aggregate liability of the Company for indemnification shall not exceed an amount equal to percentage hundred of the Subscription Price Provided that the aforesaid limits shall not apply in respect of any fraudulent breach or any breach of the Warranties in any points above of the agreement and other covenants.

- 10) The various rights provided to the Investor as per the Investment Agreement are more specifically envisaged in the restated articles of associations of the Company (Appended herewith Annexure 2). The special resolution for restatement of articles of association of the Company as per the terms of Investment Agreement has been passed in the Annual General Meeting held on September 29, 2010. The articles of association of the Company further amended as per new Companies Act, 2013 also containing the terms of Investment Agreement vide special resolution passed in the Annual General Meeting held on September 30, 2014.
- 11) The Company agreed that no part of the Subscription Amount would be utilised by the Company until the first Board meeting to be held at or after Completion and at such meeting the Parties would mutually agree upon the manner in which the Subscription Amount would be utilised and only thereafter the Subscription Amount would be available for use by the Company. The Company would use the Subscription Amount for expansion of its generic pharmaceuticals business, including construction of new manufacturing plants, filing of regulatory approvals, research and development and other associated expenditures.
- 12) The Investor would not sell the Investor Shares, together with their rights, to any Competitor. It is hereby clarified that the Investor shall have the right to transfer all the Investor Shares held by it to any Competitor of the Company, subject to the Investor procuring the prior written approval of the Company and the Promoters in that regard.
- 13) The Company acknowledged that the Investor, it's Affiliates and the Investor Group invested, and may invest in, numerous companies, some of which may be in competition with the Company, its Subsidiaries and their respective businesses. The Company consented to the Investor, its Affiliates and/or any member of Investor Group at any time and from time to time investing in any Person engaged in the same, similar and/or allied business as the Business or entering into collaborations, joint ventures, tie-ups or other agreements or arrangements with any Persons in India engaged in the same, similar and/or allied business as the Business. The Investor agreed that none of the Investor Directors, nominated/appointed on the Board from time to time, would be appointed on the board of any other company that may be in similar business as that of the Company and/or its Subsidiaries and/or their respective businesses.
- 14) The Agreement would terminate:
  - a) If, at any time after Completion, the Investor's shareholding in the Company is less than the 5%;
  - b) At the option of the Investor, if:

- if the Company is in material breach of the terms of the Agreement or the articles of association of the Company;
- if any representation or warranty made or given by the Company in the Agreement is incorrect;
- If the Company is in material breach of any covenant or undertaking given by it in the Agreement.

A material breach for the purposes of this clause means a breach that, if such breach is capable of remedy, has not been remedied within forty five (45) calendar days of service of a written notice from the Investor requiring that such breach be remedied, provided that any persistent breach of any term of the Agreement shall be deemed to be material for the purposes of this clause.

- 15) Effect of an Event of Default
- a) In addition to any other rights the Investor has, under the Agreement, on an Event of Default, the Investor would have the right, but would be under no obligation, to terminate the Agreement with immediate effect (without prejudice to any rights and obligations accrued or incurred prior to such termination);
  - b) the Investor would have the right to sell the Investor Shares to any Person notwithstanding any restrictions contained in the Agreement; and
- 16) Nothing in the Agreement (or any of the arrangements contemplated herein) would be deemed to constitute a partnership between the Parties, nor, except as may be expressly provided herein, constitute any party as the agent of another party for any purpose, or entitle any party to commit or bind another party in any manner.
- 17) The Agreement superseded all previous letters of intent, heads of terms, prior discussions and correspondence exchanged between any of the Parties in connection with the transactions referred to herein.
- 18) Each Party agreed with the other Party that it would keep confidential and would not disclose to any third party any confidential and / or proprietary information (the "Confidential Information") which it holds or receives relating to:
- a) the negotiation and contents of the Agreement or the Undertaking; or
  - b) The business and affairs of the other Party.
- Each Receiving Party may disclose Confidential Information:
- a) in accordance with the terms of the Agreement;
  - b) to the extent to which it is required to be disclosed to enforce its rights or pursuant to judicial or arbitral action, government regulations or stock exchange, law society or other similar requirements;
  - c) 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);
  - d) to its professional advisors including tax advisers and auditors but only to the extent necessary subject to such advisers accepting an equivalent confidentiality obligation;

- e) in case of the Investor, to any of their Affiliates, limited partners and investment committee, subject to each such party being made aware of the confidentiality obligation;
  - f) To the extent the Party seeking to disclosure Confidential Information received written consent to such disclosure from the other Party.
- 19) All notices or formal communications under or in connection with the Agreement would be in the English language.
  - 20) Unless otherwise specified by the Investor, the Investor would be entitled to all the rights of the Investor hereunder, provided that all such rights would be exercised on behalf of any of the Affiliates by the Investor alone.
  - 21) If any provision of the Agreement is or became invalid, illegal or unenforceable under the laws of any jurisdiction, then such provision would (so far as it is invalid or unenforceable) be given no effect and would be deemed not to be included in the Agreement but without invalidating any of the remaining provisions of the Agreement which would not in any way be affected or impaired. The Parties hereto would then use all reasonable endeavours to replace the invalid or unenforceable provisions with a valid and enforceable and mutually satisfactory substitute provision, achieving as nearly as possible the intended commercial effect of the invalid, illegal or unenforceable provision.
  - 22) No failure or delay by the Parties in exercising any right or remedy provided by law under or pursuant to the Agreement would impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy would preclude any other or further exercise of it or the exercise of any other right or remedy.
  - 23) No variation of the Agreement (or of any of the documents referred to in the Agreement) would be valid unless it is made by an instrument in writing and signed by duly authorised representatives of each of the Parties hereto.
  - 24) The provisions of the Agreement would apply mutatis mutandis to all Subsidiaries of the Company as may exist from time to time during the operation of the Agreement and the Company would procure that the Subsidiaries act in accordance with the Agreement. It is clarified that the Investor would not be required to hold any shares of the Subsidiaries to extend the provisions of the Agreement to the Subsidiaries.



ARTICLES OF ASSOCIATION OF NECTAR LIFESCIENCES LIMITED

**Interpretation**

I. (1) In these regulations—

(a) “the Act” means the Companies Act, 2013,

(b) “Affiliate” means, in relation to any Person, any entity controlled, directly or indirectly, by that Person, any entity that controls, directly or indirectly, that Person, or any entity under common control with that Person or, in the case of a natural person, any Relative (as such term is defined in the Act) of such Person. For the purpose of this definition:

(i) control means the power to direct the management and policies of an entity whether through the ownership of voting capital, through the right to appoint a majority of directors to the board of an entity, by contract or otherwise (and the terms “controlled” and “controlling” shall be construed accordingly unless repugnant to the context), and

(ii) A holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity

(c) The “Agreement” means the investment agreement dated 19 February 2010 entered into between the Company and the Investor.

(d) “Annual Budget” has the meaning given to it in Article 122.

(e) “The Board” or “The Board of Directors” means Meeting of the Directors duly called and constituted, or as the case may be the Director assembled at a Board, or the requisite number of Directors entitled to pass a Resolution by circulation in accordance with these Articles.

(f) “Business” means and includes manufacturing of bulk drugs Active Pharmaceutical Ingredients, generic pharmaceutical drug formulations, and/or finished dosage forms, empty hard gelatin capsules, and/or Phytochemicals (menthol).

(g) “The Company” or “This Company” Means NECTAR LIFESCIENCES LIMITED.

(h) “Competitor” has the meaning given to it in Article 24.

(i) “Completion” means the completion of all the activities as set out in clause 6 of the Agreement.

(j) “Completion Date” means the date of allotment of Subscription Shares *i.e.* 20 February 2010.

(k) “Connected Person” of the Company means (i) any company under the same management (as defined by the erstwhile Section 370 (1-B) of the Companies Act, 1956) as the Company; (ii) any director or key management personnel of the Company or of any of its Subsidiary or any relative (as defined under the Act) of any such director or key management personnel; (iii) the Promoters or any Affiliate of any of the Promoters;(iv) any listed company in which the Company, the Promoters, or any Affiliate or partner of Promoters or Affiliate is a director or hold/s shares exceeding percentage ten (10 %) of the paid-up equity share capital of such listed company; (v) any company, the board of directors, managing director or manager whereof acts or is accustomed to act in accordance with the directions or instructions of the Board of Directors of the Company, of the Promoters, or of any Affiliate mentioned above; and (vi) all such Persons who have the ability to Control the Company, its Subsidiaries or any directors of the Company or its subsidiaries or exercise significant influence (which means participation in and not necessarily control over) over the Company or its Subsidiaries in making financial or operating decisions; *Provided however* that in no event shall the Investor, the Investor Director or any of its Affiliates or their respective directors be considered or deemed to be a Connected Person/Concern of the Company.

(l) “Deed of Adherence” means the deed of adherence a format of which is set out in Schedule 9 of the Agreement

(m) “Dilution Instrument” means any Equity Shares, or any rights, options, warrants, appreciation rights or instruments entitling the holder to receive any Equity Shares of the Company or any options to purchase or rights to subscribe for Securities by their terms convertible into, or exchangeable for, Equity Shares.

(n) “Directors” means the Director for the time being of the Company or as the case may be, the Directors assembled at a Board.

(o) “Dividend” includes bonus.

(p) “Encumbrance” means any encumbrance or restriction on transferability including, without limitation, any claim, debenture, mortgage, pledge, charge, hypothecation, lien, deposit by way of security, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), public right, common right, any

provisional or executorial attachment and any other interest held by a third party and the term "Encumber" shall be construed accordingly.

(q) "Equity Shares" means the equity shares of the Company having a par/ nominal value of Re. 1 each.

(r) "Fully Diluted Basis" means the basis for computation of share capital whereby all classes and series of Equity Shares outstanding and all fully paid compulsorily convertible securities/ instruments exchangeable or exercisable into Equity Shares, are assumed to have been so converted, exercised or exchanged.

(s) "Government Approvals" means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government.

(t) "Investor" means NSR Direct PE Mauritius, LLC.

(u) "Investor Consent" means the prior written consent of the Investor or consent of the Investor Director at the meeting of the Board or the consent of the Investor at the meeting of the shareholders on any of the Reserved Matters.

(v) "Investor Director" has the meaning given to it in Article 76(1).

(w) "Investor Shares" means the Subscription Shares and any other Equity Shares or Securities convertible into, or exchangeable for, Equity Shares as may be subscribed to from time to time by the Investor or any of its Affiliates.

(x) "Key Promoter" means Mr. Sanjiv Goyal.

(y) Words importing, the masculine gender also include feminine gender.

(z) "Law" includes all statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government Authority and, if applicable, international (whether bilateral or multi-lateral) treaties, conventions and regulations having the force of law.

(za) "Minimum Stake" means the shareholding of the Investor and its Affiliates, not less than percentage five (5%) of the paid-up equity share capital of the Company (calculated on a Fully Diluted Basis).

(zb) "Month" means a calendar month.

(zc) "New GDRs" means the new global depository receipts of upto United State Dollar equivalent of Rs.2,500,000,000 proposed to be issued by the Company.

(zd) "Office" Means the Registered Office for the time being of the Company.

(ze) "Managing Director" means the Managing Director for the time being of the Company.

(zf) "Person" includes corporations as well as individuals.

(zg) "Promoters" means Sanjiv Goyal, Raman Goyal, Aryan Goyal, Saurabh Goyal and Sanjiv (HUF).

(zh) "Reserved Matter" shall mean the matters stated in Article 94.

(zi) "Plural Person" means Word importing the plural number also include singular number.

(zj) "Singular Person" means Words importing the singular number also include the plural number"

(zk) "These Presents" or "Regulations" means these Articles of Association as originally by framed or altered from time to time and includes the Memorandum where context so requires.

(zl) "the seal" means the common seal of the company.

(zm) "Securities" means has the meaning given to such term in the Securities Contracts (Regulation) Act, 1956.

(zn) "Subscription Shares" shall mean the 26,000,000 Equity Shares of the Company subscribed to by the Investor under the Agreement

(zo) "Subsidiary" means has the meaning given to such term in the Act and shall include any subsidiaries incorporated/ set up after the date of the Agreement. For the avoidance of any doubt, Subsidiary shall include any subsidiary incorporated outside India and shall include subsidiaries of such subsidiaries.



(zp) "Transfer" means any transfer by way of sale, any disposal, any assignment and wherever the context may so permit, transfer by way of Encumbrance or lease.

(zq) "Undertaking" means the Undertaking dated 19 February 2010 from the Promoters to the Investor.

(zr) "In writing" and "Written" shall include printing and lithography and any other modes of representing or reproducing words in visible form.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

(3) (i) The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

(ii) The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

### ***Share capital and variation of rights***

**II. 1. (a)** The Authorized Share Capital of the company shall be as defined in Clause V of the Memorandum of Association

with the rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in these presents and with power to the Company to increase or reduce the capital and to divide the shares in the capital for the time being into several classes (being those specified in the Companies Act, 2013) and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the company and to vary, modify, enlarge or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provided by these articles of association of the company.

**(b)** Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

**2. (i)** Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

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

**3. (i)** If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles 2 and 3 shall *mutatis mutandis* apply to debentures of the company.

**4.** Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5 (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

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

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

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

(ii) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith.

8. The Subscription Shares shall rank *pari passu* with the other Equity Shares of the Company in all respects, including without limitation, with respect to entitlement to dividend and voting rights.

9. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **Lien**

10. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.

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

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

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

12. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

13. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### ***Calls on shares***

**14.** (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

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

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

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

**15.** A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

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

**17.** (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

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

**18.** (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

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

**19.** The Board—

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

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### ***Transfer of shares***

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

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

**21.** The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

**22.** The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

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

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

**24.** (1) The Investor shall not sell the Investor Shares, together with their rights, to any Competitor. For this purpose, "Competitor" shall mean any company, Indian or overseas, which itself or along with one of its Affiliates derives (including, by way of consolidation of accounts), not less than percentage twenty (20%) of its revenues from generic pharmaceutical drug formulations and/or active pharmaceutical ingredient and/or phytochemicals (menthol) and as per the list set out in Schedule 10 of the Agreement.

Provided that nothing in this clause shall restrict any Transfer of shares by the Investor on any Exchange or in the event of the Investor exercising the tag along right in accordance with the Undertaking.

(2) It is hereby clarified that the Investor shall have the right to transfer all the Investor Shares held by it to any Competitor of the Company, subject to the Investor procuring the prior written approval of the Company and the Promoters in that regard.

(3) Subject to compliance with the provisions of sub-clause (1) above, the Investor shall be entitled to Transfer up to all its Investor Shares to any Person whether together with or without the rights and/or obligations of the Investor hereunder and under the Undertaking on signing the Deed of Adherence, provided, however, that the Transfer of rights shall not result in the multiplication of such rights.

(4) Subject to provisions of sub-clause (3) above, the Investor shall be entitled in its absolute discretion to transfer any or all of the Investor Shares in the Company to or for the benefit of its Affiliates so long as such Affiliate is not a Competitor and subject to the Affiliate signing the Deed of Adherence.

(5) Subject to the provisions of (1) and (3) above, the Investor shall have the right, at its discretion, to sell and assign similar rights, including the right to a Board representation, to another investor or investors provided the incoming investor(s) shall hold a minimum shareholding of percentage ten (10%) of the entire issued share capital of the Company.

**25.** (1) Except with the prior Investor Consent, the Promoters shall not Transfer, during the duration of the Agreement or for two (2) years from the Completion Date, whichever is earlier, any shares, warrants or other Securities convertible into Equity Shares held by them in the Company in any manner whatsoever.

(2) Further, during the duration of the Agreement or for two (2) years from the Completion Date, whichever is earlier, the Promoters shall not Encumber any shares of the Company held by them in the Company, except

(i) for the purposes of raising funds in connection with the Business of the Company; or

(ii) up to percentage twenty (20%) of the Promoters' then aggregate shareholding in the Company can be Encumbered for any other purposes, provided that they hold at least percentage thirty (30%) of the share capital of the Company which shall either be un-Encumbered or Encumbered in accordance with (i) above; or

(iii) with the prior Investor Consent.

The restrictions contained in this Article 25 shall be referred to hereinafter as the "Promoter Lock in".

**26.** (1) Nothing herein shall however restrict the Transfer inter se between the Promoters, provided that save and except change in shareholding upon conversion of New GDRs and Existing FCCBs, if any, the shareholding of the Key Promoter shall not reduce, for any reason whatsoever, below the proportion of the share capital of the Company held by him in the Company on the date of execution of the Agreement and the Undertaking, provided that the Key Promoter shall be entitled to Transfer his shares in the Company to his immediate family on the condition that (i) the transferee and the Key Promoter both jointly and severally assume all obligations of the "Key Promoter" referred to in the Undertaking and in the Agreement and (ii) the Key Promoter shall, irrespective of his shareholding in the Company be liable for the actions of the transferee; provided further that the promoter-transferee (including a Key Promoter transferee) (if not a signatory to the Agreement) shall execute a Deed of Adherence agreeing to be bound by the terms of the Agreement.

(2) Notwithstanding Articles 25 and 26(1), if any Promoter ("Transferor") proposes to Transfer any Equity Shares, the Investor shall be entitled to participate on pro-rata basis in the proposed Transfer, provided however that the Investor shall be entitled to Transfer all the Investor Shares on a priority basis, in the event there is a change of control of the Company as a consequence of, or in connection with, any Transfer of Equity Shares by the Promoters or the Promoters' holding reduces below percentage twenty six (26%) of the then share capital of the Company calculated on a Fully Diluted Basis, in the following manner:

(i) The Transferor shall first give a written notice ("Offer Notice") to the Investor ("Offeree"). The Offer Notice shall state (i) the number of Equity Shares proposed to be Transferred by the Transferor (the "Sale Shares") and the number and class of Equity Shares the Transferor owns at that time on Fully Diluted Basis, (ii) the name and address of the proposed transferee (if any), (iii) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee, (iv) the estimated date of consummation of the proposed Transfer, (v) a representation that the proposed transferee (if there be any such proposed transferee) has been informed of the "tag-along" rights provided for in these Articles and that the proposed transferee has agreed to purchase all the Equity Shares required to be purchased in accordance with the terms of this clause, and (vi) a representation that no consideration, tangible or intangible (whether as non-compete consideration or otherwise) is being provided to the Transferor that will not be reflected in the price paid to the Investor on exercise of his tag-along rights hereunder. In the event that the proposed consideration for the Transfer includes consideration other than cash, including, non-compete consideration, the Transfer Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The total value of the consideration for the proposed Transfer is referred to herein as the "Offer Price".

(ii) The Investor shall be entitled to respond to the Offer Notice by serving a written notice (the "Response Notice") on the Transferor prior to the expiry of thirty (30) Business Days from the date of receipt of the Offer Notice ("Offer Period") requiring the Transferor to ensure that the proposed transferee of the Sale Shares also purchases such number of the Equity Shares of the Investor, as mentioned in the Response Notice ("Offered Securities") at the same price and on the same terms as are mentioned in the Offer Notice, except that the Investor shall not be required to provide any representations or warranties to the proposed transferee other than with respect to their title to the Offered Securities and the Investor shall be entitled to receive the full consideration for such shares as received by the Promoters, including non-compete considerations (without having to provide any non-compete restriction) and the cash equivalent of any non-cash component of the Offer Price.

(iii) If:

(a) The Promoters continue to remain in control and management of the Company after such Transfer, and the proposed transferee is unwilling or unable to acquire all of the Offered Securities mentioned in the Response Notice upon such terms, then the Promoters may elect either to cancel such proposed Transfer or to allocate the maximum number of Equity Shares of the Company which the proposed transferee is willing to purchase among the Sale Shares and the Offered Securities specified by the Investor Group in the Response Notice, pro-rata in the ratio of the equity shareholding in the Company at such time of the Promoters and the Investor Group, and to consummate such Transfer on such terms. The Promoters shall not be entitled to Transfer any of the Sale Shares to any proposed transferee unless the proposed transferee simultaneously purchases and pays for the required number of Offered Securities in accordance with the provisions of this Article; or

(b) The Promoters cease to remain in control and management of the Company after such Transfer, the Promoters shall not be entitled to sell or Transfer any of the Sale Shares to any proposed transferee, unless the proposed transferee simultaneously purchases and pays for the Offered Securities for the same consideration and upon the same terms and conditions as applicable to the Sale Shares.

(iv) The Transferor shall ensure that, along with the Sale Shares, the proposed transferee also acquires the Offered Securities specified in each Response Notice for the Offer Price and upon the same terms and conditions as applicable to the Sale Shares, provided that, the Investor may choose to receive the cash equivalent of any such consideration which is in a form other than cash and the Investor shall not be required to provide any representations and warranties in respect of the Offered Securities other than with respect to their title to the Offered Securities. Where the Investor has properly elected to exercise its tag-along right and the proposed transferee fails to purchase from the Investor the Offered Securities which it is entitled to sell under this tag along provision, the Transferor shall not make the proposed Transfer of the Sale Shares, and if purported to be made, such Transfer shall be void and the Promoters shall procure and ensure that the Company does not register any such Transfer.

(v) In the event Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period, the Transferor shall be entitled to sell and transfer the Sale Shares to the proposed transferee mentioned in the Offer Notice on the same terms and conditions and for the same consideration as is specified in the Offer Notice. Any transferee purchasing the Sale Shares shall deliver to the Transferor on or before the date of consummation of the proposed Transfer specified in the Offer Notice payment in full of the Offer Price in respect of the Sale Shares in accordance with the terms set forth in the Offer Notice. If completion of the sale and Transfer to the proposed transferee does not take place within the period of sixty (60) days of the expiry of the Offer Period, the Transferor's right to sell the Sale Shares to such a party shall lapse and the provisions of this sub-clause (2) shall once again apply to the Sale Shares.

For the purposes of this Article, the term "control" shall mean:

(p) the ability to appoint a majority of the Board;

(q) being the single largest shareholder of the Company;

(r) Equity Share holding being not less than percentage twenty six (26%) of the then issued and paid-up share capital of the Company;

(s) the ability to control the composition or the decisions of the Board, or

(t) the possession of power to direct or cause the direction of the management and policies of the Company by virtue of the articles of association or an agreement or contract or otherwise.

It is clarified that if any of the conditions above is not fulfilled, then the Promoters shall be deemed to have ceased to remain in control of the Company.

(3) Where the Investor requires prior Government Approvals for disposal of the Offered Securities pursuant to 26, then notwithstanding any other provision of these Articles, the Investor shall only be obliged to dispose of the Offered Securities once such Governmental Approval is obtained. Any period within which a transfer of the Offered Securities by the Investor has to be completed shall be extended by such further period as is necessary for the purpose of obtaining such Governmental Approval. Provided that if any of such Governmental Approval is finally withheld, then the Investor shall be deemed not to have offered to sell the Offered Securities.

(4) The Transfer restrictions on the Promoters in the Undertaking, the Agreement and/or in these Articles shall not be capable of being avoided by the holding of Equity Shares indirectly through a company or other entity that can itself be sold in order to dispose of an interest in Equity Shares free of such restrictions. Any Transfer, issuance or other disposal of any shares (or other interest) resulting in any change in the control, directly or indirectly, of the Promoters, or of any Affiliate of any Promoter which holds, directly or indirectly, any Equity Shares, shall be treated as being a Transfer of the Equity Shares held by the Promoter, and the provisions of these Articles, the Undertaking and the Agreement that apply in respect of the Transfer of Equity Shares shall thereupon apply in respect of the Equity Shares so held.

(5) Any Transfer or attempted Transfer of any Securities of the Company in violation of these Articles shall be void and the Company shall ensure that no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall be treated) as the owner of such Securities for all purposes.

(6) Subject to the terms of the Agreement, the Investor shall be entitled to deal with, dispose of, Transfer and/or Encumber all or any of their Equity Shares together with or without their rights and / or obligations hereunder, to any other Person. No restriction (including any restriction under Article 24(3)) shall apply in respect of any sale of shares by the Investor pursuant to the tag along right at sub-clause (1) above.

**27.** Notwithstanding anything contained in these Articles, any Transfer or attempt to Transfer any Equity Shares in violation of the Undertaking or the Agreement shall be null and void ab initio, and to the extent it is within the reasonable control of the Company, Company shall not register such Transfer and shall reject any such Transfers made or attempted, suo moto without necessity of a Board decision to institute proceedings for this purpose if required by Law.

**28. (i)** Notwithstanding anything to the contrary contained in these Articles the company shall be entitled to dematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act.

(ii) When any, securities of the company are held or dealt in dematerialized form.

- a. Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialized form with a depository.
- b. All securities held by a depository shall be dematerialized and shall be in fungible form. Nothing contained in the Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.
- c. 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, 1996 and the rules, if any, prescribed thereunder and on fulfillment of the conditions prescribed by the company from time to time, the company shall issue the relevant security certificate to the beneficial owner thereof.

**29. i)** 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.

(ii) When a holder or an allottee of the securities opts to hold the same with a depository, the company shall intimate such depository, the details of his holding or allotment of securities and thereupon the depository shall enter in its record the names of the holders/allottees as the beneficial owners of such securities.

**30.** The register and index of Beneficial Owners of the securities maintained by a Depository under Section 11 of Depositories Act, shall be deemed to be the Register and index of Members or of holders of Debenture or other securities of the company.

**31. (i)** Transfer of securities held in a depository will be governed by a provision of Depositories Act, 1996.

(ii) Every depository shall furnish to the company information about the transfer of securities, the name of beneficial owners at such intervals and in such manner as may be specified under provisions of Depositories Act, 1996,

(iii) Section 56 of the Act shall not apply to transfer of securities effected by the transfer or and the transferee both of whom are entered as a beneficial owners in the record of a depository.

**32. (i)** A depository shall be deemed to be the registered owner for the purpose of effecting the transfer of ownership of securities on behalf of the beneficial owner and shall not have any voting rights of any other rights or any other rights in respect of the securities held by it.

(ii) Every person holding securities of the company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.

**33.** Nothing contained in the Act or these Articles regarding the necessity of having number for securities issued by the company shall apply to securities.

**34.** Notwithstanding anything contained in these Articles or the Act, the provisions of Depositories Act, 1996, relating to dematerialization of securities (including any modification or re-enactment thereof and rules/Regulation made thereunder) shall prevail and apply accordingly.

### ***Transmission of shares***

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

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

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

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

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

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

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

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

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

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

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

#### ***Nomination of shares***

**39.** (i) Subject to the provisions of section 72 of the Companies Act, 2013 every shareholder or debentureholder of the company, may at any time, nominate in the prescribed manner a person to whom his/her shares in, or debentures of the company shall vest in the event of his/her death.

(ii) Where the shares in, or debentures of the company are held by more than one person jointly, the jointholders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company as the case may be, shall vest in the event of the death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the company where the nomination made in the prescribed manner purports to confer on any of the right to vest the shares in or debentures of the company, the nominee shall, on the death of the shareholder or debentureholder, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other person, unless the nomination is varied or cancelled in the prescribed manner.

(iv) Where the nominee is minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the company, in the event of his/her death, during the minority.

**40.** A nominee, upon production of such evidence as may be required by the Board as per the relevant laws and subject as hereinafter provided, elect either:—

(i) To be registered himself/herself as holder of the share or debenture, as the case may be; or

(ii) To make such transfer of the share or debenture, as the case may be, as the deceased share holder or debenture holder, could have made;

(iii) If the nominee elects to be registered as holder of the share or debenture, himself/herself, as the case may be, he/she shall deliver or send to the company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;

(iv) A nominee shall be entitled to the same dividends and other advantage to which he/she would be entitled to if he/she was the registered holder of the share or debenture except that he/she shall not, before being registered as a member in respect of his/her share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company. Provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus or other money payable or rights accruing in respect of such share or debenture, until the requirements of the notice have been complied with.

#### ***Forfeiture of shares***

**41.** If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

**42.** The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and



(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

43. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect

44. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

45. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

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

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

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

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

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

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

#### ***Alteration of capital***

48. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

49. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

50. Where shares are converted into stock,—

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

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

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

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

**51.** The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

**52. (1)** Except with the Investor Consent and other applicable laws, Company shall not issue Equity Shares or equity-linked securities of any kind (including, but not limited to, convertible notes, preference shares, warrants, options), save and except issue of Equity Shares on exercise of New GDRs and the conversion of the Existing FCCBs, for a period of one (1) year from the Completion Date at a price lower than Rs.35 per Equity Share/ equity-linked security. Without prejudice to the foregoing, in the event that the Company issues any Dilution Instrument at any time after complying with its obligation of securing the Investor's consent, then, the Investor shall be entitled to subscribe to such number of Dilution Instruments in proportion to its equity shareholding in the Company and shall also be entitled to subscribe to its pro rata number (calculated on the same basis after giving effect to the Investor's subscription pursuant to this sub-clause (1), but not including the numbers of Equity Shares held by other shareholders not subscribing in such issuance) of any equity securities not subscribed for by the other shareholders.

(2) The Investor shall be entitled to acquire the Dilution Instruments on the terms on which the Company proposes to issue the Dilution Instruments to any other person. Notwithstanding anything contrary contained in these Articles, the Company shall not issue any Dilution Instrument in contravention of the provisions of sub-clause (1) above.

(3) In the event that the Investor subscribes to any Equity Shares or any Securities convertible into Equity Shares, then all such newly subscribed Equity Shares or convertible instruments will also be considered "Investor Shares" and shall be entitled to all the rights as enjoyed by Investor under the Agreement, the Undertaking and these Articles. Further, in the event the Investor at any time wishes to convert or exercise any of the convertible Securities held by it, into Equity Shares, the Company shall, and shall procure that the Promoters shall, promptly and diligently take all necessary steps to facilitate such conversion by the Investor and ensure that such conversion by the Investor is in compliance with all applicable Laws, including without limitation, the FDI Policy of India and the regulations issued by the RBI under the Foreign Exchange Management Act, 1999.

#### ***Capitalisation of profits***

**53. (i)** The company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

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

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

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

**54. (i)** Whenever such a resolution as aforesaid shall have been passed, the Board shall—

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### ***Buy-back of shares***

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

#### ***General meetings***

56. All general meetings other than annual general meeting shall be called extraordinary general meeting.

57. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### ***Proceedings at general meetings***

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

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

59. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

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

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

#### ***Adjournment of meeting***

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

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

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

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

#### ***Voting rights***

63. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

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

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

**64.** A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

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

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

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

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

**68.** No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

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

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

**70.** The Company acknowledges that on Completion the Investor will only be a minority financial investor and not acquire control and management of the Company. The Promoters shall continue to remain in control of the Company and continue to manage the Company and its business and affairs. The Company will ensure that: (i) the Investor shall not be considered/ classified/ named or deemed as a 'promoter' of the Company for any reason whatsoever (unless required by applicable Law) in the prospectus or any other documents related to a public offering or otherwise and (ii) the Investor Shares are not be subject to any restriction whatsoever (including that of lock-in or other restrictions) which are applicable to promoters under any applicable Law, unless such restriction is required by applicable Law to be placed specifically on the Investor. If applicable Law does not permit the abovementioned actions, the Parties shall exercise all their rights and take all actions to endeavour to achieve the objectives of this Article 70 in accordance with applicable Law.

#### ***Proxy***

**71.** The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

**72.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

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

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

#### ***Board of Directors***

**74.** The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

**75.** Unless otherwise determined by a Special Resolution and consented to by the Investor in writing, the number of Directors shall not less than three and more than twelve including the Debenture Director, if any.

**76.** (1) The Investor shall be entitled to nominate such number of directors on the Board proportionate to its shareholding, provided that the number of Investor Directors shall at all times be less than the number of Directors nominated by the Promoters subject to the Investor being entitled to nominate at least one director, to attend any and all meetings of the Board and in the absence of any of the nominee alternate directors, the Investor shall be entitled to nominate alternate directors who shall have the right to attend any and all such meetings of the Board

("Investor Director(s)"). All Investor Director(s) shall be non-executive directors. The Company shall also appoint sufficient number of Independent Directors in order to comply with the provisions of the listing agreement of the Exchange.

(2) The appointment of the Investor Director shall be by direct nomination by the Investor and any appointment or removal under this Article shall unless the contrary intention appears, take effect from the date it is notified to the Company in writing.

(3) If the Law does not permit the person nominated by an Investor to be appointed as a Director of the Company merely by nomination by the Investor, the Company shall ensure that the Board forthwith (and in any event within seven (7) Business Days of such nomination or at the next Board meeting, whichever is earlier) appoints such person as a Director of the Company and further that, unless the concerned Investor changes or withdraws such nomination, such person is also elected as a Director of the Company at the next general meeting of the shareholders of the Company.

(4) Notwithstanding that the Investor Director may be an Independent director (as such expression is defined in any listing agreement entered into at any time between the Company and the Exchange) the Investor Director shall not be construed or counted by the Company as an independent director for the purpose of determining the number of independent directors which the Company is required to have on its Board by the listing agreement.

(5) Without prejudice to the above, the Company agrees to exercise all powers and rights available to it so as to fix the number of directors in accordance with this Article and to ensure that the persons nominated by the Investor are expeditiously appointed or removed (as the Investor may specify) as a Director of the Company and that the appointments and removals referred to in this Article result in the persons nominated / appointed or removed becoming or ceasing, as the case may be, to be Directors of the Company.

(6) None of the Investor Directors, nominated/appointed on the Board from time to time, shall be appointed on the board of any other company that may be in similar business as that of the Company and/or its Subsidiaries and/or their respective businesses.

(7) The Investor Director shall not be liable to retire by rotation.

**77.** The Investor shall be entitled to nominate and maintain in office one director on the board of directors of each of the Subsidiaries (and to remove from office any such director(s) so nominated and to nominate another in the place of the director(s) so removed) and the Company shall ensure that such nominated director(s) is appointed as a director(s) on the board of directors of such Subsidiaries. It is hereby clarified that the provisions of these Articles in relation to the Investor Directors including appointment, procedures for meetings, reserved matters, information and inspection rights, etc. shall, mutatis mutandis apply to each director nominated by the Investor on the board of directors of each of the Subsidiaries.

**78.** At least one Independent Director (who shall be mutually agreeable to the Promoters and the Investor) shall be primarily focused on strategy and business development for the regulated markets. Such Independent director shall focus on ANDA strategy, commercial partnerships, and new product development strategy. As long as the Investor holds the Minimum Stake, such appointment of the Independent director shall be in consultation with the Investor. The Investor believes that its consultation for such a nominee in such a role can significantly help the Company execute its growth plans, and as such, create value for all the shareholders of the Company.

**79.** (i) The remuneration of the directors shall be decided by the Board and in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

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

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

**80.** The Board may pay all expenses incurred in getting up and registering the company.

**81.** The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may think fit respecting the keeping of any such register.

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

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

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

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

(iii) Board of Directors may appoint alternate director in the manner as provided in Section 161 (2) of the Act.

(iv) Board of Directors may appoint nominee director in the manner as provided in Section 161 (3) of the Act.

(v) Board of Directors may fill casual vacancy for vacating director in the manner as provided in Section 161 (3) of the Act.

### ***Proceedings of the Board***

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

(ii) A Director or the Managing Director may at any time and the Managing Director upon the request of a Director shall cause a meeting of the Director to be convened and a notice of such meeting of the Directors of the Company shall be given in writing to every Director (including alternate Director) for the time being in India and at his usual address in India at least 7 days in advance of such meeting, and if any Reserved Matters are to be considered at such meeting of the Board, at least 14 days in advance of such meeting, unless in any particular case a majority of the Directors (which majority shall include the Investor Director) agree otherwise in relation to the notice period.

(iii) The agenda for each Board meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board shall be circulated together with the notice at least fourteen (14) days or seven (7) days, as the case may be, prior to the Board meeting and, no resolutions or decisions save and except those specified in the agenda may be passed or approved at any Board meeting, except with the written consent of the Investor Director.

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

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

**87. (1)** Subject to the provisions of applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the board of directors (excluding Directors if any, whose place may be vacant at the time and any fraction contained in that one-third being rounded off as one) or three Directors, whichever is higher; provided that where at any time the number of interested Directors exceed or is equal to two thirds of the total strength the number of remaining Directors, that is to say, the number of Directors who are not so interested and are present at the meeting not being less than three shall be the quorum during such meeting. A meeting of the Directors at which a quorum is present, shall be competent to exercise all or any of the authorities, power and directors by or under the act, or the articles of the Company, for the time being exercisable by the Board of Directors generally.

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

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

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

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

(2) The Company shall have an effective committee for strategic initiatives and the composition of such committee will be determined in conjunction with the Investor.

(3) The Investor Director shall be entitled to be a member of, or at the option of the Investor, an invitee on, all the committees of the Board including any sub-committees. The Investor shall be entitled to from time to time nominate a person, to be appointed as the alternate director to its Investor Director; and the Company shall exercise all its rights and powers and take all requisite actions to ensure that such person is appointed forthwith as the Investor Director's alternate director. In the absence of the Investor Director, his alternate shall be entitled to attend and act in place of the Investor Director on such committees.

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

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

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

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

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

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

**94.** The Company agrees that, so long as the Investor holds Minimum Stake, no action or decision relating to any of the Reserved Matters shall be taken (whether by the Board, any committee, the shareholders of the Company (or through any of the employees, officers or managers of the Company), except with the Investor Consent. The Reserved Matters are as follows:

1. Acquisition of shares, assets, business, business organization or division of any other person, creation of legal entities, joint ventures or partnerships, mergers, de-mergers, spin-offs and consolidations, creation of any new Subsidiaries of a value exceeding percentage twenty (20%) of the net worth of the Company as reflected in the latest audited or limited review balance sheet of the Company;
2. Providing guarantees or making any loans other than in the ordinary course of Business exceeding percentage five (5%) of the net worth of the Company as reflected in the latest audited or limited review balance sheet of the Company;
3. Any changes in class rights for shares (directly or indirectly);
4. Commencement of any new line of business which is unrelated to the business of the Company, any changes in the scope of business, suspension or cessation of business or transfer of all or a portion of business;
5. Making of any investment (other than short-term deposits with banking institutions) of amounts exceeding Rs.100,000,000 (Rupees one hundred million only);
6. Any change in the issued, subscribed or paid up equity or preference share capital of the Company or Reorganisation of the share capital of the Company, including new issuance of shares or stock options or other securities of the Company or redemption, retirement or repurchase of any shares or other securities, issuance of convertible debentures or warrants, or grant of any options over its shares by the Company;
7. Other than the winding up of the Subsidiary in Sri Lanka, sale, transfer, winding up, divestiture, dissolution, liquidation or other disposition of, the Company or any of its Subsidiaries, whether or not voluntary, or any restructuring or reorganization which has a similar effect;
8. Sale, transfer, assignment, agreement, arrangement, transaction or assignment of any assets, or otherwise dispose of, any assets or securities of the Company or any of its Subsidiaries not provided for in the budget and which exceeds percentage ten (10%) of the net block of the Company as reflected in the latest audited balance sheet of the Company.
9. Listing/de-listing of the Company shares on any stock-exchanges or change in legal status e.g. public to private company status etc.
10. Incurrence, issuance or assumptions of any form of indebtedness or the creation of any Encumbrance in respect hereof, so that the post issuance of Subscription Shares and New GDR, the debt: equity ratio exceeds 1.25:1 (For the purpose of this Clause 'equity' shall be taken as reflected in the latest audited balance sheet of the Company and 'debt' shall mean long term debts).
11. Capital expenditure, including constructions and leases, more than percentage twenty (20%) of the net worth of the Company as reflected in the latest audited balance sheet of the Company.
12. Any amendments, supplement, modification or restatement of the memorandum or articles of association of the Company or any of its Subsidiaries as in effect on the date hereof.
13. Delegation of authority or any of the powers of the board of the Company and/or its Affiliates relating to any Reserved Matter to any individual or committee.
14. Any commitment or agreement to do any of the foregoing.
15. Affiliated or related party transactions, agreement or arrangements between the Company and any Connected Person/Concern in excess of Rs.20,000,000 (Rupees Twenty million only) per transaction the aggregate of all such related party transaction not to exceed Rs.50,000,000 (Rupees fifty million only) in any financial year.
16. Any appointment and/or change of the internal auditor of the Company and the statutory auditor of the Company.
17. Any approval of the Annual Budget or any amendment to the Annual Budget.
18. Any sale, Encumbrance, disposal, pledge, charge or transfer, whether direct or indirect, of any of the securities held and/or owned by the Company.



95. Subject to the provision of the Act the directors of the company shall have all the powers of the company except, so far as they stand restricted or regulated by the provisions of the Companies Act, or by these Articles.

96. Without prejudice to the generality of the powers conferred upon the directors, whether by the provision of law for the time being in force and/or the provision of these presents or otherwise and subject to the provisions of clause 76, the Board shall be entitled to exercise all such powers and do all such acts, and these things as the company authorises them to execute or do, but it is hereby expressly declared that the directors shall have the following powers:—

(i) To purchase or otherwise acquire for the company any property whether movable or immovable and rights and privileges which the company is authorised to acquire on such prices and generally on such terms and conditions as they think fit.

(ii) At their discretion to pay for any property, rights or privileges acquired by or services rendered to the company either wholly or partially in cash or shares or in bonds or other securities of the Company and such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon any such bonds or other securities may be either specifically charged upon all or any part of the property of the company and its uncalled capital or not so charged.

(iii) To accept from any member on such terms and conditions as shall be agreed and so far as may be permissible in law, surrender of his shares in the company or any part thereof, subject to the provisions of the Companies Act, 2013.

(iv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debts or dues and/or any claims or demands by or against the company.

(v) To refer to any claims or demands by or against the company to arbitration and observe, perform and carry out the awards.

(vi) To make and give receipts, release and other discharges for money or property payable or deliverable to the company and for the claims and the demands of the company.

(vii) To determine who shall be entitled to sign on the company's behalf, bills, notes, receipt, acceptance, endorsement, cheques, release, contracts and documents.

(viii) From time to time to provide for the management or the affairs of the company in such manner as they think fit and in particular to appoint any person(s) to be the Attorney or agents of the company with such powers (including power to sub-delegate) and upon such terms and remuneration as may be thought fit.

(ix) Subject to the provisions of the Companies Act, 2013 to invest and deal with any of the moneys of the company not immediately required for the purposes thereof in such securities (not being shares in this company) and in such manner as they may think fit and from time to time vary or realise such investments.

(x) To borrow or raise, secure the payment of the sum or money for the purpose of the company in such manner and upon such terms and conditions as they shall think fit by mortgage, pledge, hypothecation or otherwise charged upon all or any of the company's property both present and future including the uncalled capital and to purchase, redeem or pay off such securities.

(xi) To give to any person employed by the company a commission on the profits of any particular business or transaction or a share in the net profits of the company and such payment shall be treated as part of the working expenses of the company.

(xii) To enter into such negotiations and rescind and vary, all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matter aforesaid or otherwise for the purpose of the company.

(xiii) To sell such portions of the land or buildings or machineries and/or other capital asset of the company as may not be required for the purpose of the company.

(xiv) To subscribe for, purchase, accept, take, hold or otherwise acquire share in any company, society or undertaking the object of which shall either wholly or in part be similar to those of this company or such as may be likely to promote or advance the business in the interest of the company.

(xv) To provide for the welfare of the employees (including directors) of the company or its predecessors in business and the wife, widow and family or the dependents of connections of such persons by building or contributing to the building of houses or dwelling quarters or by grant of money, pensions, gratuities, allowances, bonus, profits sharing bonus or benefit or any other payments or by creating and from time to time subscribing or contributing to provident fund or other associations, institutions, funds, profit sharing or other scheme or trust and by providing or subscribing, contributing, towards places of instruction and recreation, hospital, dispensaries as the Board shall think fit, subject to the provisions of the Companies Act, 2013.

(xvi) The Board may consider and decide Book Closure/Record Date for the purpose of payment of dividend/issue of right and/or bonus shares or for any other purpose as Board may deem fit as per provisions of the Act.

#### **Delegation of powers**

97. Subject to the provisions of Act, the Board of directors may delegate any of their powers to any committee consisting of such member or members of their body as they think it and/or the Managing Director/ Whole-time Director, or any other officer or authorised representative of the company. A committee so formed or the Managing Director/Whole-time Director or any other officer or authorised representative of the company shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed upon it or him by the Board of directors.

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

**98.** Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

(iii) individual may be appointed or reappointed as the chairperson of the company as well as the managing director or Chief Executive Officer of the company

(iv) Without prejudice to the above, the Company shall have its executive directors and its senior management enter into agreements which contain confidentiality provisions.

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

**100.** The Managing Director/Whole-Time Director(s)/Manager/ CEO/ CFO/ Company Secretary shall be entitled to such salary as may be determined by the Board of directors from time to time and out of pocket expenses incurred in connection with the business of the company and such traveling and other expenses as may be permitted by the Board of directors from time to time.

**101.** The remuneration of the Managing Director(s)/Whole-time Director(s)/Manager under the proceeding as aforesaid shall be in addition to any sum of money that the Managing Director(s)/Whole-time Director(s)/Manager may be entitled to as an ordinary director of the company.

**102.** Subject to the general supervision and control of the Board of directors, the Managing Director/ Whole-time Director(s)/Manager/CEO shall have all the powers of the Board of directors of the company, unless such powers have to be exercised by the Board under the provisions of law and in particular the Managing Director/Whole-time Director/CEO is authorised to execute, sign, enter into and to execute all, such contracts, conveyances, lease, assignments, assurances, deeds, agreements, instruments in connection with all movable and immovable properties of the Company and in relation to the business of the company and to enter into all agreements, negotiations and make representation to the Government both State and Central, Financial Institution, Public bodies, banks, etc, and shall sign, execute all necessary applications and documents, as may be required or deemed fit and proper requisite from time to time. He may settle any account or reckoning whatsoever on behalf of the company.

**103.** The Managing Director/Manager/CEO/CFO is authorised to delegate any or all the powers vested in him, to any director or other person as he thinks fit of which a notice will be taken in the Board Meeting after such delegation.

#### ***The Seal***

**104.** (i) The Board shall provide for the safe custody of the seal.

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

#### ***Information to be Published***

**105.** (1) The Company shall publish any unpublished price sensitive information before providing it to the Investor. The Company has the right to suspend the information rights under Articles 105(1), 105(2), 116, 117, 118, 119 and 120, for the duration of the time the Board withholds publication of price sensitive information in the best interests of the Company.

(2) Subject to the applicable securities Laws, the Investor shall be entitled to share information received from the Company (which is not unpublished price sensitive information) with its Affiliates, provided however that the Investor shall not be entitled to share any such information received by it from the Company, with any of its Affiliates that (i) is a Competitor of the Company or (ii) has invested in any company which is engaged in a business similar to the Business.

(3) Notwithstanding any other clause in these Articles including Articles 105(1), 105(2), 116, 117, 118, 119 and 120, if the Company agrees in writing that the Company does not object to the sharing by the investor and / or any of their affiliates, of any information (confidential or otherwise) on the Company with a Third Party, then in so acting, the investors and / or any or any of its affiliates shall not be viewed in violation of, any obligation or agreement that the investor and / or any of their affiliates may have to / with the Company, its affiliates or any of their stakeholders related in any way to providing of Company information to third parties.)

#### ***Dividends and Reserve***

**106.** The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

**107.** Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

**108.** (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

**109.** (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**110.** The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

**111.** (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

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

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

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

**114.** No dividend shall bear interest against the company.

### ***Accounts & Information***

**115.** (1) (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

(2) The Company shall continue to adopt and consistently apply the Indian GAAP.

**116.** Subject to Articles 105(1) and 119 the Company shall give full access to the Investor and their authorized representatives (including lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company and its Subsidiaries, and to discuss and consult its business, actions plans, budgets and finances with the directors and executive officers of the Company and its Subsidiaries. The Investor and their authorized representatives shall give at least seven (7) days prior notice of the same to the Company. All costs of such inspections shall be borne by the Company if, as a result of such inspection, any breach of Law or the Agreement is discovered.

**117.** Without prejudice to the Articles 105(1), 105(2), 116, 119 and 120 and subject to any restriction contained in applicable Law, for so long as the Investor holds the Minimum Stake, the Investor shall have the right to receive

from the Company (unless waived by Investor) and the Company shall provide the Investor the following information with respect to the Company:

- (1) Unaudited quarterly financial statement, within thirty (30) days of period end of the relevant quarter period (or such shorter period as specified in the listing agreement applicable to the Company) within one (1) day of publishing to the Exchanges;
- (2) Audited financial statements, including cash flow statements, within ninety (90) days of end of each Financial Year end (or such shorter period as specified in the listing agreement applicable to the Company);
- (3) Subject to Article 119, such additional information as reasonably requested by the Investor.

**118.** The Company shall provide to the Board, the un-audited half-yearly financial statements including cash flow statements within ninety (90) days of the relevant half yearly period (or such shorter period as specified in the listing agreement applicable to the Company).

**119.** The Investor Director shall receive such information as requested by the Investor and/ or as per applicable Law.

**120.** As part of its initiatives to enhance and maintain high standards of reporting and corporate communication systems, the Company shall organise, at regular intervals, presentations to the Board, shareholders and analysts as may be directed by the Board.

**121.** Subject to the provisions of Section 188, all agreements and transactions between the Company and any Connected Person/Concern shall be entered into on an arm's length /market price basis.

**122.** (1) The Company shall, on a yearly basis, prepare an annual budget (the "Annual Budget") for each Financial Year at least one month prior to the commencement of such Financial Year or such time as agreed between Investor and Company. This Annual Budget shall set out the details of projected profit and loss statements, and balance sheets (including but not limited to projected capital expenditure details and projected working capital details) of the Company and its Subsidiaries on a quarterly basis. The Annual Budget will contain details relating to operation and capital expenditure separately. Such Annual Budget shall be approved by the Board at least fifteen (15) days prior to the commencement of such Financial Year or such time as agreed between Investor and Company. The Company hereby agrees that neither it nor its Subsidiaries shall incur any capital expenditure, issue any share capital or any debt liability in the Company and its Subsidiaries, except as per such Annual Budget so approved by the Board.

(2) The Company shall additionally prepare, on a rolling quarterly basis, a capital budget and a revenue budget pertaining to its operations in India and its overseas operations, both of which shall be subject to the approval of the Board. The capital budget shall be reviewed by the Board at the meeting constituted to review the results of the previous quarter, and other than as sanctioned therein, no capital expenditure shall be incurred by the Company or any of its Subsidiaries.

(3) The Company and its Subsidiaries shall not make any capital commitment unless the entire funding for the same has been arranged and is available either in (i) in immediate funds or (ii) pursuant to in principle approvals from lenders (and the conditions contained therein can be met by the Company, in the opinion of the Board) at the time of the approval of the quarterly capital budget as sub-clause (1) above.

#### ***Winding up***

**123.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### ***Indemnity***

**124.** (1) Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

(2) Subject to as aforesaid every Director, Managing Director, Manager, Secretary or other officer or employee of the company or the trustee (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which Judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the act in which relief is given to him by court.

(3) The Company shall indemnify the Investor Director to the fullest extent permissible under Law, including against:

- (a) any act, omission or conduct of or by the Company, any of the Promoters, or their employees or agents as a result of which, in whole or in part, any Investor Director is made a party to, or otherwise incurs any Loss (including all losses, claims, liabilities, costs, and damages (whether general, special, absolute, accrued, conditional or otherwise and whether or not resulting from third party claims), including interests and penalties with respect thereto and out-of-pocket expenses, including reasonable attorneys' and accountants' fees and disbursements but excluding any remote, punitive, exemplary damages or loss of profit) pursuant to, any action, suit, claim or proceeding arising out of or relating to any such conduct; or
- (b) any action or failure to act undertaken by an Investor Director at the request of or with the consent of the Company or any of the Promoters; or
- (c) contravention of any Law including, without limiting the generality of the foregoing, the Foreign Exchange (Management) Act 1999, Laws relating to provident fund, gratuity, labour, Environmental Laws, and any action or proceedings taken against an Investor Director in connection with any such contravention or alleged contravention;
- in each case, except for those arising on account of fraud, gross negligence or wilful misconduct of the Investor Director which fraud, gross negligence or wilful misconduct is established by a final and non-appealable order of a court of competent jurisdiction.
- (4) The Company shall obtain director's and officer's liability insurance for all the Directors (and alternate directors) for an amount and on terms determined by the Board.

#### **Secrecy**

**125.** Every Director, Auditor, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the company shall if so required by the directors before entering upon his duties sign a declaration pledging himself to observe strict secrecy, respecting all transactions of the company with its customers and state of accounts with individual and in matters relating thereto and shall on such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so by the directors or by any meeting or by a Tribunal of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

*Note:* The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Name, Father's name, description address & occupation of the subscriber		No. of Equity Shares taken by each Subscriber	Signature of the Subscriber	Signature & Address of the Witnesses
1.	Sh. Sanjiv Goyal S/o Sh. B.R. Goyal H.No. 1232, Sector 18-C, Chandigarh (Business)	1	Sd/-	Sd/- SURINDER MOHAN SINGLA C/o Bansal Mittal & Co. Chartered Accountants SCO 1116-17, Sector 22-B, Chandigarh
2.	Sh. Rajeev Goyal S/o Sh. B.R. Goyal H.No. 1232, Sector 18-C, Chandigarh (Business)	1	Sd/	
3.	Raman Goyal W/o Sh. Sanjiv Goyal H.No. 1232, Sector 18-C, Chandigarh	1	Sd/	
4.	Alka Goyal W/o Sh. Rajeev Goyal H.No. 1232, Sector 18-C, Chandigarh	1	Sd/	
5.	Rohit Kalra S/o Sh. S.C. Kalra H.No. 589, Sector 6, Panchkula (Service)	1	Sd/	
6.	Sh. S.K. Vig S/o Sh. S.P. Vig 40, N.A.C. Shivalik Enclave Chandigarh (U.T.) (Service)	1	Sd/	
7.	Sh. Atma Singh S/o Sh. Dyal Singh 134/45-A, Chandigarh (Service)	1	Sd/	
		7		

Dated : 26-6-1995

Place : Dera Bassi