

THE COMPANIES ACT
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
COASTAL PROJECTS LIMITED

- I. The name of the Company is **COASTAL PROJECTS LIMITED**.
- II. The Registered Office of the Company will be situated in the State of ORISSA.
- III. The objects for which the Company is established are :-

A) MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:-

- 1) To Carry on the business of undertaking of all types of civil, electrical and mechanical works, all types of infrastructure facilities like construction of Dams, Canals, Tunnels, Bridges, Power Projects, Inland Water ways and Inland Ports, Air ports, Rail Systems, Surface Transport, Fencing work including border fencing, Telecommunication works or any other public facility of similar nature, Water Supply Project, Irrigation Project, Sanitation and Sewerage Systems, Earthworks, Pipeline works, Gas Pipelines, undertaking of Supply Works, Railway Works, Marine Works, Military and other Engineering Works with state and Central Governments, Corporations, Municipalities, Parishads and with such other Local Self Government Bodies or Authorities or Individuals or Bodies and in manufacturing of Engineering and other implements and in such other commodities that may be used in Construction and infrastructure works.
- 2) To construct, erect, build, repair, re-model, demolish, develop, improve, grades, curve, macadamize, cement and maintain buildings, structures, houses, apartments, hospitals, schools, places of worship, highways, roads, paths, streets, sideways, courts, alleys, pavements and to do other similar construction, leveling or paving work and for these purposes to purchase, take to lease, or otherwise acquire and hold any lands and prepare lay-out thereon or building of any tenure or description wherever situate or rights or interests therein or connected therewith.
- 3) To carry on in India or elsewhere the business of setting up, development, construction, erect, build, repair, re-model, demolish, develop, improve, cement, operate, maintain, modernize, expand and improve all types of power projects and also to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishment of Thermal, hydel, atomic, wind , solar , diesel , co-generation power plants and other power plants based on any existing forms of renewable and non- renewable energy and/or on any source of energy as may be developed or invented in future and to transmit, distribute, supply and sell such power either directly or through transmission lines or facilities of central/state governments, other consumers of electricity including for captive consumption for any industrial projects promoted by this company or promoter companies, joint venture companies or otherwise and / or facilities including roads, highways, railways, airways, waterways, ports, transport systems, bridges and setting up of industrial parks.
- 4) To purchase, take on lease or otherwise any mining rights, mines and lands in India or elsewhere and to pump, refine, raise, dig and quarry all natural resources including coal, earth, limestone, iron, aluminum, titanium, vanadium, mica, apalite, chrome, copper, gypsum, lead, manganese, nickel, platinum, uranium, sulphur, tin, zinc, zircon, bauxite and tungsten and other ores and minerals and to explore, work, exercise, develop and turn to account the same and to carry on business as producers,

buyers and acquire, obtain, refine, cut, polish, prepare, melt, import and export such mining products.

- 5) To provide consultancy services for sustainable and eco - friendly growth of the mineral sector through preliminary assessment of mineral properties, exploration for reserve and grade estimation, lab and plant scale ore testing and process flow sheet development, mine planning, study of financial viability; market survey and bankable feasibility reports, rehabilitation, independent review; technical assessment and quality audit of third party reports.

B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS :-

- 1) To apply for purchase or otherwise acquire, any patents, brevets invention licenses, concessions and the like conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.
- 2) To purchase, sell, import, export manufacture, repair, assemble or otherwise deal in all machinery which may appear to be necessary or convenient or incidental to any business of the Company.
- 3) To develop and turn to account any land acquired by the Company or in which it is interested, and in particular by laying out and preparing the same for building purposes, constructing, pulling down, decorating, maintaining, furnishing, filling up and improving buildings, and by planting, paving, draining farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
- 4) To enter into any arrangement for sharing profits, union of interest co-operation, joint venture, reciprocal concession, agency or otherwise with any company (whether promoted or formed by the Company or not) carrying on or engaged in or about to carry on or engage in any business for transaction capable of being conducted so as directly to benefit the Company and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire (and whether by original application or otherwise) shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same.
- 5) To enter into any arrangement with any, Government, Central State, local or foreign or authority, supreme, municipal, local or otherwise, or body corporate firm or person,

that may seem conducive to the company's objects or any of them, and to obtain from any such Government authority, body corporate, firm or person, any concessions, grants, decrees, rights, subsidies, loans, indemnities, sanctions, protections, charters, contracts, licenses, powers and privileges whatsoever, which the company may think it desirable to obtain and to carry out exercise and comply with the same.

- 6) To sublet all or any contracts from time to time and upon such terms, and conditions as may be thought expedient.
- 7) To apply for tender, purchase, or otherwise, acquire any contracts, sub-contracts, licenses and concessions for or in relation to the objects or businesses herein mentioned or any of them, and to undertake, execute, carry out dispose of or otherwise turn to account the same.
- 8) To utilize, develop, carry on, manage, control and turn to account any business, property or rights of the company whether by employing the same in any other business of the company or by working using, carrying on and turning to account the same as a separate undertaking.
- 9) Subject to the provisions of the Companies Act, and rules made there under to borrow or raise money or to receive money on deposit for the purposes of the company, in such manner and upon such terms as may seem expedient, and to secure the repayment there of and of moneys owing or obligations incurred by the company, and to create issue and allot redeemable or irredeemable bonds, mortgages or other instruments, mortgage debenture (such bonds or debentures being made payable to bearer or otherwise and issuable or payable either at par, premium, discount, or as fully paid), and for any such purposes to charge all or any part of the property and profits of the company both present and future including its uncalled capital.
- 10) To negotiate loans for the Company or other persons or bodies, to lend moneys' securities and other properties, to draw, make, accept, issue, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, hundies, drafts, bills of lading, warrants, and other negotiable or transferable instruments and all kind of securities and to becomes sureties guarantors for any such purposes.
- 11) To invest any moneys of the Company not immediately required for the purposes of its business in such manner as may be thought fit, and to lend money to such parties and on such terms, with or without security, as may be thought to be for the interest of the company, and in particular to customers of the persons having dealings with the company or to companies, firms or persons carrying on any business which may be useful or beneficial to this company but the company shall not carry on the business of Banking as defined under the Banking Regulation Act,1949.
- 12) To amalgamate with any company or companies having objects altogether or in part similar to those of this company, or to sell, exchange lease, under lease, surrender, abandon, amalgamate, sub-divide, mortgage or otherwise deal with either absolutely,

conditionally or for any limited interest, all or any part of the undertaking, property, rights or privileges of the Company, as a going concern or otherwise, or to with any public body, corporation company, society, or association, or to any person or persons, for such consideration as the company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debenture stock, securities or property of any other company, subject to provisions of the companies Act,1956.

- 13) To pay out of the funds of the Company all or any expenses which the company may lawfully pay of and incidental to the promotion, formation, organization, registration advertising, and the establishment of this or any such other company as is mentioned in paragraph (12) above and to the issue and subscription of the share or loan capital, including brokerage and commission for obtaining application for, or placing or guaranteeing the placing of the shares or any debenture-stock or other securities of this or any such other company, and also all expenses attending the issue of circulars, reports, plans or notices, or the printing stamping and circulating of proxies of forms to be filled up by the members of this company.
- 14) To distribute any of the assets of property or the company among the members in species or otherwise but so that no distribution amounting to a reduction of capital be made without the sanction of the court where necessary.
- 15) To insure any of the properties, undertakings, contracts, guarantees or obligations of the company of every nature and kind in any manner whatsoever.
- 16) To promote, carry on maintain and develop, trade of all kinds and trade, industrial commercial and financial relations of every kind and description in all matters connected with the main objects of the company.
- 17) To obtain any order or Act of Legislature of Parliament for enabling the company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the company or for any other purpose which may seem expedient and to oppose any proceeding or application which seem calculated directly or indirectly to prejudice the company interest.
- 18) To pay out of the funds of the company all expenses which the company may lawfully pay with respect to the formation and registration of the company or issue of its capital, including brokerage and commission for obtaining applications for or taking planning or underwriting or procuring the underwriting of shares, debentures or other securities of the company.
- 19) To subscribe, contribute, pay transfer or guarantee money for or to delegate, donate, present or otherwise dispose of either voluntarily or for value, any moneys or properties of the to or for the benefit of any national, charitable, benevolent, religious, scientific, public local, general or useful objects, purposes or institutions to or for any exhibition or for any purpose which may be considered likely directly or indirectly to further the objects of the company or the interests of its members, No contribution/donation shall, however, be made to any political party or for political purpose.

- 20) To refer all questions, disputes or differences arising between the company and any other person whatsoever (other than a Director of the Company) in connection with or in respect of any matter relating to the business or affairs of the company to arbitration in such manner and upon such terms as the company and such other person may mutually agree upon such terms as the Company and such other person may mutually agree upon in each case, and such reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the Rules of the International Chamber of commerce relating to arbitration or otherwise.
- 21) In furtherance of the aforesaid and other objects of the company among other things, to pay to any person, form or body corporate such remuneration and fees and otherwise recompense them for their time and for the services render by them and their directors as promoters of the company.
- 22) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company, carrying on any business which the company is authorized to carry on, or possessed for property suitable for the purpose of this company or which can be carried on in conjunction there with or which is capable of being conducted so as directly or indirectly to benefit the company.
- 23) To carry on any other trade, business or undertaking which may seem to the company capable of being conveniently carried on in connection with any of the company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights or which it may be advisable to undertake with a view to improving, developing, rendering valuable or turning to account any property movable or immovable belonging to the company or in which the company may be interested.
- 24) To arrange for the marketing and sale of the products and by products of the company and of such raw material, goods and articles remaining in its possession as are normally necessary for carrying on the business of the company but are not immediately required for use by it, and for that, purpose either to establish its own shop, agencies or marketing organizations or to appoint selling agents and/or distributors (whether individuals, firms or bodies corporate) in any terms and conditions of their appointment and to pay remuneration to such selling agents and/or distributors by way of such commission or in such other manner as the company may deem fit.
- 25) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debentures, debenture-stock, contracts, mortgages, charges obligations, instruments and securities of any company or of any authority, supreme, municipal, local or otherwise or of any persons whomsoever whether incorporated or not incorporated, and generally to guarantee or become sureties for the performance of any contracts or obligation.
- 26) To promote any other company for the purpose of acquiring all or any of the property and liabilities of this company of for any other purpose which may seem directly or indirectly calculated to benefit this company.

C) THE OTHER OBJECTS:-

- 1) To carry on the business of civil, mechanical, electrical and consulting engineers, agricultural engineers, aeronautical engineers, aviation engineers, construction engineers and engineers in all branches of work whatsoever known to engineering, erectors, mechanics, manufacturers of agricultural implements, founders, manufacture of welding appliances and of all or any part there of or accessories thereto, welder makers, millwrights, wire drawers, tube makers, iron and steel converters, smiths, wheel wrights, wood workers, metallurgists, galvanizers, japanners, enamellers, electroplates, silver platters, nickel platters, varnishers, vulcanisers, water supply and hydraulic engineers, marine engineers, motor engineers, painters and packing case makers, manufacturers of all other instruments used in or in connection with any of the above business, and of motors, machinery and scientific appliance, apparatus and devices of every description whatsoever, rolling stock, timber goods, iron and steel and other metal implements, tools, utensils and conveniences of every kind.
- 2) To carry on the business as hoteliers hotel proprietors, hotel managers and operators, refreshment contractors and caters, restaurant keepers, refreshment room proprietors, café and tavern proprietors, lodging house proprietors, ice-cream merchants, milk manufacturers and merchants bankers, confectioners licensed victuallers, wine and spirit merchants, blenders and bottlers.
- 3) To purchase, sell, develop, take in charge or on lease, hire or otherwise acquire, whether for investment or sale, or working the same, any real or personal estate including lands mines, business, building, factories, mill, houses, cottages, shops, depots, ware house, machinery, plant, stock in trade, mineral rights, concessions, privileges, licenses, easement or interest in or with respect to any property whatsoever for the purpose of the company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration and to carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suites and residential and business quarters.
- 4) To carry on the business of purchasing and letting on lease or hire in any part of India or abroad all kinds of machinery, plants, tools, jigs and fixtures, agriculture machinery, ships, trawlers, vessels, barges, automobiles and vehicles of every description, computers, office equipments of every kind, construction machinery of all types and descriptions, air conditioning plants, aircrafts and electronic equipments of all kinds and descriptions.
- 5) To enter into any arrangement by way of a turnkey project involving supply of technical, civil, financial, administrative, plant and merchandise, information, knowledge and experience and as such, undertake for and on behalf of a client to set up any plant or project in or outside India.

- 6) To employ or to depute personnel or otherwise acquire technical experts, engineers, foremen or skilled and unskilled labour for any of the purposes of the Company.
- 7) To carry on the business of manufacture, trade, deal for all types of construction materials, including various pre cast elements, sanitary ware and other allied materials used in and for the construction, installation, alteration, renovation, maintenance and development of infrastructure, buildings and various other structures.
- 8) To promote, acquire and invest in the companies, firms, organizations, joint venture companies or subsidiaries engaged or floated to carry on the business to develop, construct, operate, maintain, hold, modernize the green-field projects, eco-friendly projects, townships, infrastructure projects or facilities including roads, highways, railways, airways, waterways, ports, transport systems, bridges, sanitation, health, tourism, education, food and agriculture infrastructure and setting up of industrial parks either in India or abroad

IV) “The liability of members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.”

(V) The Authorized Share Capital of the Company is Rs 1500,00,00,000 (Rupees Fifteen Hundred Crores Only) classified as:

- (a) The Equity Capital is Rs.50,00,00,000 /- (Rupees Fifty Crore Only) divided into 5,00,00,000 (Five Crore Only) Equity shares of Rs 10/- each (Rupees Ten Only) with power to increase or decrease the same or to sell part of the equity with a premium to any investor on terms and conditions mutually agreeable between the company and the investor, and with power to issue any shares in the new capital with any preference or priority in the payment of dividends or the distribution of assets or otherwise, or any other shares and to vary and to provide the missing words in the regulations of the company so far as necessary to give effect to any preference or priority and upon the subdivision of shares to apportion the right to vote in manner as between the shares resulting from such division.
- (b) The Preference Capital is Rs.1450,00,00,000 /- (Rupees Fourteen Hundred Fifty Crore Only) divided into 145,00,00,000 (One Hundred and Forty Five Crore Only) Preference Shares of Rs. 10/- each (Rupees Ten Only).
 - i. Compulsory Convertible Preference Share Capital is Rs 140,00,00,000 (Rupees One Hundred and Forty Crores Only) divided into 14,00,00,000 (Fourteen Crores Only) Preference Shares of Rs.10/- each (Rupees Ten Only).
 - ii. Cumulative Compulsory Convertible Preference Share Capital is Rs 1310,00,00,000 (Rupees Thirteen Hundred and Ten Crores Only) divided into 14,00,00,000 (Fourteen Crores Only) Preference Shares of Rs.10/- each (Rupees Ten Only).

VI. We the several persons, whose names and address are subscribed below are desirous of being formed into a company in pursuance of this **MEMORANDUM OF ASSOCIATION** and respectively agree to take the number of shares in the capital of the company set opposite our respective names.

SL No.	Signature, Address Occupation and Name of each Father's subscriber.	No. of Equity Share taken by Each subscriber	Signature, Address Occupation and father's name of each witness
01.	Palavarapu Sambasiva Rao, S/o Palavarapu Subha Rao, 189, Bomikhal, Bhubaneswar, Occupation : Business	10 (Ten)	Witness to all the Signatories :- Manmath Kumar Patnaik S/o Bibhuti Bhusan Patnaik, At/Po : Rameswar Patna, Bhubaneswar – 751 002 Advocate, Bhubaneswar.
02.	Sabbineni Papaya, S/o Nikalayya, 189, Bomikhal, Bhubaneswar. Occupation : Business	10 (Ten)	
03.	Sabbineni Surendra, S/o S.Papaya, 189, Bomimkhal, Bhubaneswar. Occupation : Business	10 (Ten)	
04.	Nidamanuri Sudhakar, S/o N.Smbasiva Rao, 189, Bomikhal, Bhubaneswar. Occupation : Business	10 (Ten)	
		40 (Forty)	

Place: Bhubaneswar

Dated:01.05.1995

**THE COMPANIES ACT
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
COASTAL PROJECTS LIMITED**

PRELIMINARY

1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the company so far as they are applicable to a public limited company and so far as the same are not repugnant and / or inconsistent with the Articles of Association of the Company and also those which no provision has been made in these Articles of Association.

- 2) *Deleted*

DEFINITIONS AND INTERPRETATION

- 3) **Definitions**

In these Articles, and unless the context requires otherwise, the following words and expressions shall have the following meanings:

Accounts means the balance sheet and cash flow statement of the Company as at the Accounts Date and the profit and loss account of the Company in respect of the Financial Year ended on the Accounts Date, together with any notes, reports,

statements or documents included in or annexed to them, all of which are certified by the auditors of the Company;

Accounts Date for Investor IV means March 31, 2009 and for all other Investors means March 31, 2007;

Act means the Companies Act, 2013 and the Companies Act, 1956 together with the Rules thereunder, as may be amended, modified, supplemented or re-enacted from time to time, as may be applicable;

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. For the purpose of this definition a holding or subsidiary company of any entity shall be deemed to be an Affiliate of that entity;

Agreement means the Restated Investment Agreement dated December 24, 2009 together with its Schedules and Annexures;

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 or as per applicable Law;

Big 4 Accounting Firm means the following internationally recognised accounting and auditing firms in India:

- (a) Ernst and Young;
- (b) PriceWaterhouseCoopers.
- (c) KPMG; and
- (d) Deloitte Haskins & Sells.

Board means the board of directors of the Company or any duly appointed committee thereof from time to time;

BOOT Projects means all rights and obligations with respect to hydro electric projects on Build Own Operate and Transfer basis undertaken, being undertaken or proposed to be undertaken by the Company and/or its Subsidiaries (as and when incorporated or acquired) including without limitation (i) Rangit Stage IV (120 MW) hydro electric project; (ii) Khanayara (2 MW) hydro electric project; and (iii) the Rateychu-Bakchachu (40 MW) hydro electric project;

BPEA 2 means Baring Private Equity Asia IV Mauritius Holdings (2) Limited, a limited liability company incorporated in Mauritius;

BPEA 5 means Baring Private Equity Asia IV Mauritius Holdings (5) Limited, a limited liability company incorporated in Mauritius;

Business means the business of tunnelling, excavation, power generation projects, border fencing or such other business as is undertaken by the Company (including its Subsidiaries) from time to time;

Business Day means a day (excluding Saturdays and Sundays) on which banks generally are open in Hyderabad and Mumbai, India and Bermuda, Mauritius, Boston, United States for the transaction of normal banking business;

Business Plan means the business plan prepared by or on behalf of the Promoters and the Company and the documents annexed to that plan, in Agreed Form, as set out in Schedule 5 of the Agreement, and including project description and capital expenditure details and other relevant targets for the Company;

Competitor means any Person primarily engaged (including through subsidiaries or Affiliates) in the Business;

Completion and Completion Date unless otherwise specified shall have the meaning as ascribed to it in the Agreement;

Confidential Information means all information relating to the business, products, affairs, financial results and projections, costs and prices, details of suppliers, employees and consultants (past, present or prospective), technologies, technical and business strategies, marketing, pricing and other strategies, intellectual property, performance and finances of any member of the Group, for the time being confidential to it or treated by it as such and trade secrets (including, without limitation, technical data and know-how) relating to the business of any member of the Group or of any of its suppliers, clients or customers whether such information has been expressly designated as confidential or otherwise and which is available, whether in writing, oral, graphic, visual or any other tangible, intangible or electronic form;

Connected Person / Concern of the Company includes:

- (a) any company under the same management as defined under the act
- (b) the Promoters or any Affiliate of the Promoters;
- (c) any director of the Company or of any holding or Subsidiary company of the Company or of any Affiliate of the Company;
- (d) any director of any holding or Subsidiary company of the Promoters or any Affiliate of the Promoters;
- (e) any Affiliate of the Company, or of a director referred to above (*such director*);
- (f) any firm or unlisted company in which the Company, the Promoters, any such director or any Affiliate or partner of any such director, the Promoters or Affiliate is a partner, shareholder or director or has any share, control or

interest;

- (g) any listed company in which the Company, the Promoters, any such director or any Affiliate or partner of any such director, the Promoters or Affiliate is a director or hold/s shares exceeding 1% of the paid-up equity share capital of such listed company;
- (h) 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 the Company, of the Promoters, of any such director or of any Affiliate mentioned above;

Control (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”) means the power to direct the management and policies of an entity whether through the ownership of more than 50% of the voting capital, by contract or otherwise;

Deloitte Haskins & Sells means Deloitte Haskins & Sells or any other Big 4 Accounting Firm which has been appointed as statutory auditor or joint statutory auditor of the Company.

Deed of Adherence means the deed of adherence in the form annexed in *Schedule 7* of the Agreement.

Demerger means a demerger of the BOOT Projects of the Company into BOOT Co by way of a court approved demerger;

Disclosure Schedule with respect to Investor IV, means the disclosure schedule annexed in *Schedule 11* of the Agreement and the term “**Disclosure Letter**” with respect to the other Investors means the disclosure letter provided by the Company and the Promoters to the other Investors simultaneously with the execution of the Investment Agreement and annexed thereto as *Schedule 12*;

Effective Date means the date of execution of the Agreement;

Encumbrance means any encumbrance including, without limitation, any claim, 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, way leave, any provisional or executorial attachment and any other interest held by a third party;

Equity Shares shall mean the fully paid up equity shares of the Company with face value of Rs. 10/- each;

Equity Share Price with respect to Investor I means Rs. 566.9, with respect to Investor II means Rs. 572.3 and with respect to Investor III means Rs. 553.2;

Escrow Shares means 444,405 Investor IV Shares and shall include the Further Round Escrow Shares (if applicable), as required to be, and deposited in escrow as per the terms of the Agreement and hereof, and which Escrow Shares, shall be reduced from time to time, by the number of Investor IV Shares required to be released from the escrow as per the terms of the Agreement hereof, and 'Escrow Shares' shall accordingly mean such revised number of Equity Shares required to remain deposited in escrow as per the terms of the Agreement and hereof; Provided however, that all accruals on the Escrow Shares, including any bonus Shares (where so issued), shall be directly deposited by the Company in escrow in accordance with the Escrow Agreement and the terms of the Agreement and hereof. It is hereby clarified that such accruals shall form a part of the Escrow Shares and shall be dealt with in the same manner as the Escrow Shares, as per the terms of the Agreement and hereof;

Escrow Agent means such Person as may be mutually appointed as an escrow agent by the Parties;

Escrow Agreement means the Escrow Agreement dated December 30,2009 executed between the Investors, the Promoters, Seller, the Company and the Escrow Agent;

Event of Default has the meaning attributed to it in **Article 67.1** and the Agreement;

Exchanges mean the Bombay Stock Exchange Limited or the National Stock Exchange (including, in either case, any successor thereto) and/or any internationally recognized stock exchange or quotation system acceptable to the Investors;

Finance Documents means all facility agreements and security documentation and related agreements including all term loan agreements, hypothecation agreements, memorandum of deposit of title deeds, irrevocable power of attorneys, acceptance of terms of sanction letters and deeds of pledge executed by and between the Company and/or the Promoters and the Lenders of the Company. Lenders, with respect to the Financing Documents shall mean and include the lenders specified in Schedule 8 of the Agreement;

Financial Year means the financial year commencing on April 1 of a calendar year and ending on March 31 of the immediately succeeding calendar year;

GAAP means generally accepted accounting principles in India, in effect as of the date of the Agreement or as amended from time to time;

Full Dilution Issue shall have the meaning assigned to it in **Article 60.3**;

Fully Diluted Basis means the total of all classes and series of shares outstanding on a particular date, combined with all convertible options (whether exercised or not), warrants (whether exercised or not), convertible securities of all kinds, all on an "as if converted" basis;

Government shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same and any local or other authority exercising powers conferred by Law and shall include, without limitation, the Reserve Bank of India (**RBI**) and the Foreign Investment Promotion Board (**FIPB**);

Government Authority means an authority, instrumentality of the Government and/ or an officer thereof;

Group means, except where otherwise specified, all the group companies of the Company and/or the Promoters. Where in the Agreement it provides that “*the Group shall/will/must*” in relation to a particular act, or uses any similar expression, this means that the Company/Promoters must, and must procure that the Company, the Promoters and each group company of the Company and/or the Promoters carries out the act in question;

Indebtedness as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money, (b) all obligations evidenced by a note, bond, debenture, letter of credit, draft or similar instrument, (c) that portion of obligations with respect to capital leases that is properly classified as a liability on a balance sheet in conformity with GAAP, (d) notes payable and drafts accepted representing extensions of credit, (e) any obligation owed for all or any part of the deferred purchase price of property or services, (f) all guarantees of any nature extended by such Person with respect to Indebtedness of any other person and (g) all indebtedness and obligations of the types described in the foregoing clauses (a) through (f) to the extent secured by any Encumbrance on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person;

Investment Agreement shall have the meaning as ascribed to it in the Agreement;

Investor I shall have the meaning as ascribed to it in the Agreement;

Investor II shall have the meaning as ascribed to it in the Agreement;

Investor III shall have the meaning as ascribed to it in the Agreement;

Investor IV shall have the meaning as ascribed to it in the Agreement;

Investors mean each of Investor I, Investor II, Investor III and Investor IV, unless otherwise specified;

Investors Consent means the prior written affirmative consent of each of Investor I, Investor II, Investor III and Investor IV, as applicable;

Investor Group means with respect to each Investor, such Investor and/or

Investors Related Party and any Affiliate(s) of such Investor;

Investors Related Party means with respect to each Investor, the Investor and such Investor's respective subsidiary undertakings and Affiliates and shall with respect to Investor I expressly include without limitation, Fidelity Persons, charitable organizations, or any fund or trust formed for the benefit of *inter alia*, FIL and/or the employees of the FIL Group. "**Fidelity Persons**" means (1) FIL Limited ("**FIL**"), a company incorporated in Bermuda, and any subsidiary undertaking of FIL from time to time (FIL and its subsidiary undertakings being the "**FIL Group**"); (2) FMR LLC. ("**FMR**"), a Delaware corporation, and any subsidiary undertaking of FMR from time to time (FMR and its subsidiary undertakings being the "**FMR Group**"); (3) any director, officer, employee or shareholder of the FIL Group and/or the FMR Group or members of his family and any company, trust, partnership or other entity ("**Entities**") formed for his or any of their benefit from time to time (any or all of such individuals and Entities being the "**Closely Related Shareholders**"); (4) any Entity controlled by Closely Related Shareholders, where, for the purposes of this definition "**control**" shall mean the power to direct the management and policies or appoint or remove members of the board of directors or other governing body of the Entity, directly or indirectly, whether through the ownership of voting securities, contract or otherwise, and "**controlled**" shall be construed accordingly; and (5) any affiliate of any member of the FIL Group and/or the FMR Group (where for the purposes of this definition, "**affiliate**" means any Entity controlled by any combination of any Closely Related Shareholders and/or any member of the FIL Group and/or the FMR Group, and includes the officers, partners and directors of any affiliate) and subsidiary undertaking shall have the meaning assigned to such term as per English laws and shall specifically include each of FIC, FIV and FIP;

Investors' Amount means the aggregate of the Investor I, II and III Shares Amount and the Investor IV Shares Amount;

Investors' Shares means the Shares issued by the Company from time to time and held by the Investors and/or any member of the Investor Group pursuant to the Investment Agreement, the SR Credit SPA, the SPA and all accruals therefrom;

Investor I, II and III Shares Amount means Rs. 2,154,996,563/-, which is the aggregate of Rs. 959,998,580/- being the 'Investor I Shares Amount' (as paid by Investor I for towards subscription and/or acquisition of the Investor I Shares), Rs. 914,997,983/- being the 'Investor II Shares Amount' (as paid by Investor II towards subscription and/or acquisition of the Investor II Shares), Rs. 280,000,000/- being the 'Investor III Shares Amount' (as paid by Investor III towards subscription and/or acquisition of the Investor III Shares); It is clarified that upon any further amounts being paid by any of Investor I, Investor II and/or Investor III, towards subscription and/or acquisition of the Additional Investor I Shares, Additional Investor II Shares, Additional Investor III Shares, all such amounts shall accordingly be included in the above mentioned respective Investor I Shares Amount, Investor II Shares Amount and/or Investor III Shares Amount, as the case may be;

Investor I Shares shall mean the Equity Shares, representing the shareholding percentage of Investor I in the Share Capital as on the date of the Agreement as specified against the name Investor I in *Schedule 6* of the Agreement and shall include all accruals therefrom and any further Equity Shares issued/Transferred to Investor I pursuant to the Swap, and/or **Article 60** and/or in terms of **Article 63.5** and/or **Article 56B** hereof (together the “**Additional Investor I Shares**”);

Investor II Shares shall mean the Equity Shares, representing the shareholding percentage of Investor II in the Share Capital as on the date of the Agreement as specified against the name of Investor II in *Schedule 6* of the Agreement and shall include all accruals therefrom and any further Equity Shares issued/Transferred to Investor II pursuant to the Swap, and/or **Article 60** and/or in terms of **Article 63.5** and/or **Article 56B** hereof (together the “**Additional Investor II Shares**”);

Investor III Shares shall mean the Equity Shares, representing the shareholding percentage of Investor III in the Share Capital as on the date of the Agreement as specified against the name of Investor III in *Schedule 6* of the Agreement and shall include all accruals therefrom and any further Equity Shares issued/Transferred to Investor III pursuant to the Swap, and/or **Article 60** and/or in terms of **Article 63.5** and/or **Article 56B** hereof (together the “**Additional Investor III Shares**”);

Investor IV Shares shall mean the sum total of the Seller Secondary Shares, Promoters Secondary Shares and Investor IV Subscription Shares, aggregating to 2,666,431 Equity Shares, representing the shareholding percentage of Investor IV in the Share Capital as on the Completion Date as specified against the name of Investor IV in *Schedule 6* of the Agreement and shall include, all accruals there from and any further Equity Shares issued/Transferred to Investor IV pursuant to the Swap and/or in terms of **Article 63.5** hereof and/or **Article 56** hereof (together the “**Additional Investor IV Shares**”). Provided that, where in accordance with the terms of the Agreement, any Escrow Shares have been released to Investors (other than Investor IV), the Promoters and the Selling Promoter, “**Investor IV Shares**” shall mean and be reduced by such number of Escrow Shares released/Transferred (or liable to be released/Transferred as per the terms hereof) in favour of such parties (other than Investor IV);

Investor IV Control Shares means the Investor IV Shares as reduced by the Escrow Shares;

Investor IV Equity Share Price means Rs. 797.4 (being the per Equity Share price with respect to Investor IV);

Investor IV Entry Price means the per Share price arrived at by dividing the Investor IV Shares Amount by X Shares as defined in **Article 60** or where a Full Dilution Issue has occurred, means the Investor IV Agreed Price. Provided however that where the Investor IV Entry Price cannot be determined on account of X Shares not being finalized under **Article 60** and there having been no Full Dilution Issue, the Investor IV

Entry Price shall be deemed to be the Investor IV Floor Price;

Investor IV Escrow Account shall mean the Escrow Demat Account (as defined in terms of the Escrow Agreement), depository account of BPEA 5 opened and operated in terms of the Escrow Agreement, of which the Escrow Agent is the sole authorized signatory;

Investor IV Floor Price means Rs 664.5 per Equity Share;

Investor IV Agreed Price shall have the meaning assigned to it in **Article 60.3**;

Investor IV Shares Amount means the aggregate of Rs. 1,771,877,868/- and shall also include any amount paid by Investor IV pursuant to these Articles and the Agreement to subscribe and/or acquire the Additional Investor IV Shares, and/or the Investor IV Further Round Shares;

Investor IV Subscription Shares means 1,458,401 Equity Shares of the Company subscribed to by Investor IV and shall include, the Further Round Investor IV Shares (where so issued to and subscribed by Investor IV);

Investor IV Secondary Shares means 1,208,030 Equity Shares of the Company;

INR or Rs. shall mean Indian rupees, being the currency of India;

IRR and Internal Rate of Return shall mean the discount rate that, when applied to (i) a specific investment made by an Investor in the Company (determined as of the date of contribution of such respective investment, to the Company) (ii) any payments made out to the Investor including on account of any distribution of distributable profits, interest, dividends, any proceeds distributed from the sale of assets, any cash and other distributions by the Company including but not limited to distribution in connection with any liquidation, winding up, buy back, dissolution, merger, consolidation, amalgamation or reorganization and those received from the Company and/or Promoters, pursuant to the Promoters indemnifying the Company and/or the Investor (determined as of the date of such payment), would result in the net present value of that stream of repayments and distributions, to be zero. All such repayments and distributions to the Investor shall be calculated net of all taxes, duties, costs and expenses, (excluding any distribution tax or withholding tax);

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, statutory authority, tribunal, board, court or recognised stock exchange and, if applicable, international treaties and regulations;

Losses means all losses, claims, costs, liabilities and damages (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 and shall not include any indirect, notional or consequential losses, such as loss of profit, business, opportunity, goodwill etc;

Partial Dilution Issue shall have the meaning assigned to it in **Article 60.4**;

Parties shall mean the Investors, Promoters, Company and the Seller.

PAT means profit after tax for a Financial Year as independently determined by Deloitte Haskins & Sells on the basis of stand-alone audited accounts of the Company based on GAAP but excluding other income from the sale of assets and extraordinary income (not including any income obtained in the ordinary course of business) for the Financial Year under consideration. PAT shall be subject to the following adjustments:

- (a) Any over-recognition of revenues or under-recognition of expenses specifically with respect to any write-off or provision for a Financial Year under consideration shall be adjusted while computing the PAT for that Financial Year;
- (b) Any over-recognition of assets or under-recognition of liabilities for a period prior to the Financial Year under consideration shall not be taken into account while calculating PAT for that Financial Year and shall be taken into account while computing Prior Period Adjustment (as defined in **Article 60**). Provided however that any over-recognition of assets or under-recognition of liabilities in respect of FY 10 shall be taken into account while computing PAT for FY 10 and shall not be considered as a Prior Period Adjustment with respect to FY 11;
- (c) PAT for any Financial Year shall include income in that Financial Year from i) sale of wind power, ii) sale of concrete, iii) sale of scrap, iv) royalty received from construction related activities, v) insurance claims received vi) interest on fixed deposits, vii) treasury income and viii) consultancy income from construction related activities;

Person(s) means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, unlimited or limited liability company, joint venture, Government Authority or trust or any other entity or organization;

Projects means all the projects undertaken or being undertaken by the Company including all EPC contracts, border fencing contracts and BOOT Projects undertaken, being undertaken or proposed to be undertaken by the Company and/or its Subsidiaries (as and when incorporated or acquired) or such other projects as may be agreed to in writing by the Promoters and the Investor hereto. Provided that with respect to Warranties of Investors other than Investor IV, Projects shall have the meaning assigned to such terms in the Investment Agreement;

Promoters shall have the meaning as ascribed to it in the Agreement;

Promoters Secondary Shares means 301,780 Equity Shares purchased by the Investor

IV from the Selling Promoter at Rs. 662.73/- (Rupees Six Hundred and Sixty Two Rupees and Seventy Three Paise) per Equity Share (including a premium of Rs. 652.73/- (Six Hundred and Fifty Two Rupees and Seventy Three Paise) per Equity Share in accordance with the terms of the SPA;

QIPO means an initial public offering, underwritten, in accordance with existing and consistent market practices, of equity shares by the Company in accordance with the provisions of **Article 64**, pursuant to which the equity shares are listed on the Exchange(s) and which satisfies each of the following conditions: (a) the equity shares are listed or quoted on the Exchanges, (b) the initial public offering is consummated no later than March 31, 2012 (the **QIPO Deadline Date**) or such other extended date as the Investors may consent to in writing, (c) at least the minimum number of shares mandatory under the listing requirements are offered to the public in the initial public offering, (d) the initial public offering is managed and underwritten by an internationally recognized and reputed investment banking firm appointed with the Investors Consent (the **Underwriter**), (e) the proportion of primary and secondary shares being sold/issued are mutually agreed to by the Parties in writing, (f) the initial public offering complies with all applicable legal, regulatory and listing requirements and (g) the lower band of valuation for the QIPO provided by the Underwriter and as specified in the red-herring prospectus (appointed as per the foregoing) is such as would not result in the pre-money valuation of the Company prior to the QIPO being less than Rs. 1800 crore (Rupees Eighteen Hundred Crore) as increased by the 1.2 times the amount raised by the Company through any Fresh Issue including issuance of the Further Round Investor IV Shares. It is clarified that the price band for the QIPO shall be determined as per the terms of these Articles and the Agreement and sub-clause (g) shall not be applicable where a Demerger has been completed by the Company;

Required Governmental Approvals means such Approvals, if any, as may be necessary or advisable for the subscription and acquisition of Investor IV Shares by the Investor IV on the terms contained in the SPA and herein and the consummation of the transactions contemplated in the SPA and herein, including, without limitation, any Approvals which are granted automatically contingent upon requisite filing of specified documents and/or reports being made;

Reserved Matters shall mean the following,

- a. Amendments to the memorandum and articles of association of the Company
or
change in the main objects of the Company;
- b. Material incorporation of new subsidiaries and entering into unrelated businesses;
- c. Any acquisition with a capital cost of more than INR 10 Crore for a single asset;

- d. Material variations to the Business Plan, including changes to the Capital Structure, investment policy or incurrence of Indebtedness;
- e. Merger, de-merger, restructuring, consolidation, voluntary winding up or dissolution of the Company save and except the Demerger;
- f. Sale, disposition, liquidation, license or transfer of any substantial assets of the company or Subsidiaries, whether in part or in whole;
- g. Issue of shares, convertible debentures or other securities or stock options/warrants by the Company, including without limitation the issuance of employee stock option plans, which has the effect of diluting the Investor's stake in the Company (including terms and conditions thereof);
- h. Buy back of shares by the Company;
- i. Incurring of capital expenditure and Indebtedness exceeding the levels agreed upon in the annual budget by 10%;
- j. The approval of annual business plan (which will not be unreasonably delayed or denied by the Investor);
- k. Dividend policy and approval of dividend payments;
- l. Change of accounting or tax policy and statutory or internal auditors of the Company;
- m. Changes in the corporate governance policy, including any changes in the composition of the Board (including appointment or increase or decrease in the number of maximum directors) and/ or the various committees of the Board, appointment of any committee or sub-committee of the Board, the assignment of any power or authority of the Board to any person, committee or sub-committee;
- n. Connected Person transactions; Provided however, it is clarified that investments by the Company into subsidiaries /joint ventures/special purposes vehicles below Rs. 5,00,00,000 (Rupees Five Crore only) per transaction or series of transactions in any Financial Year, shall not be a 'Reserved Matter';
- o. Provision of guarantees or funds on loan to any Person, other than in the ordinary course of business;
- p. Variation of any rights of any shareholder of the Company;
- q. Any act or matter including the commencement of proceedings towards the

execution of, or in relation to a public offering or listing of the Company;

- r. Any commitment of funds of the Company for the purposes of the contractual obligations of the Company (such as bid bonds, guarantees, etc) for and in relation to bidding or execution of projects where such amount of commitment/ investment exceeds Rs. 250,00,00,000 (Rupees Two Hundred and Fifty Crore);
- s. Settlement of any disputes or payment of any moneys with respect to contractual obligations where such amount/ liability exceeds 5% of the total value of such contracts;
- t. Settlement of any disputes or payment of any moneys with respect to any claims (other than under Project contracts of the Company), where such amount exceeds Rs. 5,00,00,000 (Rupees Five Crore);
- u. Appointment of an Underwriter, Financial Expert or any investment bank or Category I Merchant Bank by the Company;
- v. Conversion of the Company from a private limited to a public limited;
- w. Except as provided in the Agreement, creating an Encumbrance on Equity Shares held by the Promoters;
- x. Bids for any projects that will have a total work contract of more than Rs. 500,00,00,000 (Rupees Five Hundred Crore);
- y. Any further investment or incurring of capital expenditure and Indebtedness in connection with BOOT Projects which takes the cumulative investment of the Company into BOOT Projects over and above Rs 1,500 million;
- z. Investment of more than Rs 50,000,000 (Rupees Five Crore) by way of debt or equity into any other corporate entity, partnership, proprietorship or non-profit company;
- aa. Capex by the Company whereby the aggregate capex of the Company exceed Rs. 100,00,00,000 (Rupees One Hundred Crore) during any Financial Year; and
- bb. Any act or omission in relation to any of the foregoing.

Restated Articles or **Articles** means these articles of association;

Rupees or **Rs.** or **INR** means the lawful currency of the Republic of India;

SEBI means the Securities Exchange Board of India;

Seller shall have the meaning as ascribed to it in the Agreement;

Selling Promoter means Mr. S. Surendra permanent resident of Plot No. 1145, Road No. 58, Jubilee Hills, Hyderabad 500 033, Andhra Pradesh, India;

Selling Promoter Warranties means the representations and warranties provided by the Promoters to Investor IV as set out in **Part D** of *Schedule 9* of the Agreement;

Seller Secondary Shares means 906,250 Equity Shares purchased by the Investor IV from the Seller at Rs. 631.04/- (Six Hundred and Thirty One Rupees and Four Paisa) per Equity Share (including a premium of Rs. 621.04/- (Six Hundred and Twenty One Rupees and Four Paisa) per Equity Share in accordance with the terms of the SPA;

Seller Warranties means the representations and warranties provided by the Seller to Investor IV as set out in **Part C** of *Schedule 9* of the Agreement;

Signature Date means the date of execution of the SPA;

Shares mean Equity Shares and / or preference shares or such other class or series of shares or stock that may be issued by the Company from time to time;

Share Capital means the issued and fully paid up equity share capital of the Company;

SPA shall have the meaning as assigned to in in Recital H of the Agreement;

SR Credit DOA have the meaning as assigned to in the Agreement;

Subsidiary or *subsidiary* has the meaning given to such term in the Act;

Swap shall have the meaning assigned in **Article 55.2**;

Tax, Taxes or *Taxation* means all forms of taxation, duties, levies, imposts and social security charges, including without limitation corporate income tax, wage withholding tax, provident fund, employee state insurance and gratuity contributions, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;

Term shall have the meaning assigned to such term in **Article 67.4**;

Transfer includes any transfer, assignment, sale, disposal, lease or Encumbrance;

Underwriter means an internationally recognised and reputed investment banking firm appointed by the Company, subject to Investors Consent;

Warranties means the representations and warranties provided by the Company and by the Promoters to Investor IV as set out in **Article 56** and *Schedule 9* of the Agreement. Provided however that, the term Warranties (and/or Warranty), shall specifically exclude Selling Promoter Warranties and the Seller Warranties. Provided further, that with respect to Investors other than Investor IV, Warranties shall mean the representations and warranties provided by the Company and by the Promoters to the Investors (other than Investor IV) as per the Investment Agreement as set out in Clause 7 and Schedule 3 of the Investment Agreement.

4.1 Interpretation

In these Articles, unless the context requires otherwise:

- (a) the *headings* are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles;
- (b) references to one *gender* include all genders;
- (c) any reference to any *enactment* or *statutory provision* is a reference to it as it may have been, or may from time to time be, amended, modified, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment;
- (d) words in the *singular* shall include the *plural* and vice versa;
- (e) unless otherwise stated, any reference to **Article** shall be deemed to be a reference to an Article of these Articles;
- (f) unless otherwise stated, any reference to Clause or Schedule shall be deemed to be a reference to a Clause or Schedule of the Agreement;
- (g) references to an *agreement* or *document* shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreement or document and, if applicable, of the Agreement with respect to amendments;
- (h) any reference to a *party* to the Agreement shall include, in the case of a body corporate, references to its successors and permitted assigns and in the case of a natural person, to his or her heirs, executors, administrators and legal representatives, each of whom shall be bound by the provisions of these Articles and the Agreement in the same manner as the party itself is bound;
- (i) any reference to a document in *Agreed Form* is to a document in a form agreed between the Company and the Investors and initialled for the purpose of identification by or on behalf of each of them (in each case with such amendments as may be agreed

by or on behalf of the Parties);

(j) *in writing* or *written* includes any communication made by letter or facsimile or e mail;

(k) the words *include*, *including* and *in particular* shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words; and

(l) where a wider construction is possible, the words *other* and *otherwise* shall not be construed *ejusdem generis* with any foregoing words.

(m) any reference to the term 'knowledge' of a party, in these Articles and the Agreement shall be deemed to include actual, implied or constructive knowledge on the part of such Party.

(n) any reference to the Investment Agreement shall mean and refer to the Investment Agreement as amended including by SR Credit DOA.

(o) any reference to a Share price (or a price per Share) and the number of Shares shall be accordingly adjusted for any bonus, splits, consolidations or such other similar corporate actions.

(p) references to Escrow Agent shall include references to the Escrow Agent acting in its capacity as the Depository Participant (as defined in Escrow Agreement).

(q) the term 'release and/or transfer' in the context of Escrow Shares and Escrow Property in these Articles and the Agreement, shall mean and refer to "release and/or Transfer" of the Escrow Shares and Escrow Property, as the case may be.

(r) Reference to 'transfer' shall mean references to the defined term 'Transfer'.

4.2 No provisions of these Articles and the Agreement shall be interpreted in favour of, or against, any Party by reason of the extent to which such Party or its counsel participated in the drafting hereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof.

5. CAPITAL

The Authorized Share Capital of the Company is Rs 1500,00,00,000 (Rupees Fifteen Hundred Crores Only) classified as:

(a) The Equity Capital is Rs.50,00,00,000 /- (Rupees Fifty Crore Only) divided into 5,00,00,000 (Five Crore Only) Equity shares of Rs 10/- each (Rupees Ten Only) with power to increase or decrease the same or to sell part of the equity with a premium to any investor on terms and conditions mutually agreeable between the company and the investor, and with power to issue any shares in the new capital with any preference or priority in the payment of dividends or the

distribution of assets or otherwise, or any other shares and to vary and to provide the missing words in the regulations of the company so far as necessary to give effect to any preference or priority and upon the subdivision of shares to apportion the right to vote in manner as between the shares resulting from such division.

(b) The Preference Capital is Rs.1450,00,00,000 /- (Rupees Fourteen Hundred Fifty Crore Only) divided into 145,00,00,000 (One Hundred and Forty Five Crore Only) Preference Shares of Rs. 10/- each (Rupees Ten Only).

(i) Compulsory Convertible Preference Share Capital is Rs 140,00,00,000 (Rupees One Hundred and Forty Crores Only) divided into 14,00,00,000 (Fourteen Crores Only) Preference Shares of Rs.10/- each (Rupees Ten Only).

(ii) Cumulative Compulsory Convertible Preference Share Capital is Rs 1310,00,00,000 (Rupees Thirteen Hundred and Ten Crores Only) divided into 14,00,00,000 (Fourteen Crores Only) Preference Shares of Rs.10/- each (Rupees Ten Only).

Sub-division and consolidation of shares and conversion of shares into Stock

5(a) Subject to the provisions of the section 61 of the Act and the rights of the Investors under Articles 52 to 75 hereto, the Company in the General meeting, may from time to time sub-divide or consolidate its shares or any of them and the resolution where the shares are sub-divided may determine that, as between the holder of the shares resulting from such sub-division one or more such shares shall have some preference or advantage as regards dividend, capital or otherwise over as compared with others or other. Subject as aforesaid the Company in the general meeting shall also cancel the shares which have not been taken or agreed to have been taken by any person and diminish the amount of its share capital by the amount of shares so cancelled and the company can also convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

BROKERAGE

5(b) Subject to the provisions of Section 40 of the Act, the Company may at any time pay Commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring or agreeing to procure subscription, (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued, and in the case of debentures two and a half percent of the price at which the debentures are issued. Such commission may be satisfied by payment of each or by allotment of fully or partly paid shares or partly in one way and partly in other way.

5.(c) The Company may pay a reasonable sum for brokerage, which may be lawful.

ISSUE OF WARRANTS

5(d) Subject to obtaining the Investors Consent the Company may issue shares warrants subject to and in accordance with the provisions of Companies Act and accordingly, the Board may in their discretion, with respect to any share registered as fully paid-up, on an application in writing signed by the person registered as holder of the share and authenticated by such evidence, if any, as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate, if any, of the share and the amount of the stamp duty on the warrant and such fee as the board may from time to time prescribe, issue a share warrant and may provide by coupons or otherwise for the payment of the future dividends on the shares specified in the share warrant

5(e) A share warrant shall entitle the bearer of the share included in 5(f) and the shares shall be transferred by the delivery of the share warrant and the provisions of Articles the Company with respect to transfer and transmission of shares shall not apply thereto.

5(f) The bearer of the share warrant shall, on surrender of the warrant to the Company for cancellation and on payment of such fee as the Board may from time to time prescribe, be entitled to have his name entered as a member in the register of members in respect of the shares included in the warrant.

Requisition of Meeting by a bearer of Share Warrants:

5(g) The bearer of share warrant may at any time deposit the warrant at the Registered Office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of attending and voting and exercising the other privileges of the member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the register of members as the holder of the shares included in the deposit warrant.

5(h) Not more than one person shall be recognized as depositor of the share warrant.

5(i) The Company shall on two days written notice return the deposited share warrant to the depositor.

Disabilities of holders

5(j) Subject as herein otherwise expressly provided no person shall as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

5(k) The bearer of a share warrant shall be entitled in all other respects the same privileges and advantages as if he was named in the register of members as the holder of the shares included in the warrant and he shall be a member of the Company

Renewal

5(l) The Board may from time to time, make rules as to the terms on which, if they shall think fit, a new warrant or coupons may be issued by way of renewal in case of defacement, loss or destruction of the original warrant or coupon.

5(m) Notwithstanding anything contained hereto, this Article 5(m) shall be subject to the rights of the Investors under Articles 52 to 75 hereto., The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,

- (i) its share capital
- (ii) any capital redemption reserve account; or
- (iii) any share premium account

Issue of Debentures

5(n) Notwithstanding anything contained hereto, this Article 5(n) shall be subject to the rights of the Investors under Articles 52 to 75 hereto., Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and other wise, Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.

SHARES AND CALL OF SHARES

6. The shares shall be under the control of the Directors who may allot and issue the same to such persons and on such terms, as the Directors think fit, subject to the Articles there of, the right to make call on shares shall not be given to any person except with the sanction of the Company in the General Meeting.

Further issue of shares

Notwithstanding anything contained hereto, this Article 6 shall be subject to the rights of the Investors under Articles 52 to 75 hereto.

6.1 Where at any time after expiry of two years from the formation of the Company or at any time allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, whether out of un issued

share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier information from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off them in such a manner as they think most beneficial to the Company.

6.2 Notwithstanding anything contained in the preceding article (i.e. article 6.1) the Company may:

(i) by special resolution or

(ii) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members so entitled and voting and the Central government is satisfied, on an application made by the board of directors in this behalf, that the proposal is most beneficial to the Company. Offer further shares to any person or persons, and such person or persons' may or may not include the persons, who at the date of the offer, are the holders of the equity shares of the Company.

6.3 Notwithstanding anything contained in article 6.1 above, but however subject to Section 62 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans into shares, or to subscribe for shares in the company.

Issue of Bonus Shares

Notwithstanding anything contained hereto, this Article 6 shall be subject to the rights of the Investors under Articles 52 to 75 hereto.

6.4 The Company in General Meeting may resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of reserve fund or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalized and distributed amongst such of the share holders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital

and that all or any part of such capitalized funds be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide any un issued shares of the Company which shall be distributed accordingly in or towards payment of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the same capitalized sum provided that a share premium account and a Capital Redemption Reserve Account may for the purposes of this Article, only be applied in the paying up of un issued shares to be issued to Members of the Company as fully paid bonus shares.

7) **The share certificate shall be issued in such manner as may be prescribed by the Act from time to time.**

7.1 The certificate of title to shares shall be issued under the Seal of the Company and shall specify and shall be issued, sealed and signed in conformity with the provisions of the Companies (Share Capital and debentures) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Any two or more joint allottees or owners of a share shall, for the purpose of this Article, be treated as a single member and the Certificate for shares may be delivered to the first named of such joint owners. The Company shall comply with the provisions of Section 56 of the Act.

7.2 Limitation of time of issue of share certificates:

The Company shall, within 3 months after the allotment of its shares, debentures, debenture stock and within one month after application for the registration of transfer of any such shares, debentures, debenture stock deliver in accordance with the procedure laid down in Section 20, the certificates of all the shares and debentures, debenture stock allotted or transferred unless the conditions of issue of the shares, debentures of debenture stock otherwise, provide or the Company is prohibited by any provision of law or order of any court, tribunal or authority.

7.3 Issue of new share certificate in place of one defaced, lost or destroyed

(a) The Board of Directors may renew a Share Certificate or issue a duplicate of a Share Certificate, if such share certificate:

- (i) Is proved to have been lost or destroyed ; or
- (ii) Having been defaced or mutilated or torn is surrendered to the company;
or
- (iii) Is old, decrepit or worn out or where the cages on the reverse for recording transfers are fully utilized.

(b) The Company shall observe such rules and conditions as may be prescribed by the Government or required by the Stock Exchanges on which the shares are listed, for renewal of Share Certificates or issue of duplicate Share Certificates.

(c) The Company shall not charge any fee for subdivision or consolidation of share and debenture certificates for sub-division of letter of allotment or for splitting, consolidation or renewal of pucca transfer receipts into denominations corresponding to the market units of trading or for issue of new certificates in re-placement of those which are old, or worn out or where the cages on the reverse for recording transfers have been fully utilised, provided however that the Company may not entertain an application for sub-division/consolidation of share or debenture certificate(s) as the case may be into denominations less than respective market units of trading, except where such sub-division/consolidation is necessitated to make the existing holding of the said competent transfer or/transfer into market lot or to comply with order of a court of law or authority or in cases where-in the opinion of the Board, it is necessary to do so mitigate hardship.

(d) The Company shall not charge any fees exceeding those which may be agreed upon on with the Stock Exchange on which the shares are listed for issue of new certificates in replacement of those which are torn, defaced, lost or destroyed or for sub-division or consolidation of shares and debenture certificates or for sub-division of letter of allotment or for splitting, consolidation or renewal of pucca receipts into denomination other than those fixed for the market units of trading.

- 8) If two or more persons are registered as being joint holders, any one of such persons may give effective receipts for any dividends or other monies payable in respect of such shares of that class.
- 9) If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by terms of issue of shares of that class) may be varied subject to the provisions of section 48 of the said Act, by a special resolution of the share holders holding shares of that class.
- 10) The company in General Meeting may alter the conditions of its memorandum pursuant to sec.61 of the said Act.
- 11) a) the Board of Directors may, subject to the provisions of these Articles from time to time make such calls upon the members in respect of all monies unpaid on their shares as they may think fit, provided that fourteen days notice at least is given for each call and each members shall be liable to pay the amount of every call so made upon him to the persons in the manner and at the time and place appointed by the Board of Directors. A call may be revoked or postponed at the discretion of the Board.

b) any sum which by the terms of allotment of shares is made payable upon allotment or at any fixed date whether on account of the nominal value of the shares or by way of premium shall for all purposes, of these Articles be deemed to be a call, duly made and payable on the date fixed for payment and in case of non-payment the provisions of

these Articles as to payment of interest, and expenses and the like and all other relevant provisions of these Articles shall apply, as if such sums were calls duly made and notified.

12) **Transfer and Transmission of shares**

(12.1) Register of Transfers

The Company shall keep the "Register of Transfers and therein shall be fairly and distinctly entered particulars of every transfer and transmission of any shares.

(12.2) Instrument of Transfer

The instrument of transfer shall be in writing and all the relevant provisions of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.

(12.3) Fee on Transfer or Transmission of shares

No fee shall be payable to the Company, in respect of the transfer or transmission of shares.

(12.4) Directors may refuse to register the transfer

Subject to the provisions of Section 61 of the Act and Section 22 A of the Securities Contract (Regulations) Act, 1956 the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal shall not be affected by the circumstances that the proposed Transferee is already a Member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of Transfer was lodged with the Company, send to the Transferee and Transferor notice of the refusal to register such transfer provided that the Registration of Transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares, transfer of shares / Debentures in whatever lot shall not be refused

(12.5) Notice of refusal of transfer

If the Company refuses to register the transfer of any share or transmission of any share, the Company shall within one month from the date on which the instrument of transfer was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving information of the transmission, as the case may be.

13) No share in any circumstances be transferred to any insolvent or a person of unsound mind and no share other than fully paid-up shares shall be transferred to a minor through his guardian.

14) to 19) **[not used]**

- 20) The executors or administrators of a deceased member (not being one of the several joint holders) shall be the only person recognized by the company as having title to the shares registered in the name of such member and in case of death of any one or more of the joint holders of any registered shares, the survivor or survivors shall be only persons recognized by the company having any title to or interest in such shares.
- 20(a) Notwithstanding anything contained in these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- 20(b) Nothing contained in section 56 of the act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- 20(c) Notwithstanding anything contained in these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- 20(d) Nothing contained in these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- 20(e) The Register and index of the beneficial owners maintained by a depository under the depositories act 1996, shall be deemed to be the register and index of Members and security-holders for the purposes of these Articles.

Power to accept unpaid share capital although not called up

(20.1) The Board if it may think fit, agree to and receive from any member who is willing to pay the whole or part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up, the Board may pay or allow interest at such rate (not exceeding 18 percent per annum without the sanction of the Company in the general meeting) as the member paying the sum in advance and Board agree upon. The Board may agree to repay at any time any amount so advanced or may repay the same at any time by giving the member three months notice in writing, provided that money paid in advance shall not confer a right to dividend or to participate in profit.

(20.2) No member paying such sum in advance shall be entitled to voting right in the respect of the monies so paid by him, until the same would, but for such payment, become presently payable.

Dividend policy

Notwithstanding anything contained hereto, the Articles 20.3 to 20.19 shall be subject to the rights of the Investors under Articles 52 to 75 hereto.

Division of Profits:

(20.3) Subject to the rights of the member entitled to shares with preferential rights attached thereto, the profits of the Company shall be divisible amongst the members in proportion to the Amount of capital paid up or credited as paid up with respect to the shares held by them. The amount paid up in advance of calls upon any share shall not however carry on right to dividend or to participate in profits

Declaration of Dividends:

(20.4) The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of Section 5 of the Act, fix the time for payment

Limitation as to amount of Dividend:

(20.5) No larger dividend shall be declared than that recommended by the Board, but the Company in General Meeting may declare a smaller dividend

Dividend to be paid out of Profit:

(20.6) Subject to the provisions of Section 123 of the Act, no dividend shall be payable except out of the profits of the Company or out of moneys provided by the central or a state government for the payment of dividends in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company

Declaration by Board to be conclusive:

(20.7) The declaration by the Board as to the amount of the net profits of the Company shall be conclusive

Interim Dividends

(20.8) The Board may, subject to the provisions of the Act, from time to time, pay to the Members such interim dividends as appears to the Board to be justified by the profits of the Company

Certain Members debts may be deducted from dividends:

(20.9) 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

Dividend and call be made together:

(20.10) Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each Member shall not exceed the dividend payable to him, and so that the call made payable at the same time as the Dividend and the dividend may be set off against the call.

(20.11) The Board may retain dividends payable on shares in respect of which any person is entitled under Article 25 to become a Member or to transfer the Shares, until such person shall become a Member in respect of such shares or shall duly transfer the shares

Dividends to be paid in cash:

(20.12) No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the Members of the Company

Payment of Interest in Capital:

(20.13) If shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, which cannot be made profitable for a long period, the Board of Directors may, on behalf of the Company:

- (i) Pay interest on so much of that share capital as is for the time being paid up, for the period and subject to the conditions and restrictions mentioned in the Act, and
- (ii) Charge the sum so paid by way of interest, to capital as part of the cost of construction of the work or building, or the provisions of the plant

Effect of Transfer of Shares on Dividends:

(20.14) A transfer of shares shall not confer the rights to any dividend declared thereon before the registration of the transfer by the Company

To whom Dividends payable:

(20.15) No dividend shall be paid in respect of any share except to the registered holder of such share or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 107

Dividends may be paid by cheque or warrants:

(20.16) Unless otherwise provided in accordance with the Act, any dividend, interest, or other monies payable in cash in respect of a share may be paid by cheque or warrant sent through the post 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 in the register in respect of the joint holding or to such persons and such address as the holder or joint-holders as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the person to whom it is sent

Unpaid or unclaimed dividend:

(20.17) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of **Coastal projects Limited**" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted

(20.18) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to a Fund established under Section 125 of the Act and no claim shall lie on the amount transferred to the said Fund.

(20.19) Subject to the provisions of the Act no unpaid dividend shall bear the interest as against the Company, no unclaimed dividend shall be forfeited by the Board before the claim becomes barred by the law.

FOREFITURE OF SHARES

- 21) Regulation 28 to 34 (both inclusive) of Table 'F' in the first schedule to the said Act shall apply.
- 22) Forfeiture of shares shall include of dividends declares in respect of the forfeited shares and not actually paid before the forfeiture subject of section 125 of the Act.
- 23) The company shall have first and paramount lien upon all the shares (not being fully paid-up registered in the name of each member whether solely or jointly with other)

and upon the proceeds of sale thereof for his debts, liabilities and engagements (Whether presently payable or not) solely or jointly with any other person to or with the company whether the period for the payment or discharge thereof shall have actually arrived or not and such lien shall extend to all dividends from time to time declared in respect of such shares. The Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

23(a) Enforcing Lien by sale:

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: -

- Unless the sum in respect of which the lien exists is presently payable or
- 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 and the intention to sell has been given to the indebted registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

23(b) Validity of sales in exercise of Lien:

- To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- The purchaser shall be registered as the shareholder of the shares comprised in such transfer.
- 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.

23(c) Application of Sale proceeds

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

BUY BACK OF SHARES

23(d) The Company is permitted to purchase its own or other specified securities in accordance with the provisions of Sections 68, 69 and 70 of the Act and such other

regulations or guidelines framed by Central Government or Securities and Exchange Board of India, in this regard **subject to Article 61.**

REGISTRATION ON EXERCISE OF VOTING RIGHT OF MEMBERS WHO HAVE NOT PAID CALLS ETC.

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

DIRECTORS

- 25) The number of Directors of the company shall be not less than three and not more than twelve, with the power to reconstitute the Board with such composition from time to time subject to the provisions of the Companies Act, 2013.

- 26) The following persons are the first Directors of the Company:-

- 1) MR.PALAVRAPU SAMBASIVA RAO
- 2) MR.SABBINENI PAPAYA
- 3) MR.SABBINENI SURENDRA
- 4) MR.NIDAMANURI SUDHAKAR

- 27) At the annual general meeting in each year, one third of the directors for the time being liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one third shall retire from office but shall be eligible for re-election. A director retiring at a meeting shall retain office until the close of the meeting or close of the adjourned meeting.

- 28) The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

- 29) If any meeting at which an election of directors ought to take place, the place of the retiring directors are not filled up the meeting shall stand adjourned till same day in the next week at the same time and place, and if, at the adjourned meeting the places of the retiring directors have not been filled up the retiring directors or such of them as have not had their place filled up shall be deemed to have been reelected at the adjourned meeting.

- 30) The Board of Directors may appoint one or more persons as managing Director(s) of the company and fill in subsequent casual Vacancy occurring in these posts. Managing Director(s) so appointed shall, subject to the provisions of section 179 of the Act and subject to the superintendence and control of Board of Directors, have powers to manage whole of the affairs of the company and such appointment as a Managing Director may be made on such remuneration and for such period and upon such terms and conditions as the Board of Director may deem fit.

- 31) If at any time the company obtains any loans or any assistance in connection therewith by way or guarantee or otherwise from any person, firm, body corporate, local authority, public body or financial institution (hereinafter called the institution) or if the institution holds any shares in the company in consequence of its exercising any option for conversion of a part of any of its loans to the company or if at any time the company issues any shares, debentures or debentures-stocks and/or enters into any contract or arrangement with the institution whereby the institution subscribes for shares or debentures or debentures stock or provides any assistance to the company in any manner whatsoever and it is a term of the relative loan deed, subscription, assistance, contract or arrangement that the institution and/or the trustees or the holders of the debentures or debenture stock, as the case may be shall have the right to appoint one or more director or directors to the Board then subject to the terms and conditions of such loan, trust deed, subscription, assistance, contract or arrangement the institution and or the trustees or the holders of the debentures or debenture stocks as the case may shall be entitled to appoint one or more Director or Directors, as the case may be to the Board and to remove from office any director so appointed and to appoint another in his place or in the place of a director so appointed who resigns or otherwise vacates his office. The Director or directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in office for so long as the relative loan, trust deed, assistance, contract or arrangement, as the case may be subsists or for so long as the institution shall hold any share in the company by reason aforesaid.
- 32) No share qualification shall be necessary for any individual for being appointed as Director of the Company.
- 33) The Board of Directors shall also have power to appoint Additional Director to fill up the vacated office by electing like number of persons to be Director.
- 34) The Board shall have power to appoint an alternate Director to and for a Director during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and the provisions of section 161 of the said Act shall apply to such appointment.
- 35) Each Director who is present shall be paid out of the funds of the Company for every meeting of the directors or of the committee of directors at which he is present besides travel and incidental expenditure a sitting fee as decided by the Board from time to time.
- 36) The directors may allow and pay to any Director, who for time being, is resident out of the place at which any meeting, or committee meeting of the Directors is held and who come to that place for the purpose of attending such meeting such as the Directors may consider fair and reasonable for his expenses incurred in connection with his attending the meeting in addition to remuneration specified above. The Director may also be paid or reimbursed all travelling, hotel and other expenses reasonably incurred by him

in connection with the business of the company.

- 37) If a Director is any way interested in the contract entered by the Company then the nature of his interest should be disclosed at the meeting of the Board at which the contract is first taken into consideration if his interest is then existing or in any other case at the first meeting of the directors after the acquisition of the interest.
- 38) If and when debentures of the company are issued, the holders thereof shall have the right to appoint and from time to time remove and appoint a Director's in accordance with the provisions of the Trust deed securing the said debentures. The Directors appointed under this Article shall be called as the Debenture Director means the Director for the time being in office in office under this Article.

CHAIRMAN

- 39) The Board of Directors shall elect one amongst themselves as the Chairman who shall preside over all the meetings of the Board and of the Company. In the absence of the Chairman, the Managing Director shall act as the as the Chairman. The Chairman shall have such powers as the Board from time to time delegates to him, as he shall have a casting vote.
- 40) The Managing Director may on his own motion and shall upon request of any Director at any time convene meeting of the Board of Directors.
- 41) The Directors may from time to time subject to section 179 of the said Act earnest to and confer upon the Chairman, Managing Director and other Directors such of the powers exercisable under these presents by the Directors as they may think fit and may confer such power with such restriction as they think fit and expedient and they may from time to time remove, withdraw, alter or vary all or any of such power.
- 42) Subject to the general control of the Board of Directors, Managing Director shall have full control, management, superintendence and conduct of the business affairs, concerns and things of the company and to do all other things necessary expedient to be done for properly and efficiently conducting the business of the company as aforesaid the Managing Director shall have the duty power and authority on behalf of the company.
- a) to make, purchase, provide maintain, keep up or sell, such lands, buildings, machinery, plant, implements, stock or material for carrying out the object specified in the Memorandum of the company and to sell mortgage or dispose of the property and claims of the company.
 - b) to have full control over the assets of the company and to execute, sign, acknowledgement, prepare and register a deeds, agreements, contracts, arrangements, receipts and other documents and writing and to give effectual discharge on behalf of and against the company.

- c) To draw make accept, endorse, discount, negotiate, execute and issue promissory notes, bills of securities, bills of lading, warrants and other negotiable or mercantile or transferable instruments in connection with the business of the company.
- d) To borrow or lend from time to time such sum of money at such interest, for such period and on such terms with or without security and to secure payment thereof with interest by mortgage or by bonds, promissory notes, bills, hundies and other negotiable securities from any person, or persons whether share holder or not, subject to and within the limits, as shall be prescribed by the Board of Directors in terms of Section 179 of the said Act.
- e) To institute, conduct, defend, compound, adjust, refer to arbitration, abandon any legal or their proceedings, claims or disputes by or against the company its directors, offices or employees concerning the affairs of the company to sign and verify all statements, execution, petitions affidavits etc.
- f) To appoint from time to time and at any time to suspend, dismiss, remove or discharge such legal advisers, expert, clerks, accountants, engineers and other person or employees and with such powers and duties and upon such terms as to duration of office remuneration or otherwise as the Managing Director shall think proper, subject to the ratification by the Board of Directors.
- g) To insure or keep insured all or any of the building, goods, stores or other property or any security of the company.
- h) To appoint agents for purchase or raw materials, articles and things that may be required by the company.
- i) To carry out such transaction as he considers expedient in the interests of the company and to make all such arrangements and to do such acts and things on behalf of the company as may be necessary, desirable or expedient, in the management of the business and affairs of the company or in carrying out its objects and as are not required by the provisions of law or by these articles to be done by the Director or the company a general meeting.
- j) To act on behalf of the company in all matters relating to bankruptcy and insolvent.

REMUNERATION TO DIRECTORS

- 43) The Board may determine the remuneration, perquisites and such benefits to the working directors either on monthly, quarterly or annual basis or a commission or a

percentage of net profits of the company, subject to the compliance of provisions of the said Act.

PROCEEDING OF DIRECTORS

- 44) Subject to the provision of section 175 of the said Act, non resolution shall be deem to have been passed by the Board or by a committee thereof by circulation, unless, the resolution has been circulated in draft together with necessary papers, if any, to all Directors or to all the members of the committee then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be and to all other Directors of Members at their usual address in India and has been approved by such of the Directors as are then in India or by a majority of them.
- 45) Subject to the provisions of section 174 of the said Act the quorum for a meeting of the Directors shall be one third of its total strength or two Directors present in person whichever is higher.

GENERAL MEETINGS

- 46) Subject of the Regulation 44 of Table the following provisions shall apply.

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

- 47) The Chairman of the company shall preside at the Board and General meeting. If at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding such meeting the Directors present shall choose another Director present as Chairman and if no Director is present or all the Directors present decline to take the chair, then members present shall choose one of them to be the Chairman of the meeting.

THE COMMON SEAL

- 48) Notwithstanding regulation 79 of Table F in the first schedule to the said Act but subject to the Companies (issue of the seal of the company is required to be affixed shall be sealed in the presence of and be signed by any of the Directors. 49) In the event of winding up the liquidators may with the sanction of a special resolution distribute all or any of the assets of the company in specie among the contributories in accordance with their respective rights.

INDEMNITY

- 50) Subject to the provisions Companies Act, and so far as such provisions permit every Director, secretary, Auditor and other officer or servant of the company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the company to pay all costs, losses and expenses which any such officer

or servant may incur or become liable to by reasons of any contract entered into or act or thing done by him as such officer or in any way in the discharge of his duties including travelling and other expenses.

SECRECY CLAUSE

- 51) No member shall be entitled to inspect the company's work without the permission of the Board of Directors or to require discovery of any information respecting any detail of the company's trading or any matter in the nature of a trade secret if process which in the opinion of the Director of the Managing Director, it would not be expedient in the interest of the company communicate to the public.

PREVAILING EFFECT

- 52) The provisions of **Article 3, Article 4 and Article 52 to Article 75** (both inclusive) shall have effect notwithstanding anything contained in the other provisions of these Articles. In the event of any conflict between the provisions of **Article 3, Article 4 and Article 52 to Article 75** (both inclusive) and the other provisions of these Articles, the provisions of **Article 3, Article 4 and Article 52 to Article 75** (both inclusive) shall prevail.

53) MUTUAL CONSIDERATION

53.1 Without prejudice to the specific rights of each of the Investors under the Agreement and herein, the Shares (and the rights attached thereto) held by the Investors shall otherwise rank pari passu with each other in respect of all matters. It is hereby clarified that with respect to any obligation of the Company and/or Promoters where corresponding rights accrue to more than one Investor (without prejudice to the extent of such obligations), the Company and/or Promoters shall not prioritize the rights of any one Investor over the other, and to the extent the obligations towards all Investors (as applicable) cannot be entirely performed, the same shall be simultaneously performed by the Company and/or Promoters, pro rata to the inter se shareholdings of such Investors.

53.2 The Promoters, Company, Sabbineni and Investor I, II and III hereby expressly agree and covenant that, except as otherwise specified herein and the Agreement, as on the Completion Date, the Investment Agreement shall be superseded by the Agreement and shall not be in force and the Investment Agreement shall stand automatically terminated on the Completion Date (without any further action), and all rights of Investors, Seller, Company and the Promoters shall be specifically governed and determined in accordance with the terms contained herein and the Agreement.

53.3 Provided that notwithstanding the super cession of the Investment Agreement as per the Agreement and **Article 53.2** above, (i) the rights of the Investors

(excluding Investor IV but including rights of the FIV, FIP and SC Growth as per the Investment Agreement) and the obligations of the Promoters and the Company that have already accrued in favour of the Investors (other than Investor IV) on account of a breach, delay, default and/or non-performance under the Investment Agreement as of the Completion Date and (ii) all the rights of the Investors (excluding Investor IV but including rights of the FIV, FIP and SC Growth as per the Investment Agreement) and obligations of the Company and/or Promoters, under Clause 7 and Schedule 3 (including all provisions and definitions of the Investment Agreement referred to in, and necessary to give effect to the said Clause 7 and Schedule 3) of the Investment Agreement, shall survive the termination of the Investment Agreement under the Agreement and **Article 53.2** above, and notwithstanding anything, shall to such extent, be deemed to have been incorporated in these Articles. Provided that sub-clause 7.12 of the Investment Agreement shall stand deleted and shall be replaced with Clause 15B.1 of the Agreement, and all references to Clause 7.12 of the Investment Agreement shall mean and refer to Clause 15B.1 of the Agreement, Accordingly, all the foregoing rights and obligations shall continue to remain legally valid and binding. It is hereby further clarified that nothing contained in herein or in the Agreement including specifically the Warranties specified in Schedule 9 of the Agreement and the Disclosure Schedule shall in any manner qualify or operate as a disclosure against the Warranties as provided in the Investment Agreement.

- 53.4 Notwithstanding anything contained herein, in the Agreement and/or the Investment Agreement, **Article 56.21** shall extend to the procedure of indemnification of Losses of Investors.
- 53.5 Further, each of the Investors hereby agrees and undertakes to forthwith provide a copy (with all details) of any communication (in any form whatsoever) issued/received, to or by such Party to the Escrow Agent, to the other Parties.
- 53.6 Notwithstanding anything, Investor IV shall not deal and/or Transfer the Escrow Shares otherwise than, through the Escrow Agent (whether by revoking the PoA granted to the Escrow Agent or otherwise), as per the terms hereof, and the Escrow Agreement. In the event that Investor IV deals in such Escrow Shares in breach of its obligations under this **Article 53.6**, Investor IV shall be obliged to Transfer such number of Investor IV Shares to the Investors and Promoters and the Selling Promoter as is equivalent to two (2) times the number of Escrow Shares as would have been released to the Investors (other than Investor IV) and Promoters and the Selling Promoter in accordance with **Article 60** hereof. Provided that Investor IV shall be entitled to utilize the remaining Escrow Shares to fulfil its obligations under this **Article 53.6** and give necessary instructions to the Escrow Agent for the same. Such Transfer of Investor IV Shares to the Investors (other than Investor IV) and Promoters and the Selling Promoter shall be completed at the lowest permissible price as per

applicable Law subject to a minimum of Rs. 1.

- 53.7 The Parties hereby agree that Investor I, II and III, Sabbineni, have, by virtue of being a Party to the Agreement have expressly consented to purchase and subscription of Investor IV Shares by Investor IV as per the SPA, notwithstanding anything to the contrary in the Investment Agreement and hereby waive such rights which Investor I, II, III or Sabbineni may have under the Investment Agreement in respect of the purchase and subscription of Investor IV Shares by Investor IV.
- 53.8 Notwithstanding anything contained in these Articles or the Agreement, FIC, FIV and FIP hereby designate FIV to exercise all the rights of Investor I under these Articles and the Agreement. All actions of FIV, pursuant to such designation of FIV shall be binding upon FIC, FIV and FIP.
- 53.9 Notwithstanding anything contained in these Articles or the Agreement, SC Holdings and SC Growth hereby designate SC Holdings to exercise all the rights of Investor II under these Articles and the Agreement. All actions of SC Holdings pursuant to such designation of SC Holdings shall be binding upon SC Holdings and SC Growth.
- 53.10 Notwithstanding anything contained in these Articles or the Agreement, BPEA 2 and BPEA 5 hereby designate BPEA 2 to exercise all the rights of Investor IV under these Articles and the Agreement. All actions of BPEA 2 pursuant to such designation of BPEA 2 shall be binding upon BPEA 2 and BPEA 5.
- 53.11 Notwithstanding anything contained in these Articles or the Agreement, each of the Promoters hereby authorize Mr. S. Surendra to exercise all the rights of the Promoters under these Articles and the Agreement. All actions of Mr. S. Surendra, pursuant to such designation of Mr. S. Surendra shall be binding upon each of the Promoters.
- 53.12 [Not Used]
- 53.13 The Company and the Promoters agree and confirm that the Promoters shall be solely responsible in meeting any escalation in the Company's costs and expenditure in excess of the Business Plan and the Investors shall not be required or obliged to invest any further amounts in such an event. No financial or other arrangements shall be entered into by the Company and/or the Promoters to meet such escalations in costs which shall have the effect of diluting the shareholding of the Investors in the Company. There shall be no change to the Capital Structure except with the Investors Consent.

54). POST COMPLETION FILINGS

- 54.1 The Company shall and the Promoters shall cause the Company to comply with the following:

- (a) Within 90 Business Days from the Completion Date, appoint an accounting firm approved by the Investors in writing as the new internal auditor of the Company and take such steps as may be necessary under applicable Law to ensure such appointment.
- (b) On and from the Effective Date, the Company shall not incur any liability in respect of, or make further investments in, White Field Paper Mills, Woodlands Projects Pvt Ltd and Dharmasala Hydro Power Project Ltd.
- (c) Make best efforts to ensure that the registration of the trade name/ trademark/ logo of the Company "CP" is obtained in the name of the Company in accordance with the applicable Law requirements within forty five (45) days of the Completion Date.
- (d) Notwithstanding the above, in the event any Approvals are required to be obtained by the Investors in respect of investment in the Company, the Promoters and the Company shall assist the Investors in obtaining such approvals and cooperate with the Government or Governmental Authority for this purpose.
- (e) Obtain a "Contractor's All Risk" Insurance policy for Sleemnabad Carrier Canal, Bargi project within 60 days from the Completion Date and provide a copy thereof to Investor IV.

55). DEMERGER

55.1 Investor IV shall have the right to cause the Promoters and the Company to transfer the BOOT Projects into a special purpose vehicle ("BOOT Co") by way of a Demerger. The Demerger shall be undertaken by the Company at valuations detailed in **Article 55.3**. The process of Demerger shall be initiated by the Company within fifteen (15) days from the date of receipt of notice by the Company from Investor IV to that effect and shall be completed within a period of nine (9) months from such date unless the Demerger is withdrawn for the purpose of a QIPO and/or OFS as better detailed herein.

55.2 Each of the Investors shall in their sole discretion have the right and option to swap their shareholding (at such time as they may deem fit in their individual discretion and independent of the decision of the other Investors) in the resultant BOOT Co in consideration for Shares held by the Promoters as specified in **Article 55.4** below (the "Swap"). Provided that such Swap, if any, shall be undertaken and completed by the Investor(s) prior to the filing of a draft red herring prospectus of the Company for the purposes of the QIPO and/or the OFS as specified herein (unless permitted by SEBI to be undertaken after the filing of the draft red herring prospectus of the Company for the proposes of the QIPO and/or the OFS). For such purposes, the Company, the BOOT Co and the Promoters shall undertake all such actions, matters, deeds and things and execute all other documents, letters and consents, take all steps,

do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such Swap. Provided further that, in the event the Demerger process is initiated prior to a QIPO / OFS and the Company proposes to undertake a QIPO / OFS in accordance with these Articles and the Agreement and/or the Demerger has not been completed within a reasonable period prior to the QIPO Deadline Date, the Company, and the Promoters shall cause the Demerger process to be withdrawn, if required, for the purposes of the QIPO/OFS, to ensure consummation of the QIPO / OFS. In the event that the Demerger is withdrawn and the Company fails to complete such QIPO/OFS and consequent listing of the Company within a period of three (3) months from the date of withdrawal, Investor IV shall have the right (provided it has not availed its remedy specified in **Article 67** hereof) to request the Company to reinitiate the Demerger process and the Company and the Promoters shall undertake all such actions, matters, deeds and things and execute all other documents, letters and consents, take all steps, do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such re-initiation of the Demerger.

- 55.3 Further, for the purpose of determining the number of shares of the Company to be transferred by the Promoters to the Investor(s) exercising their option to Swap, unless otherwise agreed in writing by all the Investors, the valuation of the BOOT Co shall be INR 1,500,000,000 (Rupees One Hundred and Fifty Crore) and the valuation of the Company after the Demerger shall be (i) INR 11,000,000,000 (Rupees One Thousand One Hundred Crore) (as increased by the amount invested by Investor IV towards subscription to the Further Round Investor IV Shares) or (ii) in the event of determination of the Benchmark Entry Valuation (as defined in **Article 60.2**), the Benchmark Entry Valuation as reduced by INR 1,500,000,000 (Rupees One Hundred and Fifty Crore). Provided however where a Full Dilution Issue has occurred prior to the Demerger, the valuation of the Company for purposes of the Swap shall be the multiple of the entire number of Equity Shares constituting the shareholding of the Company after such Full Dilution Issue and the Investor IV Agreed Price (as reduced by the INR 1,500,000,000 (Rupees One Hundred and Fifty Crore).
- 55.4 In the event that all Investors decide to exercise Swap prior to determination of the Benchmark Entry Valuation as per the terms hereof, the resultant shareholding of the Company upon completion of the Swap and the number of Shares of the Company to be transferred by the Promoters to each of the Investors pursuant to the Swap shall be as set out in Schedule 6 to the Agreement. It is clarified that nothing contained in **Article 63** shall apply to any Swap as per the terms hereof
- 55.5 In the event that the Investors (other than Investor IV) exercise the Swap prior to determination of the Benchmark Entry Valuation, then upon finalization of Benchmark Entry Valuation, the Investors (other than Investor IV) shall Transfer such number of Shares to the Promoters as may be required to reflect

the inter se shareholding of the Investors and Promoters as it would have been had the Swap been exercised after finalization of the Benchmark Entry Valuation. Such transfer shall be completed within a reasonable time Transfer at the lowest price per Share permissible as per applicable Law, subject to a minimum of Rs.1. Further, in the event that the Investor IV exercise the Swap prior to determination of the Benchmark Entry Valuation, then upon finalization of Benchmark Entry Valuation, the Investor IV shall within a reasonable time Transfer at the lowest price per Share permissible as per applicable Law, subject to a minimum of Rs.1, such number of Shares to the Promoters and other Investors (as the case may be) as may be required to reflect the inter se shareholding of the Investors and Promoters as it would have been had the Swap been exercised after finalization of the Benchmark Entry Valuation.

- 55.6 The shareholding of the Investors and Promoters as on the Completion Date and before the Demerger and shareholding after the Demerger is as provided in Schedule 6 of the Agreement.
- 55.7 In the event that the Benchmark Entry Valuation is determined after the Demerger but prior to exercise of Swap by Investor(s), the shareholding of the Investors and Promoters in BOOT Co shall be adjusted proportionately to reflect the shareholding of the Investors and Promoters in the Company upon determination of the Benchmark Entry Valuation (and release and/or Transfer of Escrow Shares). For such purposes excess shares if any received by a Party in the BOOT Co. shall be Transferred to the other Investors and Promoters (as applicable) within a reasonable time period at lowest price per Share permissible as per applicable Law, subject to a minimum of Rs.1
- 55.8 It is hereby clarified that the provisions of these Articles and the Agreement and the rights hereunder, shall apply mutatis mutandis to the BOOT Co. The Parties shall, within thirty (30) days from the Demerger having completed, execute a shareholders' agreement with respect to BOOT Co. Provided that where an Investor has exercised its Swap and ceased to hold any shares in the BOOT Co such Investor's rights in the BOOT Co shall terminate as per the said shareholders agreement.
- 55.9 All Equity Shares to be transferred by the Promoters to the Investors under this **Article 55** shall be transferred free and clear of all Encumbrances and the warranties given by the Selling Promoter to Investor IV under Part D of Schedule 9 of the Agreement in respect of the Promoter Secondary Shares (and corresponding indemnification rights in respect thereof as specified in **Article 56**), shall be deemed mutatis mutandis to have been repeated by the Promoters to the Investors in respect of the Equity Shares Transferred pursuant to the Swap on the date of such transfer.

55.10 On and from the Effective Date, the Company shall not undertake any investment (whether in the form of equity, deposits, any Indebtedness including without limitation corporate guarantees or otherwise) ("Investment") in respect of the BOOT Projects without Investors Consent if such Investment ("Additional Investment") results in the aggregate Investment by the Company in the BOOT Projects exceeding Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crore). The Parties acknowledge that as on the date of the Agreement, the aggregate Investment made by the Company in the BOOT Projects is Rs. 145,00,00,000 (Rupees One Hundred and Forty Five Crore).

55.11 In the event that all the Investors consent to such Additional Investment, the same shall be treated as Company's equity investment in the BOOT Projects and the Company shall be issued equity shares in the BOOT Co. The pre-money valuation of the BOOT Co shall be INR 1,500,000,000 (Rupees One Hundred and Fifty Crore). The number of shares of BOOT Co ("X") to be issued to the Company shall be such number of shares as would result in the aggregate shareholding of the Company in the BOOT Co being 'X' which shall be computed as under:

Amount of Additional Investment ("Y") = Total investment by the Company in the BOOT Co less INR 1,500,000,000 (Rupees One Hundred and Fifty Crore)

$X = Y$ divided by the sum of (i) INR 1,500,000,000 (Rupees One Hundred and Fifty Crore) and (ii) Y

By way of illustration, in the event that the aggregate investment of the Company in the BOOT Co is INR 1,800,000,000 (Rupees One Hundred and Eighty Crore), the shareholding of the Company in the BOOT Co shall be calculated as detailed below:

$Y = (1,800,000,000 - 1,500,000,000)$ or 300,000,000

$X = (Y / (1,500,000,000 + Y))$ or 16.67%

It is clarified for the avoidance of doubt that the Shares issued to the Company by BOOT Co on account of any Additional Investment shall not be taken into account for the purposes of valuation of the BOOT Co and Company for the Demerger. Notwithstanding anything contained herein or in the Agreement, the valuation of the BOOT Co for the purpose of the Demerger shall always be Rs. 1,500,000,000 (Rupees One Hundred Fifty Crore).

55.12 All the Investors acting collectively shall have the right to cause the Company to offer and Transfer the Company's shareholding in the BOOT Co at book value to the Promoters. Thereafter, the Promoters shall be obligated to forthwith purchase the Company's shareholding as offered.

56) REPRESENTATION AND WARRANTIES AND INDEMNITY

Warranties

- 56.1 The Company and the Promoters jointly and severally represent and warrant to the Investor IV, as of the Signature Date and the Completion Date, that the Warranties (specifically excluding any Seller Warranties and/or Selling Promoter Warranties) are true, correct, accurate and not misleading in all respects, and acknowledges that the Investor IV has entered into the Agreement in reliance upon the Warranties being true, correct, accurate and not misleading in all respects.
- 56.2 Each of the Warranties, shall be construed as a separate and independent warranty and shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of the Agreement. None of the Warranties shall be treated as qualified by any actual, implied or constructive knowledge on the part of the Investor IV or any of their agents, representatives, officers, employees or advisers.
- 56.3 The Company and the Promoters jointly and severally represent and warrant to the Investor IV that the disclosures made in the Disclosure Schedule with respect to the Warranties have been made in a full, fair and reasonable manner after due and careful enquiry.
- 56.4 All information contained in the Agreement and the Disclosure Schedule with respect to the Warranties, is true, complete and accurate in all respects and not misleading in any respect and neither the Company nor the Promoters are aware of any fact or matter or circumstances, not disclosed in writing to the Investor IV which renders any such information untrue, inaccurate or misleading. Each of the Company and the Promoters undertake to notify the Investor IV in writing promptly if it becomes aware of any fact, matter or circumstance (whether existing on or before the Signature Date or arising afterwards) which would cause any of the Warranties given by them, to become untrue or inaccurate or misleading in any respect. Provided however, no such subsequent disclosure shall prejudice or affect in any way any right of the Investor IV to terminate the Agreement or the SPA or be indemnified for misrepresentation or breach of a Warranty.
- 56.5 [Not Used]
- 56.6 Where any statement in this **Article 56** or Schedule 9 to the Agreement or elsewhere in the Agreement is qualified by the expression “so far as the relevant warrantor / any party is aware” or “to the best of the relevant warrantor’s / party’s knowledge, information and belief” or any similar expression, that statement shall, save as expressly provided to the contrary herein, be deemed to include an additional statement that it has been made

after due and careful enquiry. Where any statement in this **Article 56** or Schedule 9 of the Agreement or elsewhere in the Agreement is qualified by the expression “material” with respect to the Company, it means the event, change or effect referred to in such statement is material or materially adverse, as the case may be, to the business, financial condition, profits, operations, properties, assets and/or liabilities of the Company.

Survival of Warranties

56.7 Notwithstanding anything contained herein, on and from the Completion Date:

- (a) the Warranties (of each of the Company and Promoters) set out in paragraphs 2 (Authorizations), 3 (No Conflicts), 5 (Capitalization and Shareholding) and 16 (Insolvency) of Part A of Schedule 9 of the Agreement shall survive in perpetuity;
- (b) [Not used];
- (c) the Warranties set out in Paragraph 8 (Financial Matters) of Schedule 9 Part A of the Agreement and Paragraph 11 (Environmental) of Schedule 9 Part B of the Agreement, in respect of a Loss, shall survive until a date that is 30 (thirty) days after the expiration of the relevant statutory limitation period, in respect of a Loss, under applicable Laws; and
- (d) all other Warranties shall survive until the occurrence of the QIPO/ OFS and consequent listing of the Company, in accordance with the terms hereof.

It is further clarified that if a notice of a Claim or Loss is provided to the Company or to the Promoters within the relevant period mentioned in Article 56.7 (c) or (d) above, such claim, the Warranties to which the claim relates, the rights of the Investor IV and the obligations of the Company and the Promoters in relation thereto, shall survive the expiry of the period mentioned above and the Investor IV shall be entitled to continue to prosecute such claim. Provided however, the Promoters and/or the Company shall not be obligated to indemnify the Investor IV and the Indemnified Party from and against any Losses unless and until the cumulative aggregate amount of such Losses collectively claimed by the Investor IV and the Indemnified Parties, equal or exceeds Rs. 1,00,00,000/- (Rupees One Crore only) (the “Aggregate Liability Threshold”). After the Losses exceed the Aggregate Liability Threshold, the Promoters and/or the Company shall pay all Losses, including any Losses that are less than the Aggregate Liability Threshold.

Indemnity

56.8 Each of the Promoters and the Company shall jointly and severally indemnify, defend and hold harmless, the Investor IV, any member of the Investor IV

Group, their Affiliates, employees, authorized representatives and directors (together the Indemnified Parties), promptly upon demand at any time and from time to time in writing, against any and all Losses including but not limited to arising out of or in connection with:

- (a) Any misrepresentation or any breach, of any Warranty or default or delay or breach of any covenant, obligation (including but not limited to the obligations of the Company and/or Promoters (other than the Selling Promoter in his capacity as the Selling Promoter and the Seller with respect to transfer of the Investor IV Secondary Shares) as per **Article 54**) or term of the Agreement or the SPA by the Promoters (other than the Selling Promoter in his capacity as the Selling Promoter and the Seller with respect to transfer of the Investor IV Secondary Shares), the Seller and/or the Company or the occurrence of an Event of Default;
- (b) Any negligence or wilful misconduct on the part of the Promoters (other than the Selling Promoter in his capacity as the Selling Promoter, and the Seller) and/or the Company;
- (c) Any liabilities (including contingent liabilities, whether or not known or contemplated at the time of execution of the Agreement) of the Company not disclosed to the Investor IV in the Accounts or in the Disclosure Schedule;
- (d) Any pending or threatened Claims against the Company or any Claims which may be made against the Company and which relates to any event, matter or circumstance arising or existing prior to the Completion;
- (e) Any and all costs and expenses incurred by the Investor IV in respect of a claim under this indemnity;
- (f) Any of the events mentioned in **Article 56.18** (Specific Indemnities); and/or
- (g) Any Losses suffered by Investor IV or an Indemnified Party on account of or arising from a third party Claim made against Investor IV or such Indemnified Party in respect of the indemnification obligations of the Company and/or the Promoters.

56.9 The Promoters (other than the Seller) and the Company hereby jointly and severally indemnify the Investor IV and Indemnified Parties and agree to keep the Investor IV and Indemnified Parties fully indemnified against, all Losses relating to or arising out of or in connection with or suffered on account of any actual or threatened claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration or enquiry arising at any time (together, Claim) by a third party against the Investor IV and Indemnified Party, where the Claim relates to any event, matter or circumstance arising or existing in

relation to the Company prior to Completion.

56.10 Without prejudice to the rights of the Investor IV and the Indemnified Parties in respect of indemnification for any Claim:

(a) the Investor IV and the Indemnified Parties shall immediately notify the Promoters and the Company upon the receipt of any notice of Claim, setting out, with reasonable particulars, the details of such notice of Claim;

(b) Immediately upon receipt of notification of any Claim from the Investor IV and/or the Indemnified Parties, the Promoters or the Company shall within a period of 5 days from date of receipt of such notice from the Investor IV and/or the Indemnified Parties, notify the Investor IV whether the Promoters or the Company wish to assume the defence in relation to such Claim (including settlement or resolution thereof). Thereafter, the Promoters or the Company shall be entitled in consultation with the Investor IV and the Indemnified Parties, and only to the extent such action does not in any manner compromise, prejudice or adversely affect the interests of such Investor IV and Indemnified Parties or the Company, to take such action as mutually agreed upon by the Investor IV, the Company and the Promoters to avoid, dispute, deny, resist, appeal, compromise or contest such Claim, within a period of 30 (thirty) Business Days from the date of receipt of any such Claim notification.

(c) Without prejudice to any rights of the Investor IV and the Indemnified Parties, a notice by the Promoters or the Company, to the Investor IV and/or the Indemnified Parties in relation to the Claim as aforesaid shall amount to express acceptance and consent by the Promoters and/or the Company, to indemnify the Investor IV and the Indemnified Parties (irrespective of the outcome of negotiations with the third party) for all Losses in relation to such Claim.

(d) Upon notice by the Promoters and/or the Company, the Investor IV and the Indemnified Parties shall reasonably co-operate with the Promoters and/ or the Company at the sole costs of the Promoters, only to the extent the same does not in any manner compromise, prejudice or adversely affect the rights of the Investor IV and the Indemnified Parties or the Company. The Investor IV and the Indemnified Parties shall have the right, at their option, to participate in the defence of such Claim;

(e) If the Promoters and/ or the Company fail to take any action as per Article 56.10 (b) above within the time period as specified therein, the Investor IV and the Indemnified Parties shall have the right, in their absolute discretion, to take such action as they may deem necessary to avoid, dispute, deny, resist, appeal, compromise or contest or settle any Claim (including without limitation, making claims or counterclaims against third parties). If the Promoters and/ or the Company do not assume control of the defence of such

Claim (as mentioned above), the entire defence, negotiation or settlement of such Claim by the Investor IV and the Indemnified Parties shall be deemed to have been consented to by, and shall be binding upon, the Promoters and/ or the Company as fully as though the Promoters and/ or the Company alone had assumed the defence thereof and a judgment had been entered into by the Promoters and/ or the Company, for such Claim in respect of the settlement or judgment.

It is further clarified that a failure by the Investor IV and/or the Indemnified Parties to notify the Company and/or the Promoters of a Claim shall not relieve the Company and/or the Promoters of any liability to indemnify the Investor IV and/or the Indemnified Parties for the Losses, in accordance with the terms hereof.

56.11 The indemnification rights of the Investor IV and the Indemnified Parties under these Articles and the Agreement are independent of, and in addition to, such other rights and remedies that the Investor IV may have at Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby. It is however clarified that nothing herein shall prevent the Investor IV or the Indemnified Parties (as applicable) from obtaining an injunction (mandatory or prohibitory) upon any continuing or future breach of any provision hereof, notwithstanding that the Investor IV or the Indemnified Parties (in case of any Loss arising from third party Claims) has been previously indemnified in respect of a Loss suffered by it/them on account of such breach.

56.12 It is clarified that the benefit of the Warranties and of the indemnities granted under this **Article 56** shall extend also to all Equity Shares held by the Investor IV or any member of the Investor IV Group at any time on or after the Completion Date. The Company and the Promoters shall (subject to the terms hereof) forthwith jointly and severally indemnify the Investor IV and the Indemnified Parties in respect of all Losses suffered by the Investor IV and the Indemnified Parties (in case of indemnification due to a third party Claim) at the option of the Investor IV, monetarily or through issuance by the Company such number of fresh Equity Shares at the lowest possible subscription price in accordance with applicable Law, (subject to a minimum of Rs. 1), as would readjust the Investor IV Shares Amount, together with any further amounts that Investor IV or Indemnified Parties may invest for subscribing to the fresh Equity Shares, to reflect the diminished value of the Company. The Company and the Promoters shall indemnify the Investor IV and the Indemnified Parties promptly upon demand by the Investor IV and the Indemnified Parties, in accordance with these Articles and the Agreement, and in the event such monetary compensation or fresh issue of Equity Shares (as required by the Investor IV) is not possible (on account of applicable Law provisions) or is not sufficient to indemnify the Investor IV and the Indemnified Parties (in their sole

discretion) for the Loss suffered, the Company and the Promoters jointly and severally shall indemnify the Investor IV and the Indemnified Parties by such other means as the Investor IV and the Indemnified Parties deem appropriate. Further, with respect to the obligation of the Promoters and/or the Company to indemnify, the Company, and the Promoters shall procure that the Company undertakes and does all such actions, matters, deeds and things and execute all other documents, letters and consents and take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such issue of fresh Equity Shares including passing necessary resolutions at the shareholders and/or Board level. Nothing in **Article 63.2**, **Article 63.3**, **Article 63.4** and/or **Article 63.5** shall apply to any issue and/or Transfer of Shares pursuant to this **Article 56**.

56.13 [Not used]

56.14 [Not Used]

56.15 [Not used]

56.16 [Not used]

56.17 The provisions of **Article 56.9** to **Article 56.21** shall apply mutatis mutandis to the obligations of the Seller and the Selling Promoter under this **Article 56**. Notwithstanding anything, the Company and/or the Promoters shall not be liable to indemnify Investor IV and/or the Indemnified Parties for and in relation to any Losses whatsoever due to (i) any misrepresentation or any breach, of any Seller Warranty, Selling Promoter Warranties, default or delay or breach of any covenant, obligation or term of the Agreement or the SPA by the Seller and/or the Selling Promoter in respect of the sale of the Investor IV Secondary Shares, (ii) any negligence or wilful misconduct on the part of the Seller and/or Selling Promoter and/or in respect of the transfer of Investor IV Secondary Shares (iii) any Losses suffered by Investor IV or an Indemnified Party on account of or arising from a third party Claim made against Investor IV or such Indemnified Party arising out of the transfer of the Investor IV Secondary Shares, which shall be indemnified by the Seller and/or Selling Promoter respectively, as per the terms of **Article 56.13** and/or **Article 56.15** above.

56.18 Specific Indemnities: Notwithstanding anything, the Promoters and the Company agree that without prejudice to the other rights of the Investor IV and the Indemnified Parties hereunder, and notwithstanding anything contained in the Disclosure Schedule or otherwise disclosed, the Company and the Promoters shall jointly and severally without demur or protest, promptly indemnify the Investor IV and the Indemnified Parties in respect of any Losses suffered by the Investor IV and the Indemnified Parties arising out of any of the following:

(a) Any Loss including liquidated damages, penalties or other Claims imposed, suffered by or claimed against the Company by any third party including specifically any claims in relation to or arising from the defects liability of any product or service of the Company, performance (or failure thereof) of any contracts, by the Company, delay in performance or in completion of contracts or achievement of milestones as per specific contracts to which the Company is a party, to the extent the same relates to any event, matter or circumstance arising or existing, prior to the Completion.

(b) any liabilities of the Company which relate to or arise out of, the period prior to Completion notwithstanding that notice of such liability is received after Completion and which was not disclosed to the Investor IV in the Disclosure Schedule; and

(c) any claim or liability arising in relation to breach by the Company, which relate to or arise out of, payment of any wages, salaries or other employee benefit obligations, or obtaining of any Required Governmental Approvals or registrations, as required by Law.

(d) Any Loss including liquidated damages, penalties or other Claims imposed, suffered by or claimed against the Company and/or the Promoters with respect to each of the Projects completed prior to September 30, 2009 and or projects in respect of which the Company has not met its targets as on September 30, 2009.

(e) Any Loss including liquidated damages, penalties or other Claims imposed, suffered by or claimed against the Company with respect to BOOT Projects prior to the Completion Date.

(f) Any Loss including liquidated damages, penalties or other Claims imposed, suffered by or claimed against the Company in relation to the death of 10 labourers on April 16, 2009 at the Company's Chuzachen site as a result of a flash flood.

(g) Any Loss including liquidated damages, penalties or other Claims imposed, suffered by or claimed against the Company with respect to the following projects for which the Company has not availed any contract all risk insurance policies; (i) the Budhil Hydro-Electric Project, (ii) Irrigation Tunnel project, Udaipur, (iii) Jal Power Corporation Limited, New Delhi, (iv) Sleemnabad Carrier Canal, Bargi, (v) Hubilee Electricity Supply Chemicals, (vi) Khanyara Himachal 2MW and (vii) Factory building (Chaerlapally).

(h) Any Loss suffered by the Company on account of its investment in White Field Paper Mills, Woodlands Projects Pvt Ltd and Dharmasala Hydro Power Project Ltd.

(i) Any Loss suffered by or claimed against the Company on account of the failure by the Company to pay service tax in relation to its projects located outside the state of Kerala.

(j) Any claim (as defined under Article 56B.8) made by the Investors (other than Investor IV), against the Company under the Investment Agreement not being a claim (as defined under Article 56B.8) for breach to which Clause 7.15.1 of the Investment Agreement (as amended by Clause 15B.2 of the Agreement) and Article 56B.15.1 (including specifically Article 56B.15.1.1), are applicable.

Provided, further, (i) nothing contained in **Article 56.18 (j)**, shall in any manner operate as a waiver of, or prejudice the rights of the Investors (other than Investor IV) to claim indemnification under the Investment Agreement, and all rights in respect thereof shall continue to subsist in accordance with **Article 53.3** herein, (ii) no indemnity shall be available to Investor IV in respect of indemnification to Investors (other than Investor IV) by Promoters as per **Article 56B.15** hereof and (iii) Investors (other than Investor IV) shall not be entitled to exercise their Put Option on account of the breach referred to in **Article 56B.15** hereof.

Notwithstanding anything, Investors or the Indemnified Parties shall not be entitled to indemnified in full more than once in respect of the same Loss.

56.19 If the Investor IV and/or the Indemnified Party seeks indemnification for any Loss, pursuant to the terms and conditions of these Articles and the Agreement, it shall, within a reasonable period of time, notify in writing (the "Indemnification Notice") the (i) Promoters and/or Company, (ii) Selling Promoter, or (iii) the Seller, as the case may be, in respect of Claims against the (i) Company and/or Promoter or (ii) the Seller or (iii) Selling Promoter, respectively, as the case may be of any Losses for which the Investor IV and/or the Indemnified Party is asserting an indemnification claim under this **Article 56**. The Indemnification Notice shall be accompanied by a reasonably complete description of the Losses in respect of which indemnification is being sought (with supporting documentation). The Promoters and/or the Company, Selling Promoter and/or the Seller, as the case may be, for their respective obligations hereunder, shall, forthwith without any protest or demur, as per the terms hereof, pay the amount stated in the Claim to the Investor IV or the Company, as mandated in the Indemnification Notice within no later than thirty (30) days from the date on which such Indemnification Notice was received by the concerned party for their respective obligations hereunder.

56.20 Notwithstanding anything contained in the Agreement, in the event of any indemnification by the Company to the Investor IV and/or the Indemnified Parties, the Promoters shall be obligated to within a period of thirty (30) days from the date of such indemnification by the Company to the Investor IV to

repay and make good the Company such that the Company is in the same position (monetarily or otherwise) as it would have been, had such Loss not been incurred.

56.21 Notwithstanding anything contained herein and/or in the Agreement and/or the Investment Agreement, where an Indemnification Notice is issued by any Investor (or an Indemnified Party) against the Company and/or the Promoters in respect of any Losses, the Company and the Promoters shall forthwith intimate (by providing a copy of such Indemnification Notice) all the other Investors of such indemnification claim.

In the event the other Investors (and/or an Indemnified Party) are also entitled to be indemnified on account of the said indemnification claim (or cause thereof) and issue an Indemnification Notice for the same, the Company and/or the Promoters shall indemnify all Investors and their respective Indemnified Parties, as applicable simultaneously on a pari passu basis in proportion to the inter-se shareholding of the Investors issuing the Indemnification Notice without prioritizing any one indemnification claim over the other. Provided however that, except as specified above, where multiple indemnification claims accrue hereunder for different causes of action, the Company and/or the Promoters shall indemnify the Investors in priority of receipt of their respective Indemnification Notices.

56.22 The Company, and the Promoters jointly and severally represent and warrant to the Investors (other than Investor IV), as of the signature date and the completion date (as such terms are defined in the Investment Agreement), that the Warranties (as defined in the Investment Agreement) are true, correct, accurate and not misleading in all respects as of those dates, and acknowledges that the Investors (other than Investor IV) have entered into the Agreement in reliance upon the Warranties (as defined in the Investment Agreement) being true, correct, accurate and not misleading in all respects as of the signature date and the completion date (as such terms are defined in the Investment Agreement). Subject to Article 56B.15.1.1, it is hereby expressly agreed that notwithstanding anything, the representations and warranties and indemnities of the Company and the Promoters, to the Investors (other than Investor IV) as specified in Clause 7 and Schedule 3 of the Investment Agreement and Article 56 B hereof shall continue to subsist and be legally binding upon the Parties and shall not be superceded or amended by the terms of the Agreement.

56B. OTHER REPRESENTATIONS, WARRANTIES AND INDEMNITIES OF THE COMPANY AND THE PROMOTERS TO THE INVESTORS (OTHER THAN INVESTOR IV)

Warranties

- 56B.1 The Company and the Promoters jointly and severally represent and warrant to each of the Investors, as of the Signature Date and the Completion Date, that the Warranties are true, correct, accurate and not misleading in all respects, and acknowledges that the Investors have entered into this Agreement in reliance upon the Warranties are true , correct, accurate and not misleading in all respects.
- 56B.2 Each of the Warranties shall be construed as a separate and independent warranty and shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of the Investment Agreement. None of the Warranties shall be treated as qualified by any actual, implied or constructive knowledge on the part of the Investors or any of their agents, representatives, officers, employees or advisers.
- 56B.3 The Company and the Promoters jointly and severally represent and warrant to the Investors that the disclosures made in the Disclosure Letter have been made in a full, fair and reasonable manner after due and careful enquiry.
- 56B.4 All information contained in the Investment Agreement and the Disclosure Letter is true, complete and accurate in all respects and not misleading in any respect and neither the Company nor the Promoters are aware of any fact or matter or circumstances, not disclosed in writing to the Investors which renders any such information untrue, inaccurate or misleading. Each of the Company and the Promoters shall notify the Investors in writing promptly if it becomes aware of any fact, matter or circumstance (whether existing on or before the Signature Date or arising afterwards) which would cause any of the Warranties given by them, to become untrue or inaccurate or misleading in any material respect. *Provided however*, no such subsequent disclosure shall prejudice or affect in any way any right of the Investors to terminate the Agreement or be indemnified for misrepresentation or breach of Warranty.
- 56B.5 Where any statement in this Article 56B or Schedule 3 of the Investment Agreement is qualified by the expression “so far as the relevant warrantor / any party is aware” or “to the best of the relevant warrantor’s / party’s knowledge, information and belief” or any similar expression, that statement shall, save as expressly provided to the contrary herein, be deemed to include an additional statement that it has been made after due and careful enquiry. Where any statement in this Article 56B or Schedule 3 or elsewhere in the Investment Agreement is qualified by the expression “material” with respect to the Company, it means the event, change or effect referred to in such statement is

material or materially adverse, as the case may be, to the business, financial condition, profits, operations, properties, assets and/or liabilities of the Company.

Survival of Warranties

56B.6 The Parties agree that:

- (i) the Warranties (of each of the Company and Promoters) set out in paragraphs 2 (*Authorizations*), 3 (*No Conflicts*), 5 (*Capitalization and Shareholding*) and 16 (*Insolvency*) of Schedule 3 of the Investment Agreement shall survive in perpetuity;
- (ii) the Warranties set out in Paragraph 8 (*Financial Matters*) of Schedule 3 Part A of the Investment Agreement and Paragraph 11 (*Environmental*) of Schedule 3 Part B of the Investment Agreement, in respect of a Loss, shall survive until a date that is 30 (thirty) days after the expiration of the relevant statutory limitation period, in respect of a Loss, under applicable Laws; and
- (iii) all other Warranties shall survive until the occurrence of the QIPO/ OFS and listing of the Company, in accordance with the terms hereof.

It is further clarified that if a notice of a Claim or Loss is provided to the Company, or to the Promoters within the relevant period mentioned in Article 56B.3 (ii) or (iii) above, such claim, the Warranties to which the claim relates, the rights of the Investors and the obligations of the Company, and the Promoters in relation thereto, shall survive the expiry of the period mentioned above and the Investors shall be entitled to continue to prosecute such claim. *Provided however*, the Promoters and/or the Company shall not be obligated to indemnify the Investor and the Indemnified Party from and against any Losses unless and until the cumulative aggregate amount of such Losses collectively claimed by the Investors and the Indemnified Parties, equal or exceeds Rs. 1,00,00,000/- (Rupees One Crore only) (the "**Aggregate Liability Threshold**"). After the Losses exceed the Aggregate Liability Threshold, the Promoters and/or the Company shall pay all Losses, including any Losses that are less than the Aggregate Liability Threshold.

Indemnity

56B.7 Each of the Promoters and the Company shall jointly and severally indemnify, defend and hold harmless, the Investors, any member of the Investor Group, their Affiliates, employees, authorized representatives and directors (together the *Indemnified Parties*), promptly upon demand at any time and from time to time in writing, against any and all Losses including but not limited to arising out of or in connection with:

- (a) Any misrepresentation or any breach, of any Warranty or default or delay of any covenant, obligation (including but not limited to the subsequent obligations of

the Company and/or Promoters as per Clause 7B of the Investment Agreement) or term of the Investment Agreement by the Promoters and/or the Company or the occurrence of an Event of Default;

- (b) Any negligence or wilful misconduct on the part of the Promoters and/or the Company;
- (c) Any liabilities (including contingent liabilities, whether or not known or contemplated at the time of execution of the Investment Agreement) of the Company not disclosed to the Investors in the Accounts or in the Disclosure Letter;
- (d) Any pending or threatened Claims against the Company or any Claims which may be made against the Company and which relates to any event, matter or circumstance arising or existing prior to the Completion;
- (e) Any and all costs and expenses incurred by the Investors in respect of a claim under this Indemnity.
- (f) Any of the events mentioned in Article 56B.13 (*Specific Indemnities*); and/or
- (g) Any Losses suffered by an Indemnified Party on account of or arising from a third party Claim made against such Indemnified Party.

56B.8 The Promoters and the Company shall jointly and severally indemnify the Investors and Indemnified Parties and shall keep the Investors and Indemnified Parties fully indemnified against, all Losses relating to or arising out of or in connection with or suffered on account of any actual or threatened claim, legal action, proceeding, suit, litigation, prosecution, mediation, arbitration or enquiry arising at any time (together, *Claim*) by a third party against any Investors and Indemnified Party, where the Claim relates to any event, matter or circumstance arising or existing in relation to the Company prior to Completion.

56B.9 Without prejudice to the rights of the Investors and the Indemnified Parties in respect of indemnification for any Claim:

- (a) the Investor and the Indemnified Parties shall immediately notify the Promoters and the Company upon the receipt of any notice of Claim, setting out, with reasonable particulars, the details of such notice of Claim;
- (b) Immediately upon receipt of notification of any Claim from the Investor and/or the Indemnified Parties, the Promoters shall within a period of 5 days from date of receipt of such notice from the Investor and/or the Indemnified Parties, notify the Investor whether the Promoters wish to assume the defence in relation to such Claim (including settlement or resolution thereof). Thereafter, the Promoters shall be entitled in consultation with the Investor and the Indemnified Parties, and only to the extent

such action does not in any manner compromise, prejudice or adversely affect the interests of such Investor and Indemnified Parties or the Company, to take such action as mutually agreed upon by the Parties to avoid, dispute, deny, resist, appeal, compromise or contest such Claim, within a period of 30 (thirty) Business Days from the date of receipt of any such Claim notification. Without prejudice to any rights of the Investor and the Indemnified Parties, the Parties expressly agree and covenant that a notice by the Promoters or the Company, to the Investor and/or the Indemnified Parties in relation to the Claim as aforesaid shall amount to express acceptance and consent by the Promoters and/or the Company, to indemnify the Investor and the Indemnified Parties (irrespective of the outcome of negotiations with the third party) for all Losses in relation to such Claim.

- (c) Upon notice by the Promoters and/or the Company, the Investor and the Indemnified Parties shall reasonably co-operate with the Promoters and/ or the Company at the sole costs of the Promoters, only to the extent the same does not in any manner compromise, prejudice or adversely affect the rights of the Investor and the Indemnified Parties or the Company. The Investor and the Indemnified Parties shall have the right, at their option, to participate in the defence of such Claim;
- (d) If the Promoters and/ or the Company fail to take any action as per Article 56B.9 (b) above within the time period as specified therein, the Investor and the Indemnified Parties shall have the right, in their absolute discretion, to take such action as they may deem necessary to avoid, dispute, deny, resist, appeal, compromise or contest or settle any Claim (including without limitation, making claims or counterclaims against third parties). If the Promoters and/ or the Company do not assume control of the defence of such Claim (as mentioned above), the entire defence, negotiation or settlement of such Claim by the Investors and the Indemnified Parties shall be deemed to have been consented to by, and shall be binding upon, the Promoters and/ or the Company as fully as though the Promoters and/ or the Company alone had assumed the defence thereof and a judgment had been entered into by the Promoters and/ or the Company, for such Claim in respect of the settlement or judgment.

It is further clarified that a failure by the Investors and/or the Indemnified Parties to notify the Company and/or the Promoters of a Claim shall not relieve the Company and/or the Promoters of any liability to indemnify the Investor and/or the Indemnified Parties for the Losses, in accordance with the terms hereof.

56B.10 The indemnification rights of the Investors and the Indemnified Parties under Investment Agreement are independent of, and in addition to, such other rights and remedies that the Investors may have at Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby. It is however clarified that nothing herein shall prevent the Investors or the Indemnified Parties (as applicable) from obtaining an injunction (mandatory or prohibitory) upon any continuing or future breach of any provision hereof, notwithstanding that the Investors or the Indemnified

Parties (in case of any Loss arising from third party Claims) has been previously indemnified in respect of a Loss suffered by it/them on account of such breach.

56B.11 It is clarified that the benefit of the Warranties and of the indemnities granted under this Article 56B shall extend also to all Equity Shares held by the Investors or any member of the Investor Group at any time on or after the Signature Date.

56B.12 The Company and the Promoters shall (subject to the terms of the Investment Agreement, (as amended by the Agreement)) forthwith jointly and severally indemnify the Investors and the Indemnified Parties in respect of all Losses suffered by the Investor(s) and the Indemnified Parties (in case of indemnification due to a third party Claim) at the option of each of the respective Investor(s), monetarily or through issuance by the Company of such number of fresh Equity Shares to the Investors at lowest possible subscription price in accordance with applicable Law, (subject to a minimum of Rs. 1) , as would readjust the Investor I, II and III Shares Amount, as applicable, together with any further amounts that such Investor(s) or Indemnified Parties may invest for subscribing to the fresh Equity Shares, to reflect the diminished value of the Company.

The Company and the Promoters shall indemnify the Investor(s) and the Indemnified Parties promptly upon demand by the Investor(s) and the Indemnified Parties, in accordance with the Investment Agreement (as amended by the Agreement), and in the event such monetary compensation or fresh issue of Equity Shares (as required by the Investors) is not possible (on account of applicable Law provisions) or is not sufficient to indemnify the Investor and the Indemnified Parties (in their sole discretion) for the Loss suffered, the Company and the Promoters jointly and severally undertake to indemnify the Investor and the Indemnified Parties by such other means as the Investor and the Indemnified Parties deem appropriate. Further, with respect to the obligation of the Promoters and/or the Company to indemnify, the Company and the Promoters shall procure that the Company shall do all such actions, matters, deeds and things and execute all other documents, letters and consents and take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such issue of fresh Equity Shares including passing necessary resolutions at the shareholders and/or Board level.

56B.13 **Specific Indemnities:** The Promoters and the Company agree that without prejudice to the other rights of the Investors and the Indemnified Parties hereunder, and notwithstanding anything contained in the Disclosure Letter or otherwise disclosed, the Company and the Promoters shall jointly and severally without demur or protest, promptly indemnify the Investors and the Indemnified Parties in respect of any Losses suffered by the Investors and the Indemnified Parties or arising out of any of the following:

(a) Any Loss including liquidated damages, penalties or other Claims imposed, suffered by or claimed against the Company by any third party including specifically any claims in relation to or arising from the defects liability of any product or service of the Company, performance (or failure thereof) of any contracts, by the Company, delay in performance or in completion of contracts or achievement of milestones as per specific contracts to which the Company is a party, to the extent the same relates to any event, matter or circumstance arising or existing, prior to the Completion (including without limitation, under or in relation to the AFCONS Infrastructure Ltd. Agreement dated 18th August, 2004 or in relation to the Karnataka State Highway Improvement Project (KSHIP) extension project).

(b) any liabilities of the Company which relate to or arise out of, the period prior to Completion notwithstanding that notice of such liability is received after Completion and which was not disclosed to the Investors in the Disclosure Letter; and

(c) any claim or liability arising in relation to breach by the Company, which relate to or arise out of, payment of any wages, salaries or other employee benefit obligations, or obtaining of any Required Government Approvals or registrations, as required by Law.

(d) any failure, default or delay by the Company and/or the Promoters to satisfy the obligations specified in Clause 7B.1 (iv) of the Investment Agreement with the respect to each of the BOOT Projects, within the time periods specified therein.

(e) any claim or challenge against the award by the Government of Sikkim or the rights of the Company, to develop and implement the Rateychu-Bakchachu (40 MW) hydro electric Project as the principal contractor, in accordance with the letter of intent dated November 21, 2005 issued by the Government of Sikkim in favour of the Company and imposition of any penalties against the Company by the Government of Sikkim, including on account of delay in execution of project documents or any definitive agreements, by the Company.

56B.14 If the Investor and/or the Indemnified Party seeks indemnification pursuant to the terms and conditions of the Investment Agreement, it shall, within a reasonable period of time, notify in writing (the "**Indemnification Notice**") the Promoters and/or the Company (*as required at the sole discretion of the Investor and/or the Indemnified Parties*) of any Losses for which the Investor and/or the Indemnified Party is asserting an indemnification claim under this Article 56B. The Indemnification Notice shall be accompanied by a reasonably complete description of the Losses in respect of which indemnification is being sought (with supporting documentation). The Promoters and/or the Company shall,

forthwith without any protest or demur, pay the amount stated in the Claim to the Investor or the Company, as mandated in the Indemnification Notice within no later than thirty (30) days from the date on which such Indemnification Notice was received by the Promoters and/or the Company.

Provided however, in the event of any indemnification by the Company to the Investor and/or the Indemnified Parties, the Promoters shall be obligated to within a period of thirty (30) days from the date of such indemnification by the Company to the Investors, to repay and make good the Company such that the Company is in the same position (monetarily or otherwise) as it would have been, had such Loss not been incurred.

56B.15.1 In the event of a claim by the Investors and the Indemnified Parties, for specific indemnification as per Article 56B.13 (d) or (e), without prejudice to the other rights of the Investors and the Indemnified Parties, the Company and the Promoters shall immediately without demur or any recourse and within a period of fifteen (15) days of any such notice of claim, indemnify the Investors (*in the proportion of the Investors inter se shareholding in the Company, as on date of such claim*) and the Indemnified Parties, calculated on the basis of Rs. 50,00,000/- (Rupees Fifty Lakh Only) payable per mega watt, determined for the total mega watts (specified in Clause 7B.1(iv)(e) of the Investment Agreement) of the BOOT Project(s), in respect of which the Company and/or Promoters have defaulted prior to or by the respective Deadline Dates (as defined in the Investment Agreement).

56B.15.1.1 Notwithstanding anything contained herein, the Agreement and/or the Investment Agreement, any Claim for indemnification of the Investors and Indemnified Parties under Article 56B.15.1 for a breach of Clause 7B.1(iv) of the Investment Agreement shall be against the Promoters and not against the Company. In respect of all Losses suffered by the Investor(s) and the Indemnified Parties for the purposes of indemnification of Investors and Indemnified Parties under Article 56B.15.1 for a breach of Clause 7B.1(iv) of the Investment Agreement, the Promoters shall Transfer to the Investors such number of Equity Shares at lowest possible subscription price in accordance with applicable Law, (subject to a minimum of Rs. 1), as would result in reducing the average subscription price of such Investors for the respective Subscription Shares (as such term is defined in the Investment Agreement) to reflect the reduction in post-money valuation of Rs. 9,600,000,000 (Nine Hundred Sixty Crore) of the Company calculated on the basis of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) payable per mega watt, determined for the total mega watts (specified in Clause 7B.1(iv)(e)) of the BOOT Project(s), in respect of which the Company and/or Promoters have defaulted prior to or by the respective Deadline Dates (as defined in the Investment Agreement).

56B.15.2 The Company and the Promoters further agree that the liquidated damages payable to the Investors as aforesaid, are a genuine pre-estimate of the losses /

damages which will be suffered on account of breach by the Company and/or the Promoters to fulfil the obligations specified in Clause 7B.1(iv) of the Investment Agreement and the prescribed amounts of such liquidated damages shall be payable on demand without there being any proof of the actual loss or damages caused by such breach. Parties irrevocably further agree that the aforementioned liquidated damages have been mutually arrived at after joint discussions and calculations. Further the Promoters and the Company hereby acknowledge and agree that failure by the Promoters and/or the Company to comply with the obligations specified in of Clause 7B.1 (iv) of the Investment Agreement shall cause the Investors, substantial damage.

For the purposes of **Articles 56B.1 to Article 56B.15** (all inclusive), the term:

- a. **"Aggregate Liability Threshold"** shall have the meaning ascribed to it in Article 56B.6
- b. **"Completion Date"** shall refer to the date on which Completion (as defined in the Investment Agreement) has occurred under the Investment Agreement provided that the Completion Date for each of the Investor I, Investor II and Investor III, as the case may be, shall be determined independent of Completion with respect to the other Investors.
- c. **"Claim"** shall have the meaning ascribed to it in Article 56B.8
- d. **"Indemnified Parties"** shall have the meaning ascribed to it in Article 56B.7
- e. **"Indemnification Notice"** shall have the meaning ascribed to it in Article 56B.14
- f. **"Investors"** shall refer to Investors other than Investor IV (and Indemnified Parties shall be construed accordingly).
- g. **"Signature Date"** means the date of the execution of the Investment Agreement being March 12, 2008

56B.16 Nothing in **Article 63.2, Article 63.3, Article 63.4** and/or **Article 63.5** shall apply to any issue and/or Transfer of Shares pursuant to **Article 56B**.

56B.17 Notwithstanding anything contained herein, the Agreement and/or the Investment Agreement, the Promoters and the Company agree that without prejudice to the other rights of the Investors and the Indemnified Parties hereunder, the Company and the Promoters shall jointly and severally without demur or protest, promptly indemnify the Investors (other than Investor IV) and the Indemnified Parties, in respect of any Loss suffered by or claimed against the Company by Investor IV on account of a breach of the Warranties or breach of specific indemnities under **Article 56.18** as per the terms of these Articles and the Agreement. For the purposes of the indemnification obligations of the Company / Promoters under this **Article 56B.17**, the procedure for indemnity under the provisions of Clause 7 of the Investment Agreement (as amended by **Clause 15B** of the Agreement, **Clause 15.21** of the Agreement (and **Article 56.21** hereof) shall mutatis mutandis apply.

56B.18 Notwithstanding, anything contained in these Articles and the Agreement and/or the Investment Agreement, the obligations of the Company / Promoters (i) under **Article 56** hereof and Article 56B hereof shall not exceed the Investor I Shares Amount in respect of Investor I, Investor II Shares Amount in respect of Investor II and Investor III Shares Amount in respect of Investor III and (ii) under **Article 56** shall not exceed the Investor IV Shares Amount in respect of Investor IV.

57. INVESTOR DIRECTOR

57.1 From the Completion Date, the Board shall at all times comprise a maximum of 9 (nine) directors, of whom Investor I, Investor II and Investor IV, shall each have the right to nominate one non-retiring Director. Director(s) nominated as per the foregoing shall be referred to as the Investor Director(s). Further, the Parties shall cause their representatives on the Board to permit and authorise each of Investor I, II and IV to nominate one observer (the Observers) as of the Completion Date, who shall have the right to attend all meetings and proceedings of the Board of Directors of the Company and participate in all matters related to the Board and shall be treated as a Board member in all respects. Provided, that the Observers shall be non voting members of the Board and shall not be included for the purposes of determining quorum requirements at such meetings of the Board.

57.2 Further, each of the Investors shall have the right to remove from office any director so appointed by such respective Investor and to appoint another in the place of the director so removed. To the extent permissible by Law, the appointment of any Investor Director shall be by direct nomination by the respective 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. If the Law does not permit the person nominated by the relevant Investors (as applicable) to be appointed as a director of the Company merely by nomination by the Investor, the Company and the Promoters shall ensure that the Board forthwith (and in any event within 30 (thirty) 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 relevant 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. If the position of an Investor Director falls vacant for any reason whatsoever, the relevant Investor shall nominate a replacement for the position of its Investor Director within 30 days of occurrence of such vacancy and such nomination shall be supported by a board resolution of the relevant Investor. In the event of any failure by an Investor to nominate a replacement for the position of its Investor Director within the aforesaid time period, the Company shall be required to obtain the prior written consent of such Investor (who has not nominated a replacement of its Investor Director, within the aforesaid time period) with respect to a

Reserved Matter.

57.3 No meeting of the Board may proceed to business nor transact any business in relation to any matter (including specifically a Reserved Matter) unless a quorum is present at the start of and throughout such meeting. The quorum of all Board meetings shall be one third or 3 (three) directors, whichever is higher. However, the quorum of all Board meetings where a Reserved Matter is to be considered shall include the presence of each of the directors nominated Investor I, II and IV, present in person or represented by the alternate director. Provided however, it is clarified that if an Investor Director has granted prior affirmative vote in writing for a particular resolution (in a Agreed Form) with respect to a Reserved Matter proposed to be taken up for discussions by the Company at a specified Board meeting (to be held at a particular date), then the absence of such Investor Director (of such respective Investor) at that particular Board meeting shall not prejudice the quorum requirement for the limited purposes of such specified Board meeting (and not thereafter) and the Board at such specified Board meeting may adopt such resolution in the form consented to by the Investor Director.

57.4 In the event of listing of the shares/securities of the Company, and notwithstanding that the Investor Directors may be an independent director (as such expression is defined at the relevant time in any listing agreement of a stock exchange which may be entered into at any time between the Company and the relevant stock exchange at the time of listing), the Investor Directors 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.

57.5 Without prejudice to the above, the Company, Investors and the Promoters shall exercise all powers and rights available to them so as to fix the number of directors in accordance with this **Article 57** (Investor Director) and to ensure that the persons nominated by the Investor I, Investor II and Investor IV are expeditiously appointed or removed (as the Investors may specify) as a director of the Company and the appointments and removals referred to in this **Article 57** (Investor Director) result in the persons nominated / appointed or removed becoming or ceasing to be directors of the Company.

57.6 Investor I, Investor II and Investor IV 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 and the Promoters 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.

57.7 Subject to the relevant provisions of the Act, the Company shall pay the Investor Directors and Observers all reasonable out of pocket expenses

(including international air fares) incurred in order to attend shareholder, board, committee and other meetings of the Company or otherwise perform their duties and functions as a director of the Company or member of any committee of the Company.

57.8 The Company shall obtain and, at all times, maintain key man and director's and officer's liability insurance for an amount and on terms satisfactory to the Investors.

57.9 The Company and the Promoters shall jointly and severally indemnify the Investor Directors and Observers to the fullest extent permitted by applicable Law, including against:-

(a) any act, omission or conduct of or by the Company or the Promoters or their employees or agents as a result of which, in whole or in part, any Investor Director and/or Observer is made a party to, or otherwise incurs any Loss 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 and/or Observer at the request of or with the consent of the Company or 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, environment and pollution; and any action or proceedings taken against an Investor Director and/or Observer in connection with any such contravention or alleged contravention to the extent of such contravention on account of the Investor Directors and/or the Observers having acted (or omitted) in accordance with the Company's requirements.

58. CORPORATE GOVERNANCE

58.1 The Company shall comply with international best practices in corporate governance, and shall develop and the Promoters shall cause to be developed and adopted by the Company, a detailed plan, in such manner and form as acceptable to the Investors, within ninety (90) days from Completion Date to improve the management practices and accounting practices and ensure that the books and accounts of the Company are maintained in accordance with GAAP.

58.2 The Board shall meet at least once every quarter and at least four times a year. At least fifteen (15) days' notice of each Board (or committee of the Board) meeting shall be given to each director (or member) and Observer, unless the directors so nominated by each of the Investor I, Investor II and

Investor IV, consent to a shorter period. The agenda for each Board (or committee of the Board) meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board (or committee of the Board) shall be circulated together with the notice and, no items save and except those specified in the agenda may be discussed at any Board (or committee of the Board) meeting, except with the prior written consent of the directors so nominated by each of the Investor I, Investor II and Investor IV. Meetings of the Board may be held at any place which has been designated in the notice of the meeting or at such place as may be approved by the Board.

58.3 Members of the Board or any committee thereof shall be afforded the opportunity to, and may participate in a meeting of the Board or such committee by means of conference telephone, videoconference or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall, unless prohibited by applicable Law, constitute presence in person at such meeting. A resolution in writing (in one or more counterparts), and signed by all the directors for the time being or all the members of a committee of directors (an alternate director being entitled to sign such resolution on behalf of his appointer) shall be as valid and effective as if it had been passed at a meeting of the directors or committee, as the case may be, duly convened and held.

58.4 The Promoters and the Investors hereby agree and undertake that they shall convene (or cause their Board representatives to convene) a Board meeting or a meeting of the shareholders of the Company and table (or cause their Board representatives to table) before the Board and/or the shareholders, any matter that an Investor proposes to be discussed by the Board or by the shareholders at a general meeting of the Company, and shall include such matters (as requested by any Investor) in the agenda circulated for such Board or shareholders meeting.

58.5 The Company shall establish an audit and compensation committees as sub-committees of the Board in which each of the Investor Directors shall be voting members of such committees and each of the Observers shall be non-voting members of such committees. Each of the Investor Directors shall be voting members of all sub committees constituted by the Board. The quorum provisions in **Article 57.3** above shall apply to meetings of the committees as may be constituted.

58.6 Quorum for a shareholders meeting of the Company:

No meeting of the shareholders of the Company may proceed to business nor transact any business in relation to any matter (including specifically a

Reserved Matter) unless a quorum is present at the start of and throughout such meeting. The quorum requirements with respect to a shareholders meeting of the Company shall be as specified in the Act. Provided however, that the quorum for a shareholders meeting where an action, decision or resolution is proposed to be discussed or adopted in relation to a Reserved Matter, shall necessarily require the presence at such meeting, of one (1) representative of each of the Investors from whom an Investors Consent is required to be obtained for such Reserved Matter, present in person or by representatives under Section 113 of the Act. In the absence of such representatives of the Investors, the shareholders meeting shall be deemed not quorate or validly convened and constituted.

59. INFORMATION RIGHTS

59.1 The Company shall promptly provide to the Investors all such information as it may reasonably request, including without limitation:-

- (a) as soon as available, but in any event within 90 days after the end of each Financial Year, a copy of the audited consolidated balance sheet of the Company and its subsidiaries, and any joint ventures entered of the Company and/or its subsidiaries, as at the end of such Financial Year and the related consolidated statements of income, statements of changes in shareholders' equity and statements of cash flows of the Company and its subsidiaries for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for the previous Financial Year accompanied by an opinion of the external auditor of the Company, which opinion shall state that such auditor's audit was conducted in accordance with GAAP and that it is not subject to any qualification resulting from a limit on the scope of the examination of the financial statements or the underlying data or which could be eliminated by changes in the financial statements or the notes thereto or by the creation of or increase in a reserve or a decreased carrying value of assets; all such financial statements shall be complete and correct in all material respects and shall be prepared in conformity with GAAP and applied on a consistent basis throughout the periods reflected therein except as stated therein;

- (b) as soon as available, but in any event not later than 30 days after the end of each quarter, the unaudited consolidated balance sheet of the Company and its subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income, statements of changes in shareholders' equity and statements of cash flows of the Company and its subsidiaries for such quarter and for the elapsed period in such Financial Year, all in reasonable detail and stating in comparative form the figures as of the end of and for the comparable periods of the preceding Financial Year and budgeted figures for the period, certified by the Chief Financial Officer of the Company; all such financial statements shall be complete and correct in all material respects and shall be prepared in conformity with GAAP and applied on a consistent basis throughout the periods reflected therein except as stated therein;
- (c) Minutes of meetings of the Board, its committees and the shareholders of the Company within 10 days of the occurrence of such meetings;
- (d) at least 30 (thirty) days prior to the end of each Financial Year, a budget for the next Financial Year, including operating and capital budgets and such other information requested by the Investors, and the business plans for the next 3 (three) Financial Years;
- (e) and all other standard information rights including without prejudice to the foregoing, reports of the Company in relation to capital expenditure, operating budgets, statutory registers, key performance indicators, compliance and progress report on the implementation of the Business Plan and monthly management accounts.
- (f) Bids for any projects that will have a total work contract of more than Rs. 250,00,00,000 (Rupees Two Hundred and Fifty Crore) within four (4) weeks of submission of financial bid documents.

59.2 Upon notice of not less than thirty (30) Business Days, the Company shall give full access to the Investors and its authorized representatives (including lawyers, accountants and/ or other advisers) to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company, and to discuss and consult its business, actions plans, budgets and finances with the directors and executive officers of the Company. All reasonable costs incurred in connection with such inspection shall be borne by the Investors.

59.3 The Investors may at any time require that the above information be provided to the Investor Director in place of or in addition to the Investors.

60. ESCROW SHARES ADJUSTMENT

60.1 The Parties acknowledge that on the Completion Date, as a part of the Completion process, (i) the Seller has Transferred and credited the Escrow Shares in the Investor IV Escrow Account opened with the Escrow Agent, (ii) a copy of duly stamped and executed irrevocable power of attorney granted by BPEA 5 (in Agreed Form) has been deposited in escrow with the Escrow Agent with originals to follow thereafter and (iii) the Escrow Property (as set out in the Escrow Agreement), has been deposited in escrow with the Escrow Agent. Further, any additional shares issued in respect of the Escrow Shares including pursuant to the terms hereof or any issue of bonus shares, splitting of shares and/or any other reason, shall be directly be deposited by the Company into the Investor IV Escrow Account and shall be deemed to form a part of the Escrow Shares and be dealt with in the same manner as the Escrow Shares. It is clarified for the avoidance of doubt that unless the Escrow Shares are required to be Transferred to the Investors (other than Investor IV), and Promoters and the Selling Promoter pursuant to these Articles and the Agreement, title to the Escrow Shares shall remain with BPEA 5 and BPEA 5 shall continue to be reflected as the registered member / owner of the Escrow Shares in the records of the Company. Accordingly, pending the requirement of Transfer, of the Escrow Shares to the Investors (other than Investor IV), and the Promoters and the Selling Promoter, all rights accruing in respect of the Escrow Shares shall be exercised by BPEA 5. Provided however, notwithstanding anything, where any Escrow Shares are liable to be Transferred and released as per the terms hereof, the beneficial ownership and all rights in respect of such Escrow Shares shall automatically (irrespective of the Transfer and release) vest with the Parties in whose favour the Shares are to be released and the records of the Company shall be accordingly updated. It is hereby clarified that Investor IV shall not Transfer the Escrow Shares in any manner otherwise than through the Escrow Agent in the manner provided herein and the Escrow Agreement.

60.2 Upon the audited accounts for the Financial Year ended March 31, 2010 (FY 10) and Financial Year ended March 31, 2011 (FY 11) being finalized, subject to the entire Escrow Shares not having been released in accordance with the terms hereof, the following shall take place:

(a) the actual number of Equity Shares which the Investor IV ("X Shares") ought to have received in consideration of the Investor IV Shares Amount shall be computed as follows:

"X Shares" means such number of Equity Shares as would result in the percentage shareholding of Investor IV being equivalent to "X" on a Fully Diluted Basis as on the Completion Date. X Shares shall be adjusted for any additional shares issued pursuant to bonus shares, splitting of shares and/or any other reason after Completion Date.

$X = \text{Investor IV Shares Amount divided by Benchmark Entry Valuation}$

Where,

Benchmark Entry Valuation means the lower of (i) D (before the Demerger) or E (after the Demerger and after the Swap by Investor IV) or G (after the Demerger but before the Swap by Investor IV) all of which shall be computed as under and (ii) F:

Where:

A = PAT for FY10

B = PAT for FY11

C = (A+B) divided by 2

D = (12.24 x C) reduced by PPA

E = (11.02 x C) reduced by PPA

G = (12.24 x C) reduced by PPA

F = Number of Shares of the Company outstanding immediately prior to a Partial Dilution Issue proposed by the Company under **Article 60.4** multiplied by the Partial Dilution Price as defined in **Article 60.4**.

After the completion of the Demerger and the Swap by Investor IV, E or F, as the case may be, shall be capped at INR 13,500,000,000 (Rupees One Thousand Three Hundred and Fifty Crore) except as increased by the amount paid by Investor IV to the Company towards subscription of Further Round Investor IV Shares, (where so subscribed) and shall not be less than INR 11,000,000,000 (Rupees One Thousand One Hundred Crore) as increased by the amount paid by Investor IV to the Company towards subscription of Further Round Investor IV Shares, (where so subscribed).

After the completion of the Demerger but before the Swap by Investor IV, G or F, as the case may be, shall be capped at INR 15,000,000,000 (Rupees One Thousand Five Hundred Crore) except as increased by the amount paid by Investor IV to the Company towards subscription of any Further Round Investor IV Shares, (where so subscribed) applicable and shall not be less than INR 12,500,000,000 (One Thousand Two Hundred and Fifty Crore) as increased by the amount paid by Investor IV to the Company towards subscription of Further Round Investor IV Shares (where so subscribed).

Prior to the completion of the Demerger, D or F shall be capped at INR 15,000,000,000 (Rupees One Thousand Five Hundred Crore) except as increased by the amount paid by Investor IV to the Company towards subscription of any Further Round Investor IV Shares, (where so subscribed) applicable and shall not be less than INR 12,500,000,000 (One Thousand Two Hundred and Fifty Crore) as increased by the amount paid by Investor IV to the Company towards subscription of Further Round Investor IV Shares (where so subscribed).

Notwithstanding anything contained in the Disclosure Schedule, the term PPA

shall mean the "Prior Period Adjustment" computed cumulatively for FY10 and FY11 for any over-recognition of any assets or under-recognition of any liabilities in the Accounts for FY10 or FY11 in respect of a period prior to FY 10 and shall specifically include, without limitation, any adjustment in the Accounts for FY 10 or FY 11 on account of:

1. Write off of security deposit provided to Woodlands Projects Pvt Ltd or Continental Construction Company;
2. Any write-off on account of or diminution in the value of the investment made in White Field Paper Mills Ltd and Dharmasala Hydro Power Project Ltd;
3. Any liquidated damages payable on account of any projects completed as on September 30, 2009 or projects in respect of which the Company has not met its targets as on September 30, 2009;
4. Write off of any receivables or advances outstanding as of September 30, 2009;

It is clarified for the avoidance of doubt that any adjustment provided for in the Accounts for FY11 which refers to FY10, shall be adjusted to the PAT of FY10 and shall not be considered as part of PPA for FY11.

(b) The PAT for FY10 and FY11 in the formulae above and the PPA shall be computed by Deloitte Haskins & Sells.

Release of Escrow Shares

The Escrow Shares shall be released in the manner set out herein:

60.3 Subject to **Article 67.3.1**, till such time as Escrow Shares remain (or are liable to remain as per the terms hereof) deposited in escrow, in the event the Company undertakes a Fresh Issue under **Article 67.4** at a price (or price related terms) per share, lower than Investor IV Floor Price or the Promoters transfer any Equity Shares or other securities issued by the Company that are convertible into Equity Shares, to any Person (including any Investor or a third party) at a price (or price related terms) per share, below Investor IV Floor Price (and such lower offer price being hereinafter referred to as the "**Investor IV Agreed Price**"), all the Escrow Shares shall be released from escrow upon instructions issued by Investor IV to the Escrow Agent under the Escrow Agreement and as per this **Article 60**. Such Fresh Issue or Transfer by Promoters below the Investor IV Floor Price is hereinafter referred to as the "**Full Dilution Issue**". For the avoidance of any doubt, in such an event, the number of Escrow Shares shall stand reduced to zero and there shall be no Shares available for distribution as required in this Article. Nothing contained herein shall prejudice the rights of Investor IV to any further issue of shares as calculated in **Article 63.5.3** pursuant to a Full Dilution Issue.

60.4 Subject to **Article 67.3.1**, till such time as Escrow Shares remain deposited (or are liable to remain deposited in escrow as per the terms hereof) in escrow, in the event the Company undertakes a Fresh Issue under **Article 67.4** at a price (or price related terms) per share, which is equal to or higher than Investor IV Floor Price but lower than Investor IV Equity Share Price or the Promoters transfer any Equity Shares or other securities issued by the Company that are convertible into Equity Shares, to any Person (including any Investor or a third party) at a price (or price related terms), per share, which is equal to or higher than Investor IV Floor Price but lower than Investor IV Equity Share Price (and such price being hereinafter referred to as "Partial Dilution Price") then such number of shares as is equivalent to Z as computed under **Article 63.5.5** shall be transferred from Escrow Shares to Investor IV upon instructions issued to the Escrow Agent under the Escrow Agreement as per this **Article 60**. In such an event, the Escrow Shares shall stand reduced by Z and shall be distributed in the manner provided herein. Such Fresh Issue or Transfer by Promoters at a price which is equal to or higher than Investor IV Floor Price but lower than Investor IV Equity Share Price is hereinafter referred to as the "Partial Dilution Issue". Notwithstanding anything upon release of the Z shares to Investor IV pursuant to a Partial Dilution Issue, the Investor IV shall have no further rights as specified in **Article 63.5** in relation to such Partial Dilution Issue and the remainder Escrow Shares, if any, shall be released to the Parties (including Investor IV, if required) in accordance with **Article 60**.

60.5 Upon the audited accounts for FY 11 being made available and so long as the Escrow Shares have not already been released (or liable to be released) as per the terms hereof, the number of X Shares and the positive difference, if any, of Investor IV Shares over X Shares (i.e Investor IV Shares minus X Shares) shall be computed ("Excess Shares").

60.6 Subject to **Article 67.3.1**, such number of shares from Escrow Shares as is equivalent to the Excess Shares shall be released, distributed and forthwith Transferred (in no event any later than 30 days from the audited accounts for the Financial Year ended March 31, 2011 having being provided by the Company) free of all Encumbrances at the lowest possible consideration amongst the Investors (other than Investor IV), and the Promoters and the Selling Promoter in such ratio as such Investors (other than Investor IV) and the Promoters and the Selling Promoter) would have held shares in the Company had Investor IV acquired only X Shares on the Completion Date.

Such release of shares shall be undertaken by the Escrow Agent upon receipt of instructions in terms of this **Article 60**, as the case may be. All statutory filings (if any required, in accordance with applicable Law) to be made by Investor IV and (i) the other Investors or (ii) the Promoters pursuant to such Transfer including without limitation filing of Form FC-TRS shall be completed simultaneously with the Transfer of the Excess Shares from Investor IV to the other Investors, Promoters and the Selling Promoter. Provided that any delay and/or inability to Transfer proportionate Excess Shares to an Investor and/or Promoters and/or the Selling Promoter, due to any reason whatsoever, shall not prejudice due completion of release and Transfer of Shares to the other Investors and the obligations of Investor IV under this **Article 60**. The balance shares from Escrow Shares, if any, shall be released in favour of Investor IV.

60.7 Notwithstanding anything, it is hereby clarified that, to the extent any Investor IV Shares are released (or liable to be released as per the terms hereof) from escrow as per the terms hereof, the Escrow Shares shall be accordingly reduced by such released (or liable to be released as per the terms hereof) Shares and the term 'Escrow Shares' shall refer to only such Shares as continue to remain deposited in the escrow, as per the terms hereof and the Escrow Agreement. It is further clarified, that any adjustment as per the terms hereof, shall occur only from the Escrow Shares continuing to remain (or liable to remain as per the terms hereof) deposited in escrow and shall not occur to the extent no Escrow Shares or insufficient Escrow Shares remain (or are liable to remain) deposited in escrow.

60.8 Company's obligation to provide accounts: For the purpose of this **Article 60**, the Company shall furnish, and the Promoters shall ensure that the Company furnishes, audited accounts for the Financial Year ended March 31, 2010 no later than June 30, 2010 and for the Financial Year ended March 31, 2011 no later than June 30, 2011.

60.9 Notwithstanding anything contained in these Articles, the Agreement or in the Escrow Agreement, the Escrow Shares shall only be released and/or Transferred in the following manner:

1. Notwithstanding anything contained in Article 60.9 (ii), (iii), (iv) and (v) below, in the event all the Escrow Shares as per the terms hereof are required to be released to Investor IV pursuant to a Full Dilution Issue then the release instructions (in the form specified in the Escrow Agreement) to the Escrow Agent, as per the terms hereof and of the Escrow Agreement shall be issued by Investor IV, accompanied by a certified true copy of the board resolution duly adopted by the Company as per the terms hereof authorizing the Full Dilution Issue. Notwithstanding anything contained in Article 60.9 (ii), (iii) and (iv) below, in the event that all or part of the Escrow Shares as per the terms hereof are required to be released to Investor IV pursuant to a Partial Dilution Issue then the release instructions (in the form specified in the Escrow Agreement) to the Escrow Agent, as per the terms hereof and of the Escrow Agreement shall be issued by Investor IV, accompanied by a certified true copy of the board resolution duly adopted by the Company as per the terms hereof authorizing the Partial Dilution Issue and a certificate from Deloitte Haskins & Sells specifying the number of Z Shares in respect of the Partial Dilution Issue.
2. In the event that the majority of the Escrow Shares, as per the terms hereof are required to be released to Investor IV pursuant to computation of Excess Shares, then the release instructions (in the form specified in the Escrow Agreement) to the Escrow Agent, shall be issued by Investor IV as per the terms hereof and of the Escrow Agreement, accompanied by a certificate from Deloitte Haskins & Sells specifying the number of Excess Shares and the manner in which such Excess Shares are to be distributed under this **Article 60** and **Article 67.3.1**.
3. In the event that majority of the Escrow Shares as per the terms hereof are required to be released to Investors (other than Investor IV), the Promoters and the Selling Promoter pursuant to computation of Excess Shares, then the release instructions (in the form specified in the Escrow Agreement) to the Escrow Agent shall be issued by any two of, Investor I, Investor II, Investor III and/or the Promoters (where the Promoters constitute one party), as per the terms hereof and of the Escrow Agreement accompanied by a certificate from Deloitte Haskins & Sells specifying the number of Excess Shares and the manner in which such Excess Shares are to be distributed under this **Article 60** and **Article 67.3.1**. Provided that where all Investors (other than Investor IV) have pursuant to exercise of their Put Option as per the Agreement received their entire Put Entitlement, the instructions under this Article 60.9 (iii) shall be issued by Investor IV and the Promoters with (i) a copy of a certificate from Deloitte Haskins & Sells specifying the number of Excess Shares and the manner in which such Excess Shares are to be distributed and (ii) a copy of the Put Option Confirmation issued by each of the Investors (other than Investor IV).

4. In the event that Investor IV has pursuant to exercise of Put Option received its entire Put Entitlement as detailed in **Article 67.3.1**, then the release instructions (in the form specified in the Escrow Agreement) to the Escrow Agent shall be issued by any two of, Investor I, Investor II, Investor III and/or the Promoters (where the Promoters constitute one party), as per the terms hereof and of the Escrow Agreement accompanied by a copy of the Put Option Confirmation issued by Investor IV.
5. In any other event, except as specified under (i), (ii), (iii) and (iv) above, the release instructions to the Escrow Agent in relation to the release of the Escrow Shares shall be provided jointly by the Promoters and all the Investors (in the form specified in the Escrow Agreement), as per the terms hereof and of the Escrow Agreement.

60.10 Each Party hereby irrevocably undertakes to take all necessary steps and actions as may be required for the purposes of achieving the objective of this **Article 60** and releasing the Escrow Shares as per the terms hereof. In the event that for any reason whatsoever including as per applicable Law or regulation at such time, the Transfer and release of Escrow Shares in accordance with this Article cannot be undertaken or given effect to, all Parties hereby agree and undertake, to take all measures to enforce the objective of this **Article 60**, in a manner and as per a mechanism determined by and acceptable to the Investors.

61. RESERVED MATTERS

- 61.1 No action or decision relating to any Reserved Matters shall be taken (whether by the Board, any committee, the shareholders of the Company or any of the employees, officers or managers or any subsidiary of the Company) unless the Investors Consent (not including the Consent of Investor III, unless otherwise specified herein) is obtained from each of the Investors, as required in terms of these Articles and the Agreement, for such action or decision.

It is hereby further clarified that:

- (i) No action or decision shall be taken and/or no resolution shall be adopted, whether by the Board, or any committee thereof, the shareholders of the Company or any of the employees, officers or managers or any subsidiary of the Company in respect of a Reserved Matter, unless such matter or resolution has been approved with the prior written affirmative vote of each of the directors nominated by Investor I, II and IV;

(ii) Further, notwithstanding anything to the contrary in these Articles and the Agreement, no action or decision shall be taken and/or no resolution shall be adopted by the Company whether at the shareholders meeting of the Company or by any of the employees, officers or managers or any subsidiary of the Company with respect to the Reserved Matter specified in item (a) of Schedule 4 of the Agreement, unless such resolution has been approved with Investor III Consent. Further, the Company, and Promoters shall cause the Company to invite a representative of Investor III for any meeting of the Board, or any committee thereof, where a Reserved Matter specified in item (a) of Schedule 4 of the Agreement is proposed to be discussed.

61.2 The Investors, as applicable shall communicate their consent or rejection within fifteen (15) days of receipt of requests from the Company with respect to a Reserved Matter (under consideration). However, if any Investor, fails to respond to such requests from the Company then such failure to respond shall be deemed to be a rejection by the concerned Investor with respect to the Reserved Matter. Further, if all of the Investors, as applicable communicate their respective Investors Consent for the Reserved Matter, then the Company shall be entitled to implement the same.

62. EXERCISE OF RIGHTS

62.1 Without prejudice to the other provisions of these Articles and the Agreement, the Parties agree to exercise all powers and rights available to them (including their voting rights and their rights as and in respect of directors on the Board) in support of the provisions of these Articles and the Agreement and so as to procure and ensure that the provisions of these Articles and the Agreement are complied with in all respects by all the Parties.

62.2 The Promoters and the Company shall be jointly and severally liable to ensure the performance of these Articles and the Agreement.

62.3 The Promoters shall vote or cause to be voted all securities bearing voting rights beneficially owned by the Promoters at any annual or extraordinary meeting of shareholders of the Company (the Shareholders Meeting), or in any written consent executed in lieu of such a meeting of shareholders (the Written Consent), and shall take all other actions necessary, to give effect to the provisions of these Articles and the Agreement and to ensure that the Restated Articles do not, except to the extent necessitated by the provisions of Law, at any time hereafter, conflict in any respect with the provisions of these Articles and the Agreement including, without limitation, voting to approve amendments and/or restatements of the Restated Articles and removing directors who take actions inconsistent with these Articles and the Agreement or fail to take actions required to carry out the intent and purposes of these Articles and the Agreement. In addition, the Promoters shall vote or cause to be voted all securities beneficially owned by the Promoters at

any Shareholders Meeting or act by Written Consent with respect to such securities, upon any matter submitted for action by the Company's shareholders or with respect to which such shareholder may vote or act by Written Consent, in conformity with the specific terms and provisions of these Articles and the Agreement and the Restated Articles. In the event that there is any conflict between the Restated Articles and the Agreement, the Agreement shall prevail and the shareholders (but not the Company) shall to the extent necessary, cause the change, amendment or modification of the Restated Articles to eliminate any such inconsistency, to the extent permissible under Law.

62.4 In order to effectuate the provisions of these Articles and the Agreement, and without limiting the generality of **Article 62.3**, the Promoters (a) hereby agree that when any action or vote is required to be taken by the Promoters pursuant to these Articles and the Agreement, the Promoters shall use its best efforts to call, or cause the appropriate officers and directors of the Company to call, one or more Shareholders Meetings to take such action or vote, and to attend such Shareholders Meetings in person or by proxy for purposes of obtaining a quorum, or to execute or cause to be executed a Written Consent to effectuate such shareholder action, (b) shall use its best efforts to cause the Board to adopt, either at a meeting of the Board or by unanimous written consent of the Board, all the resolutions necessary to effectuate the provisions of these Articles and the Agreement and (c) shall use its best efforts, to the extent not in violation of applicable Law, to cause the Board to cause the Company Secretary of the Company, or if there be no Secretary, such other officer of the Company as the Board may appoint to fulfil the duties of Company Secretary, not to record any vote or consent contrary to the terms of this **Article 62.4**.

63. DEALINGS IN SHARES

63.1 The Promoters shall not, for the Term of the Agreement, Transfer or create any Encumbrance on any Equity Shares held by the Promoters, such that the shareholding of Promoters in the Company may be diluted below 51% of the total equity Share Capital, without the Investors Consent. Provided that the restrictions in this **Article 63** shall not apply to (a) a pledge of the Equity Shares held by the Promoters to secure any Indebtedness of the Company which has been provided for in the Business Plan, provided such pledge shall not be for BOOT Projects (b) any Transfers of Equity Shares by the Promoters to its Affiliate subject to such Affiliates executing a Deed of Adherence or (c) any transfer of Shares inter-se the Promoters (Exempted Transfers). Provided further that the Promoters shall during the Term of the Agreement continue to legally and beneficially own at least 51% of the total equity Share Capital.

63.2 Right of First Refusal

63.2.1 Subject to and except as permitted as per **Article 63.1**, the Promoters shall not Transfer any Equity Shares legally or beneficially held by it, except pursuant to the

following procedures and upon the execution of a Deed of Adherence by the transferee:

(a) If the Promoters (the Transferor) propose to Transfer any Equity Shares, then the Transferor shall first give a written notice (hereinafter referred to as Transfer Notice) to the Investors (in the proportion of their respective shareholding in the Company calculated on a Fully Diluted Basis) (Transferee). The Transfer Notice shall state (i) the number of Equity Shares proposed to be Transferred (hereinafter referred to as the Specified Sale Shares) (ii) the name and address of the proposed transferee, (iii) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee, (iv) the date of consummation of the proposed Transfer, and (v) a representation that the proposed transferee has been informed of the "right of first refusal" and "tag-along" rights of the Investors provided for in these Articles and the Agreement and has agreed to purchase all the Shares required to be purchased in accordance with the terms of this Article. In the event that the consideration for the proposed Transfer includes consideration other than cash, 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 Transfer Price. Such notice shall be accompanied by relevant details of the proposed arrangement and agreements between the Transferor and the proposed transferee regarding the proposed Transfer.

(b) The Transferee shall be entitled to respond to the Transfer Notice by notifying the Transferor that it wishes to purchase the Specified Sale Shares (ROFR Shares) prior to the expiry of 15 (fifteen) Business Days from the date of receipt of the Transfer Notice (the Transfer Period). It is hereby clarified that each Transferee shall have the right to purchase the Specified Sale Shares in the proportion of its respective (inter se Investors) shareholding in the Company calculated on a Fully Diluted Basis, provided that if any Transferee elects not to exercise its right to purchase its proportion of the Specified Sale Shares, the other Transferee(s) electing to exercise their right of first refusal under this **Article 63.2.1** shall also have the right to purchase all the Specified Sale Shares (including the entitlement of the non purchasing Transferee) in the proportion of their respective inter se shareholding calculated on a Fully Diluted Basis. The Transferee shall pay the purchase price (as specified in the Transfer Notice) for, and to accept a transfer of, such ROFR Shares as it proposes to purchase and the Transferor shall be bound, on payment of the purchase price, to transfer such ROFR Shares as the Transferee proposes to purchase to the Transferee. Such payment and transfer shall, subject to **Article 63.3**, be completed within sixty (60) days of the expiry of the Transfer Period (the Sale Period).

(c) In the event that the Transferee(s) does not respond to a Transfer Notice within the Transfer Period, agreeing to purchase its ROFR Shares and/or (ii) fails to purchase its part of the ROFR Shares within the Sale Period, then, upon the expiry of such Transfer Period or the Sale Period, as the case may be, the Transferor shall be entitled to sell and transfer the Specified Sale Shares or the remainder ROFR Shares, as the case

may be, to the proposed transferee mentioned in the Transfer Notice on the same terms and conditions and for the same consideration as is specified in the Transfer Notice, subject to compliance with **Article 63.3**.

(d) Any Person purchasing the Specified Sale Shares shall deliver to the Transferor on or before the date of consummation of the proposed Transfer specified in the Transfer Notice payment in full of the Transfer Price in respect of the Specified Sale Shares (less any ROFR Shares being purchased by the Transferee) in accordance with the terms set forth in the Transfer Notice and of any requisite transfer Taxes. If completion of the sale and Transfer to the proposed transferee does not take place within the period of 60 (sixty) days following the expiry of the Transfer Period, Sale Period or the Offer Period, as the case may be, the Transferor's right to sell the Specified Sale Shares to such third party shall lapse and the provisions of this **Article 63** shall once again apply to the Specified Sale Shares.

(e) Nothing contained in this **Article 63** shall apply in case of any Exempted Transfers by the Promoters. Further, where any Party requires prior legal, Governmental, regulatory or shareholder consent for an acquisition or disposal of Shares pursuant to these Articles and the Agreement then notwithstanding any other provision of these Articles and the Agreement, such Party shall only be obliged to acquire or dispose of shares once such consent or approval is obtained, and such Party shall use its reasonable endeavours to obtain any such required approvals. Any period within which a transfer of Shares by or to a Party, shall be completed shall be extended by such further period as is necessary for the purpose of obtaining the above approvals. Provided that if any of the abovementioned approvals are finally withheld, then such Party shall be deemed not to have exercised its option to purchase or sell the concerned Shares. Nothing contained in this **Article 63** shall apply to a transfer of Shares to the Investors by the Promoters pursuant to the Swap, as per the terms hereof.

63.3 Tag along Rights

63.3.1 Subject to **Article 63.1** and **Article 63.2** (and after compliance with the requirements thereof) the Promoters shall not Transfer any Equity Shares legally or beneficially held by them, except pursuant to the following procedures and upon the execution of a Deed of Adherence by the transferee:

(a) If, the Promoters (Transferor) propose to Transfer any Equity Shares as would result in the shareholding of the Promoters being diluted below 65.40% (subject to and except as provided in these Articles and the Agreement) then the Transferor shall (after expiry of the Transfer Period or Sale Period, as the case may be, as per **Article 63.2**) first give a written notice (hereinafter referred to as Offer Notice) to the Investors (Offeree) other than the Transferee which has purchased the ROFR Shares (or part thereof under **Article 63.2**). The Offer Notice shall state (i) the number of Equity Shares proposed to be Transferred (being the Shares not purchased by any Transferee as per **Article 63.2**) (hereinafter referred to as the Sale Shares,) and the number and class of Equity Shares the Transferor owns at that time on an undiluted basis, (ii) the name and address of the

proposed transferee, (iii) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by such proposed transferee, (iv) the date of consummation of the proposed Transfer, (v) a representation that the proposed transferee has been informed of the “right of first refusal” and “tag-along” rights of the Investors provided for in these Articles and the Agreement and has agreed to purchase all the Shares required to be purchased in accordance with the terms of this Article, and (vi) a representation that no consideration, tangible or intangible, is being provided by the proposed transferee to the Transferor that will not be reflected in the price paid to the Investors on exercise of its tag-along rights hereunder. In the event that the proposed consideration for the Transfer includes consideration other than cash, 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.

(b) Each of the Investors shall be entitled to respond to the Offer Notice by serving a written notice (the Response Notice) on the Promoters prior to the expiry of 15 (fifteen) Business Days from the date of receipt of the Offer Notice (Offer Period) requiring the Promoters to ensure that the proposed transferee of the Sale Shares also purchases such number of the Shares 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 no Investor shall be required to provide any representations or warranties to the transferee other than with respect to its title to the Offered Securities and the Investors shall be entitled to receive the cash equivalent of any non-cash component of the Offer Price.

(c) If 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 (i) cancel such proposed Transfer or (ii) to allocate the maximum number of Shares which the proposed transferee is willing to purchase, among the Sale Shares and the Offered Securities specified by the Investors in the Response Notice, pro-rata in the ratio of the equity Shareholding in the Company at such time of the Promoters and such of the Investors who have sent the Response Notice and to consummate such Transfer, on such terms. 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 required number of Offered Securities in accordance with the provisions of these Articles and the Agreement.

(d) The Promoters shall ensure that, along with the Sale Shares, the proposed transferee also acquires the Offered Securities specified in each Response Notice or part thereof calculated as per Article 63.3.1 (c) above, for the Offer Price and upon the same terms and conditions as applicable to the Sale Shares, provided that the Offerees shall not be required to provide any representations and warranties in respect of the Offered Securities other than with respect to its title to the Offered Securities. Where the Investors have properly elected to exercise their tag-along rights and the proposed transferee fails to purchase from the Investors the Offered Securities or part thereof as per Article 63.3.1. (c) above, which the Investors are entitled to sell under this **Article**

63.3.1, the Promoters shall not make the proposed Transfer of the Sale Shares.

(e) In the event none of the Investors delivers a Response Notice to the Promoters prior to the expiry of the Offer Period, then, upon the expiry of the Offer Period, the Promoters 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 Promoters 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 and of any requisite transfer Taxes. If completion of the sale and Transfer to the proposed transferee does not take place within the period of 60 (sixty) days following the expiry of the Offer Period, the Promoters right to sell the Sale Shares to such third party shall lapse and the provisions of this **Article 63** shall once again apply to the Sale Shares. Additionally, at least 2 (two) months should pass between two successive Offer Notices for sale of the Offered Shares.

(f) Provided however if the Promoters propose to Transfer any Equity Shares as would result in the shareholding of the Promoters being diluted below 51%, the Promoters may do so only with the prior Investors Consent from all Investors and in compliance with the requirements of these Articles and the Agreement and execution of the Deed of Adherence by the proposed transferee. Further in the event each of the Investors have granted their respective Investors Consent, to Transfer by Promoters such that the Promoters shareholding is diluted below 51%, then in relation to any such Transfer, the provisions of **Article 63.3.1(a) to (e)** above shall apply mutatis mutandis except that the Promoters would be obligated to, at the option of the Investor(s), to cause the proposed transferee, if the proposed transferee is unwilling or unable to acquire all of the Sale Shares and the Offered Securities, to first purchase 100% of Offered Securities specified by the Investors in the Response Notice, prior to purchase of any Sale Shares.

(g) It is hereby further clarified that any Transfer of Shares by the Promoters as per the terms of these Articles and the Agreement, including Exempted Transfers, shall be subject to execution of the Deed of Adherence by the proposed transferee as per Schedule 7 of the Agreement. The Promoters shall intimate the Investors of any Transfer of any shares or securities held by it in the Company, in accordance with the terms hereof, at least 30 (thirty) Business Days before such Transfer or entering into any agreement for such Transfer.

63.4 Further Capital Contributions:

- (s) Any further contributions (including through fresh issue of Shares, or any rights, options, warrants, appreciation rights or instruments entitling the holder (including banks or financial institutions) to receive any 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 ("Fresh Issue")) to the Share Capital of the Company shall, subject to the terms hereof (including notwithstanding anything Investors Consent), only be offered to the existing shareholders in the proportion of their respective shareholding in the Company, which proportion shall be determined on a Fully Diluted Basis.

- (t) Prior to any Fresh Issue, the Company shall at its sole cost and expense, appoint an internationally reputed SEBI Category I Merchant Banker (acceptable to the Investors and with the Investors Consent) to determine the fair market valuation of the Company ("FMV") and offer such Fresh Issue to the existing shareholders (proportionately in the ratio of their shareholding calculated on a Fully Diluted Basis) at such FMV. Provided however, prior to any such Fresh Issue and within thirty (30) days of determination of the FMV, the Promoters (at their sole cost) may independently elect to cause the Company to appoint a SEBI Category I Merchant Banker (acceptable to the Investors and with the Investors Consent) to determine the market valuation of the Company ("Market Determined Price") and cause the Company to offer such Fresh Issue to the shareholders at such Market Determined Price.
- (u) The right of an Investor to subscribe to the Fresh Issue shall include the right of the Investor to nominate any entity within the respective Investor Group subject to such entity executing a Deed of Adherence. The Investors shall communicate in writing its decision to subscribe for or renounce its right in favour of an entity within the Investor Group to the Company within a period of thirty (30) days from the date of receipt of notice of offer to subscribe to any such Fresh Issue, by the Company. In the event an Investor ("Refusing Investor") does not subscribe or renounce its rights as aforesaid, the remaining participating Investors shall have the right to subscribe to such Refusing Investor's entitlement in proportion of their inter-se shareholding in the Company on a Fully Diluted Basis. In the event that any portion of the Fresh Issue remains unsubscribed by the Investors, the Company shall have the right subject to the terms of these Articles and the Agreement (including **Article 63.5** and **Article 66.8**) to offer such portion of the Fresh Issue to a third Person, as per **Article 63.4.4** below.
- (v) New Investor: Subject to this **Article 63.4.4**, the Company may in accordance with applicable Laws and subject to prior Investors Consent for Fresh Issue, offer such Shares as specified above (and to the extent a Fresh Issue is unsubscribed by the Investors) to a third Person (the New Investor) at the FMV or at the Market Determined Price (where the Promoters have caused such price to be discovered). Notwithstanding anything contained herein or the Agreement, the offer of any shares by the Company to a New Investor shall be in compliance with the terms of these Articles and the Agreement including expressly, prior compliance by the Company and/or the Promoters with **Article 63.5** and **Article 66.8**.
- (w) Without prejudice to the generality of **Article 63.4.1**, in the event that the Company undertakes one or more rounds of Fresh Issue (except for a QIPO) on or before six months from the Completion Date, the Company shall have the right, by a twenty one

days written notice, to call upon the Investor IV to invest an aggregate amount of upto Rs. 25 Crore by subscribing to fresh Equity Shares (“**Further Round Investor IV Shares**”) of the Company at a price equivalent to the Investor IV Floor Price. The amount invested by Investor IV subject to the terms of this Article shall be referred to as the “**Further Round Investor IV Shares Amount**”. In the event that the Company exercises its rights under this **Article 63.4.5**, Investor IV shall subscribe to the Further Round Investor IV Shares and agrees that of which 54,389 Shares shall be directly Transferred by the Company into the escrow established (“**Further Round Escrow Shares**”) as per the Escrow Agreement. The reference to the term “**Escrow Shares**” in these Articles and the Agreement and the Escrow Agreement shall include a reference to the Further Round Escrow Shares.

- (x) Nothing contained in **Article 63.4** or **Article 63.5** shall apply to the issue of the Further Round Investor IV Shares. Provided that, in the event that the amount proposed to be raised by the Company pursuant to a Fresh Issue is more than the Further Round Investor IV Shares Amount, the provisions of **Article 63.4.1** shall apply to the additional funds being raised pursuant to such Fresh Issue including Investors right to participate in such additional portion of the Fresh Issue to the extent set out in **Article 63.4.1**.

63.5 Anti-Dilution:

63.5.1 Notwithstanding anything contained herein or the Agreement, the Promoters and the Company jointly and severally undertake to the Investors (other than Investor IV) that (i) the Company shall not issue any shares or cause any Fresh Issue (in accordance with this **Article 63** hereof) and/or (ii) the Promoters shall not Transfer any Equity Shares or other securities issued by the Company that are convertible into Equity Shares (the Securities), to any Person (including any Investor or a third party) at a price (or price related terms), per share, below the Equity Share Price as applicable to each of Investor I, II and III (the Equity Share Price (hereinafter “**Lower Price**”) (and such lower offer price being hereinafter referred to as the “**Agreed Price**”), without the prior consent of all Investors.

Provided that without prejudice to the foregoing, if with the prior consent of the Investors, (i) the Company issues any shares or conducts a Fresh Issue (in accordance with **Article 63** hereof), and/or (ii) if the Promoters Transfer any Securities, to any Person at a Agreed Price, Investors I, II, III (as applicable) shall be entitled to an appropriate adjustment on a full ratchet basis so as to readjust and reduce the Lower Price to the Agreed Price, in the manner determined by the Investor I, II and/or III (as applicable), in respect of all shares held by such Investor(s).

For this purpose, Investors I, II and/or III shall also have the right (and the Promoters shall cause and the Company shall undertake all such actions, matters, deeds and things and execute all other documents, letters and consents, take all steps, do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such re-adjustment determined by Investor I, II and/or III

(including by issue of fresh Equity Shares) including the passing of necessary resolutions at the shareholders and/or Board level), forthwith cause (i) the Promoters to transfer (from the Shares held by the Promoters) and/or (ii) cause the Company to issue to Investor I, II and/or III (as applicable), such number of additional Equity Shares at the lowest permissible price per share (including nil consideration) in accordance with applicable Law), such that the respective average cost of Shares as held by Investor I, II and III (including additional Shares to be issued in accordance with this Article, but not including bonus shares held by such Investor(s)), is equal to or lower than the Agreed Price. No further Investors Consent shall be required for issue of Equity Shares by the Company for the purposes of and to the extent specified in this **Article 63.5.1**. It is further clarified that the provisions of **Article 63.2**, **Article 63.3** and **Article 63.4** shall not apply to any issue and/or Transfer of Shares for the purpose of this **Article 63.5.1**.

Illustration:

E = the Equity Share Price (being the Lower Price, as defined above),

L1 = is the Agreed Price (as defined hereinabove),

L0 =the lowest price at which additional Equity Shares can be issued and/or Transferred to the Investors I, II and III, as per applicable Law subject to a minimum of Rs.1.

S = Number of shares held by Investor I, II or III as the case may be at the time of such Fresh Issue

X = Number of additional shares to be issued and/or Transferred to the Investors I, II or III

Then, as per this **Article 63.5.1**

$((E) \times (S)) + ((L0) \times (X))$ should equal to $(L1) \times ((S + X))$

For example, assuming:

E = Rs. 10 per Share

S = 1000 Shares

L0 = Rs. 2

L1 = Rs. 6

X = Number of additional Shares to be issued and/or Transferred to the Investors I, II or III

then

$$10 \times 1000 + 2 X = 6 (1000 + X)$$

$$\text{i.e } X = \frac{10000-6000}{4}$$

in other words $X = 1000$ Shares

Investor IV's anti-dilution rights prior to the Escrow Shares being released or liable to be released as per the terms hereof:

63.5.2 Notwithstanding anything contained herein, the Promoters and the Company jointly and severally undertake to Investor IV that prior to the Escrow Shares being released or liable to be released as per the terms hereof there shall be no Full Dilution Issue, as per **Article 60.3** above.

63.5.3 Provided that without prejudice to the foregoing and to the rights of the other Investors as per the terms hereof, if with the prior consent of the Investors as per the terms hereof and prior to release of the Escrow Shares (or liable to be released as per the terms hereof) there occurs a Full Dilution Issue, then the following shall take place:

(a) The Escrow Shares shall be released to Investor IV and Investor IV shall be entitled to give instructions to the Escrow Agent for release of Escrow Shares in Investor IV's favour as per **Article 60.3** above.

(b) In addition to (a) above, Investor IV (as applicable) shall, to the extent required, after adjustment as per Article 63.5.3 (a) above be entitled to an appropriate adjustment on a full ratchet basis so as to readjust and reduce the Investor IV Floor Price to the Investor IV Agreed Price, in the manner determined by Investor IV. For this purpose, Investor IV shall also have the right (and the Promoters shall cause and the Company shall undertake all such actions, matters, deeds and things and execute all other documents, letters and consents, take all steps, do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such re-adjustment determined by Investor IV (including by issue of fresh Equity Shares) including the passing of necessary resolutions at the shareholders and/or Board level), to forthwith cause (i) the Promoters to transfer (from the Shares held by the Promoters) and/or (ii) cause the Company to issue, such number of additional Equity Shares to Investor IV, at the lowest permissible price per share (including nil consideration) in accordance with applicable Law, such that the average cost of Equity Shares as held by Investor IV (including additional Shares to be issued in accordance with this Article, and the Escrow Shares released (or liable to be released as per the terms hereof) as per Article 63.5.3 (a) above, but not including bonus shares held by Investor IV), is equal to or lower than the Investor IV Agreed Price. No further Investors Consent shall be required for issue of Equity Shares by the Company for the purposes of and to the

extent specified in this **Article 63.5.3 (b)**. It is further clarified that the provisions of **Article 63.2, Article 63.3** and **Article 63.4** shall not apply to any issue and/or Transfer of Shares for the purpose of this **Article 63.5.3(b)**.

Illustration:

E = the Investor IV Floor Price,

L1 = is the Investor IV Agreed Price (as defined hereinabove),

L0 = the lowest price at which additional Equity Shares can be issued or Transferred to the Investor IV, as per applicable Law subject to a minimum of Rs.1.

S = Number of shares held by Investor IV at the time of such Fresh Issue including the Escrow Shares if any released by the Escrow Agent in Investor IV's favour as per the terms hereof

Y = Number of additional shares to be issued to Investor IV and Transferred

Then, as per this **Article 63.5.3**

$((E) \times (S)) + ((L0) \times (Y))$ should equal to $(L1) \times ((S + Y))$

For example, assuming:

E = Rs. 10 per Share

S = 1000 Shares

L0 = Rs. 2

L1 = Rs. 6

Y = Number of additional Shares to be issued to the Investor IV

then

$$10 \times 1000 + 2 Y = 6 (1000 + Y)$$

$$\text{i.e } Y = \frac{10000-6000}{4}$$

in other words Y = 1000 Shares

63.5.4 Notwithstanding anything contained herein or the Agreement, the Promoters and the Company jointly and severally undertake to Investor IV that prior to release of Escrow Shares (or the Escrow Shares being liable to be released) there shall be no Partial

Dilution Issue.

63.5.5 Provided further that without prejudice to the terms hereof, if prior to release of the Escrow Shares (or the Escrow Shares being liable to be released as per the terms hereof) and with the prior consent of the Investors and as per the terms hereof, there is a Partial Dilution Issue, then the following shall take place:

such number of shares ("Z") shall be transferred from Escrow Shares to Investor IV as calculated below:

$Z = (\text{Investor IV Shares Amount} / \text{Partial Dilution Price}) \text{ less Investor IV Control Shares.}$

Z shall be duly determined and certified by Deloitte Haskins & Sells.

Investor IV's anti-dilution rights after the Escrow Shares being released or liable to be released as per the terms hereof

63.5.6 Notwithstanding anything contained herein or the Agreement, the Promoters and the Company jointly and severally undertake to the Investors that after release of the Escrow Shares (or the Escrow Shares being liable to be released as per the terms hereof) (i) the Company shall not issue any shares or cause any Fresh Issue below the Investor IV Entry Price (in accordance with this **Article 63** hereof) and (ii) the Promoters shall not Transfer any Equity Shares or other securities issued by the Company that are convertible into Equity Shares (the Securities), to any Person (including any Investor or a third party) at a price (or price related terms), per share, below the Investor IV Entry Price (and such lower offer price being hereinafter referred to as the "Dilution Price"), without the prior consent of the Investors.

Provided that without prejudice to the foregoing, and to the rights of the other Investors as per the terms hereof, if after the release of the Escrow Shares (or the Escrow Shares being liable to be released as per the terms hereof) and with the prior consent of the Investors, (i) the Company issues any shares or conducts a Fresh Issue at the Dilution Price, (in accordance with **Article 63** hereof), or (ii) if the Promoters Transfer any Securities, to any Person at the Dilution Price, then Investor IV (as applicable) shall be entitled to an appropriate adjustment on a full ratchet basis so as to readjust and reduce the Investor IV Entry Price to the Dilution Price, in the manner determined by Investor IV. For this purpose, Investor IV shall also have the right (and the Promoters shall cause and the Company shall undertake all such actions, matters, deeds and things and execute all other documents, letters and consents, take all steps, do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to such re-adjustment determined by Investor IV (including by issue of fresh Equity Shares) including the passing of necessary resolutions at the shareholders and/or Board level), to forthwith cause (i) the Promoters to transfer (from the Shares held by the Promoters) and/or (ii) cause the Company to issue such number of additional Equity Shares, at the lowest permissible price per share (including nil

consideration) in accordance with applicable Law to Investor IV, such that the average cost of Equity Shares as held by Investor IV (including additional Shares to be issued in accordance with this Article, the Escrow Shares if any, already released to Investor IV, but not including bonus shares held by Investor IV), is equal to or lower than the Dilution Price. No further Investors Consent shall be required for issue of Equity Shares by the Company for the purposes of and to the extent specified in this **Article 63.5.6**. It is further clarified that the provisions of **Article 63.2**, **Article 63.3** and **Article 63.4** shall not apply to any issue and/or Transfer of Shares for the purpose of this **Article 63.5.6**

Illustration:

E = Investor IV Entry Price

L1 = is the Dilution Price (as defined hereinabove),

L0 = the lowest price at which additional Equity Shares can be issued or Transferred to the Investor IV, as per applicable Law subject to a minimum of Rs.1.

S = Number of shares held by Investor IV at the time of the Fresh Issue including Escrow Shares, if any, released by the Escrow Agent in Investor IV's favour as per the terms hereof.

X = Number of additional shares to be issued to Investor IV and Transferred

Then, as per this **Article 63.5.7**

$((E) \times (S)) + ((L0) \times (X))$ should equal to $(L1) \times ((S + X))$

For example, assuming:

E = Rs. 10 per Share

S = 1000 Shares

L0 = Rs. 2

L1 = Rs. 6

X = Number of additional Shares to be issued to the Investor IV

then

$$10 \times 1000 + 2 X = 6 (1000 + X)$$

$$\text{i.e } X = \frac{10000-6000}{4}$$

in other words X = 1000 Shares

63.5.7 For the sake of brevity, no fraction of an Equity Share will be issued to any Investor under this **Article 63.5** upon any adjustment, and the number of Equity Shares to be issued shall be rounded to the nearest whole share (with one-half rounded upward). It is also expressly clarified that issue of Equity Shares by the Company to Investors in accordance with this Article shall not be considered by the Parties, as an issue triggering this **Article 63.5**. In the event that the applicable Law or regulation at such time does not permit such additional Shares to be issued to or subscribed by and/or Transferred to any Investor in accordance with this **Article 63.5** then the Promoters and/or the Company shall mutually discuss and determine with such Investor, an acceptable mechanism whereby the Promoters and/or the Company shall indemnify and protect the Investor to the extent that such Investor has not been compensated.

63.5.8 In the event if any dispute or disagreement between the Parties with respect to the number of additional Shares that the Investors shall be entitled to subscribe to in terms of this **Article 63.5**, the Parties shall forthwith refer any such dispute or disagreement in relation to this **Article 63.5** to the binding and final decision of an independent, internationally reputed accounting firm jointly selected by the Parties from amongst the Big 4 Accounting Firms (“Financial Expert”). The Parties agree to appoint the Financial Expert within a period of fifteen (15) days from the date of such dispute, failing which the Investors shall have the right to appoint the Financial Expert from one of the Big 4 accounting firms. The costs incurred in relation to such Financial Expert, shall be borne by the Company.

63.6 **Avoidance of Transfer Restrictions**

(a) The Transfer restrictions on the Promoters in the Agreement and/or in the Restated Articles shall not be capable of being avoided by the holding of Equity Shares indirectly through a company or other Person 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 Company, Promoters, or of any Affiliate of the Promoters which holds, directly or indirectly, any Equity Shares, shall be treated as being a Transfer of the Equity Shares held by the Promoters, and the provisions of these Articles and the Agreement that apply in respect of the Transfer of Equity Shares shall thereupon apply in respect of the Equity Shares so held.

(b) Transfer by the Investors of Shares may be made without any restriction including as to price or otherwise, to any Person including without limitation within the Investor Group subject to such transferee executing a Deed of Adherence. Provided, however, any Transfer of Shares by an Investor to a Competitor, shall require the prior written consent of the Promoters, which consent shall not be unreasonably withheld. The Investors shall not be required (but shall have the right exercisable at their discretion) to pledge or otherwise encumber the Investors Shares or assist the Company in any other manner (including by way of providing guarantees to be provided in favour of or on behalf of the Company) to any third party, including but not limited to the lenders of the Company.

(c) Any change of Control of an Affiliate, having the effect that the Affiliate shall no longer be an Affiliate of the Promoters or the Investors, as the case may be, shall be treated as a Transfer of Shares and in such instance, if such Affiliate holds any Shares, the Promoters or the Investors, as the case may be, shall forthwith procure that such Affiliate, Transfers the Shares back to the Promoters or the Investors or their respective Affiliates, as the case may be prior to such change in Control of the Affiliate.

(d) Right of First Offer by an Investor to other Investors and to Promoters:

(i) An Investor may freely Transfer any Shares held by it, including at any time during the Term hereof, without restriction as to price or otherwise, whether within the Investor Group or to any third Person, subject to execution of the Deed of Adherence by such proposed transferee. Without prejudice to the ability of the Investors to freely Transfer any of its Shares, each Investor undertakes to the other Investors and to the Promoters, that in the event an Investor ("Selling Investor") proposes to Transfer any Shares to a third Person (other than an Investor Group entity), the Investor shall first notify the non selling Investors and the Promoters of its intention to Transfer Shares, inviting proposals from such parties to purchase the said Shares. Within ten (10) days of receipt of such invitation by the Selling Investor to offer, the non selling Investors or Promoters may communicate their offers to purchase such Shares (if any, including with respect to the price per Share offered and other terms and conditions to the Selling Investor.

(ii) The Selling Investor shall within five (5) days of receipt of the offer(s) from the Investors or the Promoters, consider the said offers (if any) and communicate its decision to the Investors and/or the Promoters (as the case may be). In the event, the Selling Investor elects to accept the offer(s) by the Investors and/or the Promoters (as the case may be), such non-selling Investors and/or the Promoters (as the case may be) shall be obligated to purchase the Selling Investors' Shares within a period of thirty (30) days, on the terms and conditions stated in the said offer. In the event the Selling Investor does not receive an offer from any Investor or from the Promoters within the above mentioned time period or if the Investors' or Promoters offer is not acceptable to the Selling Investor (in its sole discretion), the Selling Investor shall have an unfettered right to sell its Shares to any third Person, on any terms and conditions including with respect to price. Provided however, that in the event the offer by the Promoters and by the Investors are comparable (including in terms of price offered per Share and other terms and conditions), the Selling Investor, shall give preference to the Transfer of Shares to the other Investors over a Transfer of Shares to the Promoters. Provided further, in the event more than one Investor has offered to purchase the Shares of the Selling Investor, the Investors desirous of purchasing the Shares shall (as acceptable to the Selling Investor) purchase such Shares in the proportion of their inter se shareholding in the Company calculated on a Fully Diluted Basis.

(iii) The Company and the Promoters shall, for the purposes of facilitating any proposed Transfer of Shares by the Selling Investor to a potential third party purchaser(s), render all necessary assistance, as may be requested by the Selling Investor including by facilitating and providing all necessary information and documentation to the Selling Investor and/or any potential third party purchaser(s) for the purposes of evaluating the proposed transaction and conducting a comprehensive due diligence on the Company.

64. QUALIFIED INITIAL PUBLIC OFFERING

64.1 The Company shall, and the Promoters shall procure that the Company shall conduct a QIPO on or before the QIPO Deadline Date, in accordance with the recommendations of an Underwriter. The QIPO shall be managed by the Underwriter. The timing of the QIPO, the price and the number of shares to be offered in the QIPO shall be determined by the Underwriter in consultation with the Investors.

64.2 For the purpose of a QIPO, to the extent permissible at Law, the equity shares held by the Investors shall not be subjected to a lock-in or other restriction on Transfer as applicable to a promoter's contribution under the guidelines of SEBI or any other statutory or regulatory authority as applicable from time to time.

64.3 If such QIPO is made in India, and the Company is required to offer a minimum number of equity shares, as required under applicable Indian Law, existing from time to time, in order to comply with such requirements, the Company shall be empowered (subject to prior Investors Consent) to make its QIPO in any manner or a combination thereof (subject to the Investors Consent), by (a) issuance of fresh equity shares by the Company; (b) issuance of fresh equity shares by the Company and the divestiture of all or a part of the shareholdings of the Promoters in the Company; or (c) solely through the divestment of all or a part of the shareholdings of the Promoters in the Company. Notwithstanding anything contained in these Articles and the Agreement, prior to such QIPO, each of the Investors shall have the right (but not be obligated) to offer equity shares held by it representing up to 100% of the equity shares held by such Investor for sale in the QIPO. Without prejudice to the aforesaid, each Investor shall be entitled (without being obliged) to offer all or some of its equity shares in any public offering of the Company on terms acceptable to the Investor. Provided that in the event the size of the QIPO does not permit the Investors (where they so elect) to offer 100% of the equity shares held by such Investors for sale in the QIPO, the Investors desirous of offering their shares for sale, shall offer shares for sale in the QIPO on a pro-rata basis, proportionate to their inter se shareholding in the Company. Provided that where an Investor does not participate in the QIPO process to the maximum extent of their pro rata entitlement, the other offering Investors shall have the

right on a pro rata basis (but not the obligation) to participate to such additional extent.

64.4 The Company shall bear all costs of such QIPO, including without limitation all registration, filing and qualification fees and printers, legal and accounting fees and disbursements. If a QIPO is to be made and if the minimum paid-up equity Share Capital required at the relevant time for the purpose of listing the Company's equity shares is more than the paid up equity Share Capital of the Company (inclusive of any additional equity shares to be issued through the QIPO), then the Company shall issue such bonus equity shares as are required to meet such listing preconditions, as per applicable Law requirements.

64.5 The Promoters and the Company will take all such steps, and extend all such co-operation to each other and the lead managers, Underwriter and others as may be required for the purpose of expeditiously making and completing the said QIPO, including the provision by the Company and the Promoters of any customary representations, warranties and/or indemnities in this regard, and that the Investors shall extend all reasonable co-operation to the Company in connection with a QIPO.

64.6 Subject to applicable Law, the Investors shall not be required to provide any representations or warranties, other than in respect of its title to the equity shares and the Investors capacity to Transfer the equity shares, in respect of any Transfer of equity shares pursuant to these Articles and the Agreement, including pursuant to this **Article 64** (Qualified Initial Public Offering).

64.7 Notwithstanding anything contained herein each of the Investors undertake to provide the Investors Consent, which shall not be unreasonably withheld by any Investor for and in relation to fulfilment by the Company and the Promoters of their obligation to conduct and achieve the QIPO in accordance with the terms hereof and in accordance with the recommendations of the Underwriter.

65. OFFER FOR SALE

65.1 If for any reason whatsoever, the Company is unable to consummate a QIPO on or before the QIPO Deadline Date, each of the Investors shall be entitled to require the Promoters to make an Offer for Sale (OFS) to the public, of the equity shares held by the Promoters and seek a listing of the equity shares on the Exchange(s) in accordance with the guidelines of SEBI or any other statutory or regulatory authority as applicable from time to time. The Investor(s) shall be entitled to require the Promoters and the Company to engage an Underwriter, at the cost of the Company, to conduct the OFS. The timing of the OFS, and other details including the price and number of shares to be offered in the OFS shall be determined by the Underwriter in consultation

with the Investors. Provided that prior to the completion of the Demerger, the lower band of valuation for the OFS provided by the Underwriter (appointed as per the foregoing) and as specified in the red-herring prospectus, is such that as would result in the pre-money valuation of the Company prior to the OFS being no less than Rs. 1800 Crore (Rupees Eighteen Hundred Crore) as increased by 1.2 times the amount raised by the Company through any Fresh Issue including the investment by way of subscription to Further Round Investor IV Shares (if any). It is clarified that the price band for the OFS shall be determined as per the terms of these Articles and the Agreement and the above mentioned minimum lower band shall not be applicable where a Demerger has been completed by the Company. The Promoters shall contribute such number of equity shares held by the Promoters as may be required to consummate the listing of the equity shares on the Exchanges in accordance with the applicable listing requirements, in addition to the equity shares (if any) being offered by the Investor(s) for the OFS. Notwithstanding anything contained herein, in the event an OFS is conducted after the completion of the Demerger and Promoters are not required to participate in the OFS as per applicable Law and/or for the purposes of enabling the Company to be listed, then the Promoters shall not be entitled to participate in the OFS if the lower band of valuation for the OFS, as provided by the Underwriter (appointed as per the foregoing) and as specified in the red-herring prospectus, is such as would result in the pre-money valuation of the Company prior to the OFS being less than the Benchmark Entry Valuation.

65.2 Each Investor shall have the right (but not be obligated), on a priority basis to offer up to all their equity shares for sale in any public offering of the shares of the Company. The Company and the Promoters shall co-operate with the Investors and shall take all such actions as the Investors may request in order to complete such OFS in accordance with applicable Law. Provided that in the event the size of the OFS does not permit the Investors (where they so elect) to offer 100% of the equity shares held by such Investors for sale in the OFS, the Investors desirous of offering their shares for sale, shall offer shares for sale in the OFS, on a pro-rata basis, proportionate to their inter se shareholding in the Company. Provided that where an Investor does not participate in the OFS process to the maximum extent of their pro rata entitlement, the other offering Investors shall have the right on a pro rata basis (but not the obligation) to participate to such additional extent.

65.3 To the extent legally permissible, the Company shall bear all costs of such public offerings, including without limitation all registration costs, underwriting costs and selling commissions.

Notwithstanding anything contained herein or otherwise agreed, each of the Investors undertake to provide the Investors Consent which shall not be unreasonably withheld by any Investor for and in relation to fulfilment by the Company and the Promoters of their obligation to conduct and achieve the OFS

in accordance with the terms hereof and in accordance with the recommendations of the Underwriter.

66. OTHER COVENANTS

66.1 Disclosure of Information

66.1.1 No Party shall, without the express written consent of the other Parties disclose Confidential Information (or permit the disclosure of Confidential Information) regarding the other Parties other than:

- (a) to each other;
- (b) to the Company's lenders, bankers and auditors;
- (c) to any persons who are investors or potential investors in the Investors or lenders or potential lenders to the Investors;
- (d) to any of the associates, directors, officers, employees, or representatives or Affiliates of the Parties or lenders / potential lenders or shareholders / potential shareholders of the Parties, or within the Investor Group;
- (e) to the professional advisers of each of the persons listed in (a) to (d) above;
- (f) as required by Law; and
- (g) as required by any stock exchange or any Government or regulatory authority to which Investor is subject,

provided that any disclosures to third parties shall be subject to the disclosing party providing to the Company, a copy of the confidentiality undertaking executed by the recipient party prior to such disclosure and the use of the information disclosed shall be limited to the specific purpose for which such information has been disclosed. Provided further that any disclosure by an Investor to an Affiliate or within the Investor Group or to its associates, directors, officers, employees, representatives or professional advisors, shall not require any confidentiality undertaking to be executed by the recipient party.

66.1.2 **Article 66.1.1** above shall not, however, apply to Confidential Information which is or becomes publicly available, by publication or otherwise, without breach of the Agreement or was known to any Party on a non-confidential basis prior to disclosure or was developed independently by any Party or its representatives without the use of Confidential Information which was obtained by any Party or its representatives from a source that is not known to have been so disclosed in breach of any confidentiality obligation or undertaking.

66.1.3 The Investor Directors may report to the Investors on the affairs of the Company; and disclose Confidential Information as he/she shall reasonably consider appropriate to the Investors.

66.2 Data Protection

66.2.1 The Promoters and Mr. S. Surendra, Mr. S. Papayya, Mr. N. Sudhakar, Mr. P. Vasudeva Rao, consent to the processing of their personal data by the Investors for the following purposes:

- (a) conducting due diligence;
- (b) evaluating an investment in the Company; and
- (c) compliance with applicable Laws, regulations and procedures.

66.2.2 The Investors may process that personal data either electronically or manually. The personal data that may be processed by the Investors for those purposes includes any information which may have a bearing on the prudence of investing in the Company. The Promoters and Mr. S. Surendra, Mr. S. Papayya, Mr. N. Sudhakar, and Mr. P. Vasudeva Rao have consented to the transfer of their personal data to the offices of the Investors both within and outside the European Economic Area for the purposes stated in this Article, where it is necessary or desirable to do so.

66.2.3 Each of the Company and the Promoters shall not (except as required by lenders):

- (a) use the name of any Investors Related Party in any context whatsoever (except as required by law); or
- (b) hold themselves out as being associated with any Investor Related Party in any manner whatsoever without the Investors Consent and shall not use or disclose the name of the Investors as Shareholders.

66.3 Use of Proceeds

The Company will use the proceeds of the Investor IV Subscription Shares for the purposes of (i) financing the growth and expansion of the Company in accordance with the approved Business Plan (ii) to finance the approved capital expenditure (iii) to meet the working capital requirements of the Company and (iv) for other corporate expenses as per the requirements of applicable Law. To the extent not already utilised as per the terms of the Investment Agreement, the Company shall use the proceeds of the Investor I, II and III Shares Amount for the purposes of (i) financing the growth and expansion of the Company in accordance with the approved business plan as per the Investment Agreement (ii) to finance the approved capital expenditure (iii) to meet the working capital requirements of the Company and (iv) for other corporate expenses as per the requirements of applicable Law.

66.4 Connected Person

The Company shall (and the Promoters shall procure that Company shall) enter into all transactions with a Connected Person/Concern on arms length terms or on market terms. The Company shall obtain the Investors Consent prior to entering into any agreement or arrangement with a Connected Person/Concern which does not comply with the condition set out above.

66.5 Set Off

The Company and the Promoters hereby agree that the Investors shall be entitled, subject to applicable Law, to deduct any monies due and payable by any of them (as applicable) to the Investors from any payment to be made by the Investors to the Company or the Promoters (as the case may be) hereunder. It is clarified that since the Company and the Promoters are jointly and severally liable to the Investors, the Investors shall be entitled to set off any amount due to them (as applicable) from any of the Company or the Promoters from a payment due to any of the Company or the Promoters.

66.6 Right to Conduct Business

- 66.6.1 The Company and the Promoters hereby acknowledge that the Investors, its Affiliates and Investor Group invest and may invest in numerous companies, some of which may compete with the Company and its business. The Company, and the Promoters confirm and acknowledge that the Investors and the Investor Group shall not be liable for any claim arising out of, or based upon (a) the fact that they hold an investment in any Person that competes with the Company, or (b) any action taken by any of their officers or representatives to assist any such competing Person, whether or not such action was taken as a board member of such competing company, or otherwise and whether or not such action has a detrimental effect on the Company.
- 66.6.2 The Company and the Promoters hereby unconditionally and irrevocably consent to the Investors and/or any member of the Investor Group at any time and from time to time investing in the securities of any Person engaged in the same or a similar business as the business of the Company or entering into collaborations or other agreements or arrangements with any Persons in India engaged in the same or a similar business as the business of the Company. At the request of any of the Investors, the Company and the Promoters shall simultaneously certify that they do not object to such investment, agreement or arrangement with such Persons and in such form as may be requested by the Investors.
- 66.6.3 Subject to **Article 66.1** (Disclosure of Information) hereof and subject to each recipient undertaking a confidentiality undertaking in favour of the Company, the Investors shall be entitled to disclose all information received by the Investors to members of the Investor Group.

66.7 Investors not to be considered Promoters

The Company and the Promoters acknowledge that the Investors will only be financial investors and not acquire Control and management of the Company. The Promoters are and shall remain in Control of the Company and continue to manage the Company. The Company and the Promoters will ensure that the Investors shall not be considered/ classified as a 'promoter' of the Company for any reason whatsoever and the Investors Shares are not subject to any restriction (including that of lock-in or other restriction) which are applicable to promoters under the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 or any applicable Law.

66.8 Most Favoured Investor

(i) For the Term of the Agreement, the Company shall not and the Promoters shall procure that the Company does not issue additional Shares to any Person on terms and conditions more favourable than those offered to the Investors, including but not limited to price and rights attached to such Shares, except as provided in **Article 63.4.4**, subject to **Article 63.5** and this **Article 66.8** with the prior written consent of each of the Investors.

(ii) In the event that the Company at any time issues securities to any Person on terms that are more favourable than those available to the Investors (in accordance with **Article 63.4.4** and **Article 63.5**), all such more favourable terms shall (in addition to the rights specified herein) immediately be made available mutatis mutandis to all Investors provided however that any management related superior rights (including but not limited to reserved matters, board representation, etc) offered to a New Investor, shall only extend to and be matched for Investor I, Investor II and Investor IV. These Articles and the Agreement shall be deemed to be automatically amended to include such more favourable terms.

66.9 Liquidation Preference

66.9.1 In the event of winding up or liquidation of the Company, each of the Investors shall on a pari passu basis be entitled to first receive an amount equal to 100 % of the Investor I, II, III Shares Amount and Investor IV Shares Amount to the Investors respectively, together with any outstanding arrears or accruals thereon and any declared but unpaid dividends on the securities in the Company (including the Equity Shares) held by the Investors calculated on a Fully Diluted Basis, from the proceeds of such winding up or liquidation, prior to any distribution to the other shareholders of the Company. The amounts payable to the Investors under this **Article 66.9** is hereinafter referred to as the "Liquidation Preference Amount". Provided however, that in the event that the proceeds from the assets of the Company are not sufficient to fully pay the Liquidation Preference Amount to all the Investors, the available proceeds shall be distributed amongst the Investors in the proportion of their inter-se shareholding in the Company on a Fully Diluted Basis.

66.9.2 In addition, to the extent that there are assets of the Company available for distribution after payment of the Liquidation Preference Amount to each of the Investors and after the other shareholders of the Company have received (taking into account the proportion of shares held by the other shareholders and calculated on a Fully Diluted Basis) their subscription price for their shares, all the shareholders of the Company (including the Investors), will share pro rata in the distribution of such remaining assets of the Company.

66.9.3 It is further agreed that in the event the aforementioned **Article 66.9.1** and **66.9.2** are not enforceable for any reason whatsoever, the following shall apply:

(a) Subject to applicable Law, in the event of the liquidation of the Company and after payment or provision for payment of the debts and other liabilities of the Company, the surplus (after such payment) shall be distributed amongst the shareholders of the Company in proportion to their shareholding. In the event that the amount, if any, received by any Investor(s) is less than the respective Liquidation Preference Amount, the Promoters shall out of the amounts received by them, pay over such amount to the Investor(s) in proportion to the Investors respective shareholding in the Company calculated on a Fully Diluted Basis, so that the Investor(s) receive an aggregate amount equal to the Liquidation Preference Amount due to it.

(b) To the extent necessary, the Promoters waive their respective rights and entitlements to its share in any payment pursuant to liquidation of the Company and to the extent that such payments are made to, or received by, any shareholder (other than the Investors), the shareholder(s) shall hold the payments received by it / them in trust for the Investors.

(c) The Parties shall apply for and obtain all such approvals and take all such actions as may be required to permit such payment to the Investors.

66.10 Impairment

The Company will not, by amendment of its Memorandum of Association and/or its Restated Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by the Company hereunder, but will at all times in good faith assist in the carrying out of all the provisions of these Articles and the Agreement and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Investors against impairment.

66.11 Compliance with Finance Documents

Subject to the rights of the Investors hereunder and the other terms of these Articles and the Agreement, the Company shall at all times during the Term of the Agreement comply strictly with all its obligations under the Finance Documents, unless such

obligations are specifically waived by the Lenders, a notice of which waiver shall be promptly provided by the Company to each of the Investors, together with a copy of any related communication from the Lenders.

66.12 Insurance

The Company shall maintain insurance cover as mandated under the provisions of the Finance Documents and consistent with the regulatory requirements, market practise including Key Man and Directors and officers liability insurance and such insurance policies shall be on terms as are customarily held by companies of established reputation engaged in the same business as the Company and to the satisfaction of each of the Investors and shall renew and keep renewed all such insurance policies.

66.13 Right of Action

66.13.1 If the Company has a right of action against the Promoters or any Affiliate of the Promoters or any Connected Person (Conflicted Party), or in the event of any dispute or potential dispute between the Company and any Conflicted Party or in the event any Conflicted Party is interested in any manner, directly or indirectly in respect of any matter pertaining to the Company, then a committee of 5 number of Directors (other than any interested Director but including the Investor Directors) shall be formed as soon as possible after such breach or other event or matter.

66.13.2 The committee formed under **Article 66.13** shall have full authority on behalf of the Company to take any action it considers appropriate in respect of such breach, event or matter.

66.14 Non Compete

66.14.1 As the Promoters have and are likely from time to time to obtain knowledge of trade secrets and other confidential information of the Company and to have dealings with the customers and suppliers of the Company and in order to protect such trade secrets and other confidential information and the goodwill of the Company, the Promoters further undertakes to each of the Investors and, as a separate undertaking, to the Company, in the terms set out herein below.

66.14.2 With respect to each Investor and Investor Group, till the expiry of two years from the earlier of either (i) such Investor Group, ceasing to hold a minimum of 5% of the Share Capital or (ii) the Promoters ceasing to hold any of the Equity Shares (the Non-Compete Termination Date), the Promoters undertake to the Company and the Investors that, except as otherwise agreed in writing by the Board with the Investors Consent and without prejudice to any other duty implied by Law or equity, they shall not, within India, either personally or through an agent, company or otherwise in any other manner directly or indirectly:

- (a) be concerned in any business directly or indirectly manufacturing, operating, selling or distributing products or services which compete or

may compete with any business then carried on by the Company, including without limitation, the Business;

- (b) except on behalf of the Company, canvass or solicit business or customers for services similar to those being provided by the Company from any Person who is a customer of the Company;
- (c) induce or attempt to induce any supplier of the Company to cease to supply, or to restrict or vary the terms of supply to, the Company or otherwise interfere with the relationship between such a supplier and the Company; or
- (d) induce or attempt to induce any director on the Board or any senior / key employee of the Company to leave the employment of the Company.

It is clarified that this **Article 66** shall apply only with respect to Investors which hold at least 5% of the Share Capital on the Completion Date. Provided further that the Promoters shall not directly or indirectly carry on or invest in any other business or activity without the Investors Consent.

66.14.3 The Promoters undertake with the Company and the Investors that they shall not use (either personally or through an agent, or otherwise, directly or indirectly) or (insofar as they can reasonably do so) allow to be used:

- (a) any information of a secret or confidential nature relating to the business or affairs of the Company; or
- (b) any trade name used by the Company, or any other name likely to be confused with such a trade name.

66.14.4 Where the Promoters cease to hold any shares in the Company:

- (a) for the purposes of **Article 66.14.2 (a)** the Business carried on by the Company shall be deemed to be that carried on as at any time within the year ending on the Non-Compete Termination Date;
- (b) for the purposes of **Article 66.14.2 (b)**, services provided by, and the customers of, the Company shall be deemed to be those as at any time within the year ending on the Non-Compete Termination Date;
- (c) for the purposes of **Article 66.14.2 (c)** the suppliers of the Company shall be deemed to be those as at any time within the year ending on the Non-Compete Termination Date; and
- (d) for the purposes of **Article 66.14.2 (d)** references to directors and senior / key employees shall be deemed to be those with whom the Promoters had material dealings during the year ending on the Non-Compete Termination Date.

66.14.5 For the purposes of **Article 66.14**, the Promoters are concerned in a business if:

(i) The Promoters or their Affiliates carry it on as principal or agent; or

(ii) The Promoters or any of their Affiliates is a partner, consultant or agent in, of or to any Person who carries on the business; or

(iii) The Promoters or any of their Affiliates has any direct or indirect financial interest (as shareholder or otherwise) in any Person who carries on the business; or

(iv) The Promoters or any of their Affiliates is a partner, consultant or agent in, of or to any Person who has a direct or indirect financial interest (as shareholder or otherwise) in any Person who carries on the business,

disregarding any direct or indirect financial interest of a Person in securities which are listed or dealt in on any generally recognised stock exchange if the Promoters and any Person connected with it (including any of their Affiliates) are interested in securities which (collectively) amount to less than 1% (one per cent) of the issued securities of that class and which, in all circumstances, carry less than 1% (one per cent) of the voting rights (if any) attaching to the issued securities of that class and provided that none of such Persons are involved in the management of the business of the issuer of the securities or any Person connected with it other than by the exercise of voting rights attaching to the securities; and references to the Company include its successors in business.

66.14.6 Any of the undertakings on the part of the Promoters under this Article may be released either generally or in any particular case with the Investors Consent but not otherwise. Each covenant contained in each clause or paragraph above shall be, and is, a separate covenant by the Promoters and shall be enforceable separately against the Promoters and independently of each of the other covenants and its validity shall not be affected if any of the others is invalid; and if any of the covenants is void but would be valid if some part of the covenant were deleted the covenant in question shall apply with such modification as may be necessary to make it valid.

66.14.7 The Parties hereto expressly acknowledge and agree that in the context of the Company's business and the Promoters relationship with the Company as promoters and substantial shareholders of the Company, the Promoters ownership interest in the Company is a substantial ownership interest, and that the Investors would not proceed with their respective investment in the Company but for the Promoters covenants hereunder to ensure the protection of the value of the Company.

66.14.8 The Promoters acknowledge that the restrictions on competitive activity set forth in these Articles and the Agreement are mainly to secure to the Investors the benefits of these Articles and the Agreement and to protect the value of the Company, including the goodwill of the Company's business and the potential for expansion of that business.

66.14.9 The Promoters acknowledge the breadth of the geographic scope of these Articles and the Agreement, but deems the investment by the Investors to be adequate consideration for the right to engage in a competitive business that it is foregoing under these Articles and the Agreement.

66.14.10 The Promoters, having obtained professional advice, acknowledge and agree that the covenants contained in this Article are no more extensive than is reasonable to protect the Investors and to protect the business of the Company.

66.14.11 The Promoters undertake to the Investors and the Company that the Promoters shall make best endeavours to pursue and implement any opportunities for business in underground construction, through the Company.

66.14.12 The provisions of this **Article 66** shall apply to all companies forming part of the Promoters Group in the same manner as they apply to the Promoters, including all Affiliates of the Promoters or the subsidiary or Group of the Promoters.

67. EVENTS OF DEFAULT, PUT OPTION AND TERMINATION

Events of Default

The following shall constitute an event of default upon the occurrence of which each of the Investors (as applicable) is entitled to terminate the Agreement (an Event of Default) with respect to such Investor:

(a) With respect to each Investor, the breach of any Warranties (including Seller Warranties and Selling Promoter Warranties in respect of Investor IV) provided to such Investor and/or default or delay of any covenants or obligations of the Company or the Promoters, which breach, delay or default is not remedied by the Company and/or the Promoters, within 30 (thirty) days of issue of a notice from an Investor calling upon the Company and/or the Promoters to rectify such breach, default or delay. Provided that, with respect to Investors other than Investor IV, Warranties shall mean the representations and warranties provided by the Company and the Promoters as per the Investment Agreement under Clause 7 and Schedule 3 thereof;

(b) Any failure to obtain the consent of each of the Investors with respect to a Reserved Matter (as the case may be and as applicable) and/or as required in accordance with the terms of these articles and the Agreement;

(c) The filing of a petition, at a court having competent jurisdiction, for winding up of the Company which remains uncontested for a period of 60 (sixty) Business Days from the date of the first hearing.

(d) Mr. S. Surendra (a promoter) ceasing to hold any Equity Shares and being a promoter of the Company or ceasing (in the opinion of the Investors) to actively

participate and conduct the day to day management and operations of the Company;

(e) Failure of the Company and/or the Promoters to achieve QIPO or the OFS and to list the Company within one year from the QIPO Deadline Date (as applicable); and

(f) Appointment of a provisional liquidator providing for winding up of the Company, and such appointment not being set-aside within forty five (45) days or the Company is ordered to be wound up by a court of competent jurisdiction.

67.2 The Promoters hereby undertake and covenant to the Investors, that upon occurrence of an Event of Default each Investor (with respect to whom an Event of Default has occurred) shall have the right to sell all of its Shares (at the sole option of such Investor) held by such Investor(s) (Put Option) to the Promoters and the Promoters shall purchase all the Shares (the Put Shares) specified in the notice issued by such Investor to the Promoters (Put Notice) at the Put Price (as defined herein below) per Put Share. Each Investor(s) as applicable, shall have the right to issue a Put Notice to the Promoters (with a copy to each of the other Investors) within a period of 180 days of the occurrence of an Event of Default being brought to the notice of such Investor (Put Period). Provided that in the event the Put Notice is issued by an Investor at any time after the Put Period, such Investor shall only be entitled to premium (as calculated in accordance with **Article 67.3.1**), as though the Put Notice was issued by the Investor on the last day of Put Period. It is further clarified that non issuance by an Investor of a Put Notice shall in no way prejudice the remedies and rights available to an Investor upon the occurrence of an Event of Default, in accordance with applicable Law and in accordance with these Articles and the Agreement. Further, the non issuance of a Put Notice by an Investor upon the occurrence of an Event of Default shall not affect the ability or right of the Investor to issue a Put Notice upon the occurrence (subsequent or continuing) of another Event of Default. It is hereby clarified that prior to release of the Escrow Shares and without prejudice to Investor IV's rights to receive 20% IRR on the full Investor IV Shares Amount as detailed in **Article 67.3.1**, Investor IV shall be entitled to exercise the Put Option only in respect of the Investor IV Control Shares.

Provided that where the Benchmark Entry Valuation has been determined as per the terms hereof and the Escrow Shares have been released (or are liable to be released as per the terms hereof), the Investors shall be entitled to exercise the Put Option with respect to all or part of the Shares held by such Investors. In the event an Investor(s) exercises its Put Option only in respect of a part of its Shares, the Put Price shall be calculated such that the Put Entitlement in respect of Put Shares (being the "**Partial Put Entitlement**") is adjusted for the ratio, which the Put Shares bear to the total Investor I

Shares, Investor II Shares, Investor III Shares and Investor IV Control Shares, as applicable. Provided further that in case of such part sale of Shares, where an Investor has received the Put Price for all the Put Shares (offered as per its Put Option), for the purposes of these Articles and the Agreement, any reference to such (i) Investor Shares (being Investor I Shares, Investor II Shares, Investor III Shares or Investor IV Control Shares, as the case may be), (ii) to Investor I Shares Amount, Investor II Shares Amount, Investor III Shares Amount or Investor IV Shares Amount, as the case may be and (iii) all corresponding rights shall be deemed to be proportionately reduced by the Put Shares and the Partial Put Entitlement received by such Investor pursuant to its Put Option. Notwithstanding anything, after the Escrow Shares are released or liable to be released as per the terms hereof, Investor IV Control Shares, for the purpose of this **Article 67**, shall mean the Investor IV Shares.

67.3 Notwithstanding anything, prior to completion of the Put Option and purchase of any Put Shares by the Promoters from any Investor, in the event that any Investor issues a Put Notice, the Promoters shall forthwith and no later than seven (7) days from the date of the Put Notice, inform the other Investors that such Put Notice has been issued (Intimation Notice). Without prejudice to their ability to otherwise issue a Put Notice prior thereto, each of the other Investors who are desirous of exercising their rights under **Article 67.2** shall issue their respective Put Notices within twenty one (21) days from the date of the Intimation Notice. Provided that where more than one Investor has issued a Put Notice as per the terms hereof (including after receipt of the Intimation Notice), the Promoters shall be obligated to simultaneously complete the purchase of the Put Shares of all the exercising Investors. All Investors desirous of exercising their Put Option shall act collectively. Provided however, that where an Investor does not issue a Put Notice notifying an exercising Investor (where such exercising Investor has duly complied with its obligations to notify the other Investors) and/or the Promoter of its desire to jointly participate in the Put Option, such Investor shall be entitled to exercise its Put Option as per the terms hereof, after the Put Option of first exercising Investor(s) has been duly completed subject to the terms of these Articles and the Agreement.

67.3.1 In the event the Investor(s) exercise their Put Option, the Promoters shall subject to the terms hereof forthwith complete the Transfer of the relevant Put Shares within a period of 30 days of the Put Notice. For the purposes of this **Article 67.3.1**, the price per Put Share ("Put Price") for the Investor(s) shall be such that the Investor(s) is provided a 20% IRR on the Investor I Shares Amount, Investor II Shares Amount, Investor III Shares Amount and Investor IV Shares Amount, as the case may be, (compounded from the respective date of subscription and/or acquisition (as applicable) by each respective Investor to any Share till the date of payment of the Put Price for all the Put Shares by the Promoters to such Investor) ("Put Entitlement"). As condition precedent

to receipt by each Investor of its respective amount of Put Entitlement in full, each Investor shall confirm in writing to each of the other Investors and Promoters, that it has received its entire Put Entitlement (“Put Option Confirmation”).

Notwithstanding anything, where Investor IV has received its entire Put Entitlement (i.e 20% IRR on the entire Investor IV Shares Amount) through the exercise of the Put Option, then all Escrow Shares, if any, shall be forthwith released and Transferred to the Investors (other than Investor IV) and the Promoters and the Selling Promoter in proportion to their inter se shareholding in the Company. Provided however, in the event that any Investor (other than Investor IV) has received its entire Put Entitlement then such Investor shall not be entitled to receive any Escrow Shares and such Investor’s entitlement to Excess Shares under **Article 60** shall be forthwith released and Transferred to the other Investors, Promoters and the Selling Promoter in proportion to their inter se shareholding in the Company.

Provided further that, notwithstanding anything, where an Investor has as per the terms hereof received its entire Put Entitlement, the Agreement shall terminate as against such Investor, and remaining Equity Shares (if any) held by such Investor shall forthwith be Transferred to other shareholders of the Company, in proportion of their inter se shareholding in the Company, at the lowest permissible price as per applicable Law, subject to a minimum of Rs. 1.

67.3.2 Provided that in the event that the applicable Law or regulation at such time does not permit the entire Put Price, (for the Put Shares) to be paid to all the respective Investors in accordance with this Article or does not permit the purchase of all the Put Shares of all the Investors by the Promoters in accordance with this **Article 67** above, then, the Promoters shall acquire the Put Shares from the exercising Investors simultaneously, in the proportion of the inter-se shareholding of the Investors who have issued the Put Notice and the Promoters shall mutually discuss and determine with such Investors an acceptable mechanism whereby the Promoters shall indemnify the Investors to the extent that the Investors have not received the entire Put Price for all the Put Shares within a period of thirty (30) days from the date of the Put Notice.

67.4 Termination Provisions

Subject to Completion having occurred, the Agreement shall become effective and legally binding upon the Parties on and from the Completion Date and shall remain in force unless terminated in accordance with **Article 67.5** below (“**Term**”).

67.5 The Agreement and all rights hereunder shall automatically terminate upon the occurrence of the earlier of:

- (a) only as against an Investor, upon such Investor (together with the shareholding of its respective Investor Group) ceasing to hold any Shares after the Completion Date; or

- (b) With respect to all Parties, upon their prior mutual consent; or
- (c) In the event an Investor exercises its Put Option under **Article 67** above, to sell all Shares held by such Investor to the Promoters, upon the purchase of all the Put Shares by the Promoters, the Agreement shall terminate only against such Investor; or

Provided however that in the event an Investor ceases to hold less than 25% of the total Equity Shares (as adjusted for stock splits and consolidations) held by such Investor as on the Completion Date, such Investor shall cease (without prejudice to the Agreement, the Term or any other rights of the Investor in terms hereof) to have the right to nominate an Investor Director (or Observer as the case may be) as per **Article 57** hereof and the right to affirmative vote on Reserved Matters as per **Article 61** hereof, as against such Investor, without prejudice to the Agreement or to any other rights that such Investor may have in terms of these Articles and the Agreement.

Survival

Upon termination pursuant to **Article 67.5**, (A) the provisions of Paragraph 2 (Authorizations), 3 (No Conflicts), 5 (Capitalization and Shareholding), 16 (Insolvency) of Schedule 9 (Warranties) of the Agreement and Part C and D of Schedule 9 of the Agreement and only in relation thereto, the provisions of **Articles 56.7 to 56.17** (both inclusive) (Promoters, Seller's and Company's Indemnity) with respect to Investor IV, (B) provisions of Paragraph 2 (Authorizations), 3 (No Conflicts), 5 (Capitalization and Shareholding), 15 (Insolvency) of Schedule 3 (Warranties) of the Investment Agreement and only in relation thereto, , and **Article 56B.6 to 56B.14 (all inclusive)** hereof, with respect to the Investors other than Investor IV and (C) the provisions of **Article 53.1, Article 53.6 Article 66.1** (Disclosure of Information), **Article 66.2** (Data Protection), **Article 66.9** (Liquidation Preference), **Article 66.14** (Non Compete) (to the extent and until the time period specified therein), **Article 67** (Event of Default, Put Option, and Termination), **Article 56.18 to 56.21** (all inclusive), **Article 56B.15 to Article 56B.18 (all inclusive)**, **Article 74.1, Article 68.4**, Clause 16.12 of the Agreement (and Article 74.7 hereof), Clause 16.14 of the Agreement (and Article 74.8 hereof), **Article 69** (No Indemnity from the Investors and Several Rights), **Article 70** (Notices), **Article 71** (Dispute Resolution), **Article 72** (Governing Law and Jurisdiction) with respect to all Investors; shall survive the termination of the Agreement. Any termination as mentioned above shall not affect the accrued rights and / or obligations of the Parties hereunder.

67.7 Post QIPO

Notwithstanding anything contained herein, it is further clarified that, upon listing of the Company on the Exchanges upon QIPO or OFS, the provisions of these Articles and the Agreement inconsistent with applicable Law and specifically with the terms of the listing agreements of the Exchanges, shall cease to be effective.

68. ASSIGNMENT

- 68.1 The Company and the Promoters shall not be entitled to, nor shall they purport to, assign, Transfer, charge or otherwise deal with all or any of its/their rights and/or obligations under these Articles and the Agreement nor grant, declare, create or dispose of any right or interest in it, in whole or in part. All Parties agree that any assignment of rights and obligations to third parties (expressly excluding Transfers inter se the Investor Group) shall only be consequent upon Transfer of Shares and not otherwise.
- 68.2 Without prejudice to the ability of the Investors to freely Transfer Shares, the Investors shall be entitled to assign its rights and/or Transfer their obligations and/or the Equity Shares issued hereunder including to any member of the respective Investor Group provided that such rights shall only be exercised by one entity on behalf of each Investor Group. Provided that in the event an Investor Transfers its Shares to any one or more third parties, all such parties (including the Investor), shall exercise their rights in terms hereof, through any one entity jointly nominated by all such transferees and the Investor. In the event the Investor Transfers all Shares held by it to a third party, such third party shall be deemed to substitute the Investor for the purposes of these Articles and the Agreement.
- 68.3 Any of the rights of the Investors hereunder may be exercised by any Affiliate on behalf of the Investors and the Investors may Transfer Shares of any class in the Company held by it to any other Affiliate without any restriction.
- 68.4 In relation to any rights available under these Articles and the Agreement on the basis of the number of Shares or the percentage of the Company's Share Capital held by the Investors, the Investors shall be entitled, at its sole discretion, to aggregate the Shares held by any member(s) of the Investor Group with those held by the Investors. It is hereby clarified that any rights available to an Investor Group entity shall be available to and enforceable by the respective Investor. Without prejudice to the above, in relation to any rights available under these Articles and the Agreement on the basis of the number of Shares or the percentage of the Company's Share Capital held by Investor IV, the Escrow Shares shall be computed as part of Investor IV's shareholding in the Company so long as they are not required to be Transferred to the Investors (other than Investor IV) and/or Promoters in terms of these Articles and the Agreement (at which time they shall be computed as part of the shareholding of the Party to whom they are to be released, and all rights in respect thereof shall be accordingly exercisable by such Party).

69. NO INDEMNITY FROM THE INVESTORS AND SEVERAL RIGHTS

Nothing in these Articles and the Agreement shall render the Investors liable to indemnify the Company and/or the Promoters or any other Person for any Losses. Further, notwithstanding anything the rights and obligations of the Investors, shall be several and not joint. The Parties agree that by virtue of acquisition of the Investor IV Secondary Shares from the Seller and the Selling Promoter, Investor IV shall not be liable to the other Investors, Promoters or the Company in any manner whatsoever on account of any obligation, warranty or covenant given by the Seller or the Selling Promoter to the other Investors, Promoters or the Company and accordingly the other Investors, Promoters and the Company hereby irrevocable waive any such right and/or claim in respect thereof against Investor IV. Similarly, the Parties hereto agree that with respect to the Shares acquired by Investor I and Investor II as per the SR Credit SPA, Investor I and Investor II shall not be liable (in respect of such Shares) to the Promoters and/or the Company in any manner whatsoever on account of any obligation, representation, warranty or covenant given by any previous owner of such Shares and hereby irrevocable waive any such right and/or claim in respect thereof.

70. NOTICES

70.1 Service of Notice

Any notice or other communication to be given by one Party to any other Party under, or in connection with, these Articles and the Agreement shall be made in writing and signed by or on behalf of the Party giving it. It shall be served by letter or facsimile transmission (save as otherwise provided herein) and shall be deemed to be duly given or made when delivered (in the case of personal delivery) or at the time of transmission (in the case of facsimile transmission, provided that the sender has received a receipt indicating proper transmission and a hard copy of such notice or communication is forthwith sent by prepaid post to the relevant address set out below) to such Party at its address or facsimile number specified in **Article 70.2**, or at such other address or facsimile number as such Party may hereafter specify for such purpose to the other Parties hereto by notice in writing.

70.2 Details for Notices

The addresses and fax numbers for the purpose of **Article 70.1** are as follows

The Company

Address: Plot No. 304 – O,
Road No. 78,
Film Nagar,
Jubilee Hills,
Hyderabad 500 033
Andhra Pradesh
Fax: (91) 40 2360 6085

For the attention of: Mrs. N. Varalakshmi, Company Secretary

Promoters

Address: Plot No. 1145, Road No. 58
Jubilee Hills, Hyderabad
PIN – 500 033
Andhra Pradesh
Fax: (91) 40 2339 2101
For the attention of: S. Surendra

Investor I

FIL Capital Management (Mauritius) Limited
The Directors
Address: FIL Capital Management (Mauritius) Limited
C/o Multiconsult Limited
5, President John Kennedy Street
Port Louis
Mauritius
Attention: Mr Abdool Azize
Fax: (230) 212 5265
Email: aao@multiconsult.mu

With copies to

FIL Asia Ventures Limited

Attention: Rose Powell
Address: Pembroke Hall
42 Crow Lane
Pembroke
Bermuda HM 19
Fax: (441)-292-5282
Email: rose.powell@fidelity.com

And **FIV**, at:

Attention: Mr Abdool Azize Owasil,
For and on behalf of Multiconsult Trustees Ltd,
Trustees of Fidelity India Ventures

Address: C/o Multiconsult Limited
Rogers House, 5 President John Kennedy Street, Port Louis
Mauritius
Fax: (230) 212 5265
Email: aao@multiconsult.mu

And **FIP**, at:

Attention: Mr. Asit Oberoi
Address: 4th Floor, Narian Manzil,
23 Barakhamba Road,
New Delhi,
Delhi 110 001
Fax: 91-124-4021185
Email: asit.oberoi@fidelity.com

Investor II

Sequoia Capital India Growth Investment Holdings I

Attention: Ms.Suzanne Gujadhur Bell
Address: C/o. International Proximity
608, St. James Court, St.Denis Street
Port Louis
Mauritius
Tel: +230 210 9000
Fax; +230 210 9001
E-mail: sgujadhur@internationalproximity.com

With copies to:

Sequoia Capital India Growth Investments I

Attention: Ms. Suzanne Gujadhur Bell
Director, Sequoia Capital India Growth Investments I
Address: 608, St. James Court, St. Denis Street, Port Louis, Mauritius
Tel: +230 210 9000
Fax: +230 210 9001

And to

Attention: Mr. Sumir Chadha
Address: Sequoia Capital India,
3000, Sand Hill Road,
Building 4, Suite 180,
Menlo Park, CA 94025.
Tel: +1 650 854 3927
Facsimile: +1 650 854 2977
E mail: sumir.chadha@sequoiacap.com

Investor III

Deutsche Bank AG, Hong Kong Branch

Address: 48/F, Cheung Kong Center
No 2 Queen's Road Central
Hong Kong

Fax: (852) 2203 7215

For the attention of: Douglas Morton

Investor IV

Baring Private Equity Asia IV Mauritius Holdings (2) Limited
Address: c/o Orangefield Trust (Mauritius) Limited
355 Barkly Wharf
Le Caudan Waterfront
Port Louis
Mauritius
Fax: +230 2107285
For the attention of: Nitin Askurn

Baring Private Equity Asia IV Mauritius Holdings (5) Limited
Address: c/o Orangefield Trust (Mauritius) Limited
355 Barkly Wharf
Le Caudan Waterfront
Port Louis
Mauritius
Fax: +230 2107285
For the attention of: Nitin Askurn

Sabbineni

Address: G 02, Elite Heights
Asif Avenue
Raj Bhawan Road
Somajigauda, Hyderabad
Fax: (91) 40 2339 2101
For the attention of: S. Surendra

71. DISPUTE RESOLUTION

71.1 If any dispute, controversy or claim between the Parties arises out of or in connection with these Articles and the Agreement, including the breach, termination or invalidity thereof (Dispute), the Parties shall use all reasonable endeavours to negotiate with a view to resolving the Dispute amicably. A Party shall give the other Parties, a notice that a Dispute has arisen (a Dispute Notice). If the concerned Parties are unable to resolve the Dispute amicably within 15 (fifteen) days of service of the Dispute Notice (or such longer period as the concerned Parties may mutually agree), then the Dispute shall be referred to arbitration in accordance with the terms of **Article 71.2** below.

71.2 Subject to **Article 71.1** above, any arbitration shall be governed by the Arbitration and Conciliation Act, 1996. The number of arbitrators shall be three, of whom the Party ("Claimant") referring the Dispute to arbitration and giving the Dispute Notice shall appoint one arbitrator, the Parties to whom the Dispute Notice is addressed ("Recipients") shall appoint one arbitrator and the two arbitrators so appointed shall appoint the third presiding arbitrator. In the event the Dispute Notice is addressed to more than one Party and such Parties do not concur to the appointment of one arbitrator between themselves, then the second arbitrator shall be appointed with the

provisions of the Arbitration and Conciliation Act, 1996. The Parties expressly agree that no proceedings shall be brought in any court or tribunal for the purpose of seeking to stay, enjoin or otherwise interfere with the arbitration hereunder. Any arbitral award shall be final and binding on the Parties and the Parties waive irrevocably any rights to any form of appeal, review or recourse to any state or other judicial authority in so far as such waiver may validly be made. The venue of the arbitration shall be Mumbai. The language of the arbitration shall be English.

71.3 The provisions of this **Article 71** shall survive any termination of the Agreement.

72. GOVERNING LAW AND JURISDICTION

72.1 The Agreement and the relationship between the Parties hereto shall be governed by, and interpreted in accordance with, the laws of India, without regard to the conflict of law provisions. Subject to the provisions of **Article 71** (Dispute Resolution), the courts of Mumbai, India shall have exclusive jurisdiction in relation to all matters arising out of the Agreement.

72.2 The liabilities and obligations of the Promoters as per the terms hereof shall be joint and several save that:

(i) the Selling Promoter alone shall be liable for any liabilities and obligations in relation to **Article 56.14** including a breach of the Selling Promoter Warranties or any covenants or obligations arising in connection with the transfer of the Promoters Secondary Shares to Investor IV;

and

(ii) the Seller alone shall be liable for any liabilities and obligations in relation to **Article 56.13** including a breach of the Seller Warranties or any covenants or obligations arising in connection with the transfer of the Seller Secondary Shares to Investor IV.

73. OTHER COMPLIANCES

73.1 Notwithstanding anything contained herein and the Agreement, each Investor undertakes to the other Investors to inter alia provide their respective Investors Consent and co-operation (which shall not be unreasonably withheld) for and in relation to the obligations expressly agreed by the Parties to be undertaken and fulfilled by the Company in terms hereof, including without limitation the appointment of the Investor Directors of each of the Investors as applicable, the terms of **Article 60** hereof, the obligations of the Company in terms of Clause 7 of the Investment Agreement (and Article 56B hereof), **Article 53.13** and **Article 67.4** hereof and fulfilment by the Company and the Promoters of their obligation to conduct and achieve the QIPO/ OFS, in accordance with the recommendations of the Underwriter (as per **Article 64** or **Article 65**, as the case may be).

- 73.2 Further, the Company and all shareholders shall provide Investor I and any other Person it may designate with all information and cooperation necessary to enable a) the making and maintenance of an election to treat the Company and each of its Affiliates as a “Qualified Electing Fund” under Section 1295 of the U.S. Internal Revenue Code of 1986, as amended; and b) the making of an entity classification (Form 8832) to treat the Company and each of its Affiliates as a disregarded entity under US “check-the-box” regulations.
- 73.3 Without limitation of the foregoing, the Company and each of its Affiliates and any future direct or indirect Affiliate of, the Company and their shareholders undertake to (a) provide to Investor I, and its designees, on a timely basis as required, a “PFIC Annual Information Statement” for each taxable year, setting forth pro rata shares of Investor I’s “ordinary earnings” and “net capital gain” for such taxable year; (b) will make available and will permit, on a timely basis as required by Investor I and its designees to inspect and copy, the Company and each of its Affiliates permanent books of account, records, and such other documents as they maintain to establish the Company and each of its Affiliates “ordinary earnings”, “net capital gain” and “earnings and profits”, and any other information that the Internal Revenue Services (“IRS”) may require, determined in accordance with United States of America income tax principles, and to verify these amounts and pro rata shares thereof; and (c) will make available on a timely basis as required, all information needed to complete Form 5471 and other IRS Forms.
- 73.4 The Company renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, or in being informed about, an Excluded Opportunity. An “Excluded Opportunity” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of the Company who is not an employee of the Company, or (ii) any holder of preferred stock or any affiliate, partner, member, director, stockholder, employee, agent or other related person of any such holder, other than someone who is an employee of the Company (collectively, “Covered Persons”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Company.
- 73.5 The Company acknowledges that the Investors and their affiliates, members, equity holders, director representatives, partners, employees, agents and other related persons are engaged in the business of investing in private and public companies in a wide range of industries, including the industry segment in which the Company operates (the “Company Industry Segment”). Accordingly, the Company and the Investors acknowledge and agree that a Covered Person shall:
- (a) have no duty to the Company to refrain from participating as a director, investor or otherwise with respect to any company or other person or entity that is engaged in the Company Industry Segment or is otherwise competitive with the Company, and

(b) in connection with making investment decisions, to the fullest extent permitted by Law, have no obligation of confidentiality or other duty to the Company to refrain from using any information, including, but not limited to, market trend and market data, which comes into such Covered Person's possession, whether as a director, investor or otherwise (the "Information Waiver"), provided that the Information Waiver shall not apply, and therefore such Covered Person shall be subject to such obligations and duties as would otherwise apply to such Covered Person under applicable Law, if the information at issue (i) constitutes material non-public information concerning the Company, or (ii) is covered by a contractual obligation of confidentiality to which the Company is subject. Notwithstanding anything in this Article to the contrary, nothing herein shall be construed as a waiver of any Covered Person's duty of loyalty or obligation of confidentiality with respect to the disclosure of confidential information of the Company.

73.6 References to "Company" in this **Article 73.4** and **Article 73.5** hereof shall be deemed to include references to each of the other constituents of the Group.

74. MISCELLANEOUS

74.1 Costs

Each of the Company and the Promoters shall bear its own costs in connection with the Agreement. The Company shall bear all costs (including legal fees and other incidental expenses and the documentary, stamp duty and/or other taxes and levies pursuant to the Agreement) incurred by the Company and the Investors in the negotiation, preparation and execution of the Agreement. The costs of Deloitte Haskins & Sells for computation of PAT and PPA as per **Article 60** and the Escrow Agent shall be borne by the Company.

74.2 No partnership or agency

Nothing in these Articles and the Agreement (or any of the arrangements contemplated herein) shall 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.

74.3 Entire agreement

The Agreement with all the schedules and annexes hereto, together with the Restated Articles sets out the entire agreement and understanding between the Parties with respect to the subject matter hereof. Save as specifically provided in these Articles and the Agreement including as per **Articles 53.3 to 53.6** (all inclusive) above, the Agreement supersedes all previous letters of intent, heads of terms, term sheets, Investment Agreement, prior discussions and correspondence exchanged between any

of the Parties in connection with the subject matter of the Agreement, all of which shall not have any further force or effect. In the event of any conflict between the provisions of the Agreement and the provisions of the SPA with respect to any matter covered by the Agreement, the provisions of the Agreement shall prevail and be given effect to by the Parties.

74.4 **Further assurances**

74.4.1 Each party agrees to do all such further things and to execute and deliver all such additional documents as are necessary to give full effect to the terms of these Articles and the Agreement.

74.4.2 The Company and the Promoters shall (so far as it is legally able and permitted to do so) do or procure to be done all such further acts and things, execute or procure the execution of all such other documents and exercise all voting rights and powers, whether direct or indirect, available to it in relation to any Person so as to ensure the complete and prompt fulfilment, observance and performance of the provisions of these Articles and the Agreement and generally that full effect is given to the provisions of these Articles and the Agreement.

74.4.3 Subject to applicable Law, the Company and the Promoters agree that if any provisions of these Articles at any time conflict with any provisions of the Agreement, these Articles shall be promptly amended to the extent necessary to give effect to the provisions of the Agreement and in order to ensure that the provisions of the Agreement shall prevail, in accordance with applicable Law provisions.

74.5 **Subsidiaries**

74.5.1 The provisions of the Agreement and/or these Articles (including but not limited to the right to appoint Investor Directors and Reserved Matters) shall apply mutatis mutandis to all subsidiaries (as and when acquired or incorporated in accordance with the terms of the Agreement and/or these Articles) of the Company and the Company and the Promoters shall procure that the subsidiaries, act in accordance with the Agreement and/or these Articles. It is clarified that the Investors shall not be required to hold any shares of the subsidiaries.

74.6 **English Language**

All notices or formal communications under or in connection with these Articles and/or the Agreement shall be in the English language.

74.7 **Severability**

If any provision of the Agreement and/or these Articles is or becomes invalid, illegal or unenforceable under the laws of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of the

Agreement and/or these Articles which shall not in any way be affected or impaired. The Parties hereto shall 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, including but not limited to amendment (in accordance with applicable Law) of these Articles.

74.8 The rights and remedies of the Parties under or pursuant to these Articles and Agreement (and/or the Investment Agreement as applicable) are cumulative, may be exercised as often as such Party considers appropriate and are in addition to its rights and remedies under the general laws of India.

75. **RESIDUARY ARTICLES**

Without prejudice to the specific provisions to the Agreement already incorporated in these Articles, the other provisions of the Agreement are deemed to be also incorporated in these Articles (the provisions of the Agreement, shall be collectively referred to as *Overriding Articles*). The Overriding Articles shall have effect notwithstanding anything contained in the other provisions of these Articles. The Persons who are entitled to exercise rights under or to the benefit of the Agreement are the only Persons who are entitled to the rights under the Agreement or to enforce the provisions hereof. The rights of the Persons specified hereinabove to exercise and enforce the provisions of the Overriding Articles shall cease to apply and/or be binding upon the Company, automatically, on the termination of the Agreement. Terms capitalized but not defined herein shall have the meanings attributed to them in the Agreement.

We the several persons, whose names and address are subscribed below are desirous of being formed into a company in pursuance of this **ARTICLES OF ASSOCIATION** and respectively agree to take the number of shares in the capital of the company set opposite our respective names.

SL No.	Signature, Address Occupation and Father's Name of each subscriber.	No.of Equity Share taken by Each subscriber	Signature, Address Occupation and father's name of each witness
01.	Palavarapu Sambasiva Rao, S/o Palavarapu Subha Rao, 189, Bomikhal, Bhubaneswar, Occupation : Business	10 (Ten)	Witness to all the Signatories :- Manmath Kumar Patnaik S/o Bibhuti Bhusan Patnaik, At/Po : Rameswar Patna, Bhubaneswar – 751 002 Advocate, Bhubaneswar.
02.	Sabbineni Papaya, S/o Nikalayya, 189, Bomikhal, Bhubaneswar. Occupation : Business	10 (Ten)	
03.	Sabbineni Surendra, S/o S.Papaya, 189, Bomimkhal, Bhubaneswar. Occupation : Business	10 (Ten)	
04.	Nidamanuri Sudhakar, S/o N.Smbasiva Rao, 189, Bomikhal, Bhubaneswar. Occupation : Business	10 (Ten)	
		40 (Forty)	

Place: Bhubaneswar

Dated: 01.05.1995