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**Memorandum and Articles of Association**

**of**

**Devyani International Limited**

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COMPANY NO. 55- 46758 CIN U15135DL1991PLC 467502

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT UPON CHANGE OF NAME ON  
CONVERSION TO PUBLIC LIMITED COMPANY

In the office of the Registrar of Companies, NCT of Delhi & Haryana

[under the Companies Act, 1956 (1 of 1956)]

IN THE MATTER OF M/s DEVYANI INTERNATIONAL PRIVATE LIMITED.

I hereby certify that DEVYANI INTERNATIONAL PRIVATE LIMITED.

which was originally incorporated on

Thirteenth December Nineteen Hundred and ninety one

under the Companies Act, 1913 (Act VII of 1913)/Companies Act, 1956 (Act 1 of 1956)

under the name UNIVERSAL ICE CREAMS PVT.LTD.

having duly passed the necessary Special Resolution on 31/03/2005

in terms of section 31/21 read with section 44 of the Companies Act, 1956,

the name of the said company is this day changed to

DEVYANI INTERNATIONAL LIMITED

and this Certificate is issued pursuant to Section 23(I) of the said Act

Given under my hand at New Delhi this

Ninth May Two Thousand and Five

*(Dr. Navneet Saini)*  
REGISTRAR OF COMPANIES,  
N.C.T. OF DELHI AND HARYANA



COMPANY NO. 46758

FRESH CERTIFICATE OF INCORPORATION  
CONSEQUENT UPON CHANGE OF NAME

In the office of the Registrar of Companies, NCT of Delhi & Haryana  
[ under the Companies Act, 1956 (1 of 1956) ]

IN THE MATTER OF M/s UNIVERSAL ICE CREAMS PVT.LTD.

I hereby certify that UNIVERSAL ICE CREAMS PVT.LTD.

incorporated on Thirteenth December Nineteen Hundred and ninety one  
under the Companies Act, 1956 (Act 1 of 1956) under the name

UNIVERSAL ICE CREAMS PVT.LTD

having duly passed the necessary resolution in terms of Section 21 of the  
Companies Act, 1956 and the approval of the Central Government signified  
in writing having been accorded thereto under Section 21 read with Government  
of India Department of Company Affairs NCT of Delhi & Haryana, New Delhi  
vide letter No. ROC/Approval/21/55- 46758/1170 dated

7-6-2000 the name of the said  
company is this day changed to

DEVYANI INTERNATIONAL PRIVATE LIMITED

and this Certificate is issued pursuant to Section 23(1) of the said

Given under my hand at New Delhi this Seventh June

Two Thousand



( D.K.GUPTA )  
DEPUTY REGISTRAR OF COMPANIES,  
N.C.T. OF DELHI AND HARYANA (JLHS)



सत्यमेव जयते  
प्रारूप एक

Form 1

निगमन का प्रमाण-पत्र

**Certificate of Incorporation**

सं. 55-46758 शक 1913  
No. 55-46758 of 1991-92

मैं एतद द्वारा प्रमाणित करता हूं कि आज यूनिवर्सल आईस कीम्स  
प्राइवेट लिमिटेड कम्पनी

अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह  
कम्पनी परिसीमित है।

I hereby certify that UNIVERSAL ICE CREAMS PRIVATE LIMITED  
..... Is this  
day Incorporated under the Companies Act, 1956 (No. 1 of 1956) and  
that the company is Limited.

मेरे हस्ताक्षर से आज ता० 22 अग्रहायण, 1913 को दिया गया।  
Given under my hand at NEW DELHI..... this.....THIRTEENTH..... day  
of .....DECEMBER..... One thousand nine hundred and NINETY ONE.



Sd/-

( आर. एन. सक्सेना )  
सहायक कम्पनी रजिस्ट्रार  
दिल्ली एवं हरियाणा

( R. N. SAXENA )  
ASSTT. Registrar of Companies  
DELHI & HARYANA

(“THE COMPANIES ACT, 2013 AND THE COMPANIES ACT, 1956, TO THE EXTENT IN FORCE”)

**(COMPANY LIMITED BY SHARES)**

**MEMORANDUM OF ASSOCIATION**

**OF**

**DEVYANI INTERNATIONAL LIMITED**

I The Name of the Company is **DEVYANI INTERNATIONAL LIMITED**

II The registered office of the Company will be situated in the State of Haryana.<sup>#</sup>

III The objects for which the Company is established are:-

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

1. To carry on the business of production and preparation of various kinds of ice creams, creams, dairy products, milk products and condensed milk.
2. To manufacture, produce, process, prepare, improve, create, buy sell, distribute, import, export and deal in all kinds of foods, food products, jams, jellies, pickles, chutineys, mar-malades, vinegars, sausages, ketchups, essences, ghee, butter, cheese, malted foods, garden products, preserved, canned and tinned fruits and vegetables, biscuits, bever-ages, aerated waters, soft drinks, concentrate, cakes, chocolates, potato wafers, potato products, snack foods, vegetable products, preserved provision of all kinds and other such food and food products of all kinds.
3. To manufacture, produce, process, prepare, improve, create, buy, sell, distribute, import, export and deal in all kinds of stationery items, party goods, arts & crafts, softlines, toys, gift sakes , hand/carry bags, battery operated toys, DVD's, VCD's shoes for kids home decor items and ready to wear garments (both inner & outer wear).
4. To carry on the business of hotels, resorts, motels, restaurants, café, club houses, cottages, refreshment room, food courts, food retail outlets, canteens, boarding and lodging guest houses, entertainment services whether as proprietors, owners, agents, franchi-see, franchisor, sub franchisee and/or on revenue sharing basis anywhere in India.

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*#The members of the Company have accorded their consent, by way of passing Special Resolution through Postal Ballot, on February 6, 2026, for shifting of the Registered Office of the Company from the “National Capital Territory of Delhi” to the “State of Haryana”.*

**(B) MATTERS WHICH ARE NECESSARY IN FURTHERANCE OF THE OBJECTS  
SPECIFIED CLAUSE III (A) ARE:-**

1. To undertake collecting, storing and preserving milk and to and for that purpose to establish, erect, build, manage and run dairy farms in connection with the business of the Company.
2. To establish experimental farms and research stations in India for conducting, experiments, tests and research for developing better qualities of food grains and agricultural products and for developing milch strain in cattle by cross breeding or otherwise and increasing egg laying capacity in poultry and also for finding other ways and means of improving other agricultural crops, produce, seed, fodder crops and cattle feed of all kinds in connection with the business of the Company.
3. To act as dealers in and producers of dairy farm and garden produce or all kinds and in particular milk, cream, butter, cheese fruit and vegetable and to act as cow keepers, cattle breeders and farmers in connection with the business of the Company.
4. To establish stables, dens, sheds, kennels, nests, hatcheries, borrows and other dwelling places for keeping animals, live stocks for their proper up-keeps and improving their breeds in connection with the business of the Company.
5. To act as buyers, sellers, importers, exporters and dealers in all kinds of air-conditioning plants, refrigerators, ice-plants, ice-cream plants, freezers, cooling appliances, room coolers and all components, parts, accessories articles and fittings required for the purpose of the business of the Company.
6. To conduct, build, equip, own and maintain and to act as keepers of cold storages, storage chambers, freezers, deep freezers godowns, warehouses, refrigerators, and room coolers for storing marine products, meat, eggs, poultry products, protein foods, milk, cream, butters, cheese, bacons, sausages, fruits, roots, vegetables and other substances made from all or any of them and canned, tinned and processed foods of every description and to act as transporters of aforesaid foods, substances and products in connection with the business of the Company.
7. To undertake cold storage of fruits, vegetables, seeds, fats, meals, agricultural products, milk and dairy products and other perishable items in connection with the business of the Company.

8. To take part in formation of Company or undertaking carrying on business similar to those of the Company in which the Company is interested and for all purpose, subject to provisions of the Act, to appoint any director trustee, accountant, agent or representative.
9. To purchase, buy, sell, exchange, alter, improve, manipulate or for the purpose of the main business of the Company, let on hire apparatus, tools, utensils, plants, vehicles, machines, implements, substances and materials.
10. To enter into technical and financial collaboration with Foreign or Indian collaborations for the main object of the Company.
11. To collect, process, fabricate and dispose off and deal in all bi-products and slag for the main or subsidiary processes of the Company.
12. To acquire, buy, sell, import, refine and manipulate in any articles of whatever description stores and raw materials for all or any of the objects of the Company.
13. To sell goods, assembled and manufactured by the Company on hire purchases of easy payment system or on credit and to adopt such means of making known the products of the Company as may seem expedited and in particular by purchase and exhibition of work of act or interest, by publication of books and periodicals and by granting prizes, rewards and donations, subject to provisions of the Companies Act, 2013.
14. To establish and maintain agencies, branches and to carry on business as such in any part of the world for the attainment of the main objects of the Company.
15. To do all or any of the above things in any part of the world either as principals, agents, contractors, trustees or otherwise and either by or through agents, trustees, subcontractors, or otherwise either alone or in connection with others, in connection with the business of the Company.
16. To hold, use work, manage, improve, carry on and develop any undertaking, lands and real and personal estate or property and assets of any kind of the Company or any part thereof and to establish depots, agencies, showrooms, workshops centres, godowns and marketing facilities.
17. To acquire by purchase, exchange, lease, concession, licence or otherwise either absolutely or conditionally or either solely or jointly with others, be interested in control and manage of any business and other property rights, privileges, erections, work and things of any description whatsoever either upon lands a acquired by the

Company or otherwise and generally to alter and improve and otherwise turn to account the said property or any part or parts thereof and to lend and advance money to and enter into contracts and agreements of all kinds with manufacturers, merchants, and others.

18. To control or acquire the whole or any part of the business and proper liabilities of any undertaking, Company, association firm or individual, which may seem to the Board of Directors capable or being carried on in connection with the objects of the company or calculate directly or indirectly to enhance the value of or render profitable, any of the Company's property or rights or benefit of the company in any way (except life insurance business within the meaning in the Insurance Act) and as amended from time to time.
19. To register, apply for, purchase or otherwise acquire, sell, let, grant or turn to account any patents, letters, brevets, concessions, licences, inventions, trademarks, copy-rights or privileges, subject to royalty or otherwise and whether exclusive or limited or any part or interest in such patents, letters, brevets, concessions, licences, invention, trade-marks, copy-rights and privileges whether in India or any part of the world and to manufacture and produce or trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with such patents, letters, brevets, concessions, licences, inventions, trademarks, copy-rights and privileges as aforesaid.
20. To construct and develop residential or industrial colonies for the employees of the Company and to acquire, and develop recreation clubs, schools, hospitals, dispensaries and to do such other social activities of all types.
21. To pay for properties, rights or privileges acquired by this Company either in shares of the Company or partly in shares and partly in cash or otherwise.
22. To enter into partnership or into any arrangements for sharing profit, union of interest, reciprocal concession or cooperation with any person, partnership or company having objects similar to those of this Company and to promote and aid in promoting, constitute, form, organize Companies, syndicates or partnership for the purposes of acquiring and undertaking any property and liabilities of this Company or of advancing directly or indirectly the objects thereof.
23. To lend, invest or otherwise employ or deal with surplus moneys belonging to or entrusted to the Company not immediately required upon, securities and shares or such other movable or immovable property or without security upon such terms and in such manner as may be thought proper excluding investments in Company's own shares and from time to time vary such transaction and investments in such manner as the Directors may think fit, provided the Company will not carry on any banking business as defined in the Banking Regulation Act, 1949.

24. 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 whether incorporated or not and to guarantee, or become sureties for the performance of any contracts or obligations for the attainment of its objects.
25. To borrow or raise or secure the payment of moneys, subject to provisions of the Companies Act, 2013 and the regulations made thereunder and the directions issued by Reserve Bank of India, to receive money on deposit at interest for any of the purposes of the Company at such time or times and in such manner as may be thought fit and in particular by the issue of debentures or debentures-stock convertible into shares of this or any other Company or perpetual annuities and in securities for any such money so borrowed, raised or received or of any such debenture or debenture-stocks so issued to mortgage pledge or charge the whole or any part of the property assets or revenues and profits of the Company present or future including its uncalled capital by special assignments or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities.
26. To open any kind of account in any bank and to draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, hundies, warrants, debentures and such other negotiable transferable instruments of all types.
27. To apply or join in applying to the Government Local or improvement Trust or any other authority or body Municipal, Local or otherwise in India or foreign countries for and to obtain or in any way assist in obtaining from any state government orders or decrees, concessions , orders, rights, or privileges or advantages that may seem conducive to the objects of this or any other Company or for enabling this or any other Company's constitution, to oppose any proceedings of application which seem calculated directly or indirectly to prejudice the interests of this or any other Company, if necessary in accordance with the laws of any other country, state or place in which it may propose to carry or operate to establish and maintain any other agencies of the Company and to open and keep a colonial or a foreign register or registers of this Company in India or foreign, subject to the provisions Companies Act, 2013 and to allocate shares in this Company in respect of members residing in that country.

28. To remunerate any person, firm, Company for services rendered or to be rendered placing or assisting to place or guaranteeing of any of the securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
29. To create any depreciation fund, reserve fund, development rebate fund, sinking fund, insurance fund, or any other special fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the Company, subject to the provisions of the Companies Act, 2013 or for any other purpose, conducive to the interests of the Company.
30. Subject to the provisions of the Act, to distribute any of the property of the Company amongst the members of the Company or in kind, in the event of winding up of the Company.
31. To place, to reserve or to distribute, subject to the provisions of the Companies Act, 2013, bonus shares amongst the members or otherwise to apply as the Company may, from time to time think fit, any money received by way of premium of shares or debentures issued at a premium by the Company and any money received in respect of dividends accrued on forfeited shares.
32. Subject to provisions of the Companies Act, 2013, to acquire or amalgamate with any other company whose objects are or include objects altogether or in part similar to those of the Company, whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to the liability of this or any such other company as aforesaid with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all the shares or stock of this or any such other company as aforesaid or by partnership or in any other manner of all types.
33. To payout of the funds of the Company all expenses of the incidental to the formation, registration, advertisement, and establishment of this Company and the issue and subscription of the shares or loan capital including brokerage and/or commission for obtaining, applications for or placing or guaranteeing the placing of shares or any debenture, debenture-stock and other securities of this Company and also all expenses attending the issue of any circular of notice and the printing stamping circulating of proxies and forms to be filled up by the members of the Company.
34. To insure all or any of the properties or assets or obligations of the Company of whatsoever nature against any risk.
35. Subject to the approval of shareholders to exchange, mortgage, let on lease, rent, royalty or tribute, grants licenses, easements, options and other rights, over and in

any other manner deal with or dispose of the property, movable and immovable (including land, building, plant and machinery) assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit and in particular for stocks, shares whether fully or partly paid-up or securities of any other such company having objects in whole or in part similar to those of the company.

36. To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments to undertake and carry on scientific and technical researches, experiments and tests of all kinds, to promote studies and researches, both scientific and technical, investigations and inventions by providing, subsidizing, and endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the award of scholarships, prizes and grants to students or otherwise generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorized to carry on.
37. To undertake and execute any trusts which may be beneficial to the business of the Company for the attainment of the main objects of the Company.
38. To institute and to defend any suit, appeal, application for review or revision or any other application of any nature, to take out execution, to enter into agreement, to refer to arbitration and to enforce and where need be to contest any award and for any such purposes engage or retain counsels, attorneys and agents and when necessary to remove them.
39. To appoint Directors or Managers of any subsidiary Company in which this Company is interested.
40. To give guarantees or counter guarantees to any bank, insurance company or financial institution for advances taken, guarantees obtained or any other financial accommodation taken and/or in connection with any business or transaction of the Company and to remunerate by way of commission or otherwise any person, persons of company for such services rendered or to be rendered.
41. To establish and maintain or procure the establishment and maintenance of any provident fund or any contributory pension or superannuation fund and to give or procure the giving of donations gratuities, pensions, allowances, emoluments, bonuses, profit sharing, bonuses, benefits or any other payment to any person who are/were at any time in the employment or service of the Company or its predecessors in business or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary or who are or were at any time Directors or Officers of the Company or any of such other Company

as aforesaid and the wives, widows, families, dependents or connections of any of such persons and to provide for: the welfare of all or any of the aforesaid persons from time to time by subscribing, subsidizing, or contributing to any institution association, funds, clubs, trust, profit sharing or other schemes and by building or contributing to the building of dwelling houses, or quarters and by providing, subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical centers attendance and to make payment to or towards the insurance of any such person as aforesaid and to do any of the matter aforesaid either alone or in conjunction with any such other company as aforesaid.

42. To provide for such management, letting and advantageous as aforesaid by employing any person, firm or Company to carry out or supply the same on such.
43. To make donations to such persons or institutions and in such cases and either of each or any other assets as may be thought directly or indirectly conducive to any or the Company's objects otherwise expedient, and in particular to remunerate any person or corporation introducing business to this Company, subject to the provisions of Companies Act, 2013.
44. To issue debentures, debenture-stock, bonds, obligations and securities of all kinds and to frame, constitute and secure the same, as may see, expedient to the Board of Directors of the Company with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise and to charge or secure the same by trust deed or otherwise on the undertaking of the Company or upon any specific property and rights, present and future of the Company (including its uncalled capital) or otherwise howsoever.

IV. The liability of the member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

V. The Authorised Share Capital of the Company is Rs. 5,67,50,00,000/- (Rupees Five Hundred Sixty Seven Crore and Fifty Lakh only) divided into 5,64,50,00,000 (Five Hundred Sixty Four Crore and Fifty Lakh) Equity Shares of Re. 1/- (Rupee One) each and 30,00,000 (Thirty Lakh) 0.10% Redeemable, Non-Cumulative, Non-Convertible Preference Shares of Rs. 10/- (Rupees Ten) each.\*

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*\*The Authorized Share Capital was increased in terms of the Scheme of Amalgamation amongst Devyani Airport Services (Mumbai) Private Limited (Transferor Company No. 1), Devyani Food Street Private Limited (Transferor Company No. 2) and Devyani International Limited (Transferee Company), approved by the Hon'ble National Company Law Tribunal, at New Delhi, vide its order dated July 13, 2023, which was effective from the date of filing of Form INC-28 with Registrar of Companies, NCT of Delhi & Haryana i.e. August 18, 2023.*

We, the several persons, whose name and addresses are subscribed hereto, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we, respectively agree to take the number of shares in the capital of the Company, set opposite our respective names :-

Names, descriptions occupations and addresses of each subscriber	Number of and type of Subscribed share	Signatures of Subscribers	Name, addresses, description, occupation and signature of witness or witnesses
Chuni Lai Jaipuria S/o Benipershad Jaipuria, 8, Prithviraj Road, New Delhi (BUSINESS)	100 (One hundred) Equity Shares	Sd/-	
Vivek Gupta S/o. Mr. G K Gupta 102, Nidhi House, B2/1B, Safdarjung Enclave, New Delhi (BUSINESS)	100 (One hundred) Equity Shares	Sd/-	
TOTAL	200 (Two Hundred) Equity Shares		I hereby witness the signatures of all the subscribers. Sd/- (V.K. Jain), Chartered Accountant S/o. Sh. P.C. Jain 8/12, Kalkaji Extension, , New Delhi M. No. 80327

Place: New Delhi. Dated: 30<sup>th</sup> November, 1991

**(THE COMPANIES ACT, 2013 AND APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956)  
(COMPANY LIMITED BY SHARES)**

**Articles of Association  
OF  
DEVYANI INTERNATIONAL LIMITED**

*This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of the Devyani International Limited (the “**Company**”) held on May 04, 2021. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.*

*The Articles of Association of the Company comprise three parts, Part A, Part B, and Part C, which parts shall, unless the context otherwise requires, co-exist with each other until the listing of equity shares of the Company pursuant to the initial public offering of the equity shares of the Company on a recognized stock exchange in India (the “**Offer**” of the “**Equity Shares**” of the Company). In the event that there is any inconsistency between any provisions in Part B and/or Part C of these Articles with the provisions of any other part of these Articles, then the provisions in Part B and/or Part C of these Articles, shall, subject to applicable law, prevail and be applicable. All other articles of Part B and Part C shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company pursuant to the Offer. The provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.*

**PART A**

**1. CONSTITUTION OF THE COMPANY**

- a) The Regulations/Articles contained in Table “F” of Schedule I to the Companies Act, 2013 shall not apply to the Company and the Regulations/Articles herein contained shall be the regulations/articles for the management of the Company and for the observance of its members and their representatives. They shall be binding on the Company and its members as if they are the terms of agreement between them.
- b) All of the provisions of part A of these Articles shall apply to the members of the Company.
- c) The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

**2. INTERPRETATION**

**DEFINITIONS:**

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

1. **“Act”** means the (i) Companies Act, 2013, the Rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections; (ii) Companies Act, 1956, and the Rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections); and (iii) the Secretarial Standards issued by the Institute of Company Secretaries of India; including any modification or amendment thereof.
2. **“Articles”** shall mean these Articles of Association including any alteration thereof in accordance with the provisions of the Act.
3. **“Board”** shall mean the Board of Directors of the Company, as constituted from time to time, in accordance with law and the provisions of these Articles.
4. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
5. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act, 1996.
6. **“Company”** or **“this Company”** shall mean **DEVYANI INTERNATIONAL LIMITED**
7. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company except shares, whether constituting a charge on the assets of the Company or not.
8. **“Depositories Act”** shall mean the Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
9. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
10. **“Director”** shall mean any director of the Company, including alternate director, independent director and nominee director appointed in accordance with law and the provisions of these Articles.
11. **“Dividend”** shall include interim dividends.
12. **“Equity Shares”** or **“Shares”** shall mean the shall mean the issued, subscribed and fully paid-up equity shares of the Company of face value of Re. 1 each.
13. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company.
14. **“Financial Year”** shall mean any fiscal year of the Company.

15. "**Fully Diluted Basis**" shall mean, in reference to any calculation, that the calculation should be made in relation to the Equity Share Capital of any person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other securities convertible into or exercisable or exchangeable for Equity Shares of that person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of Equity Shares possible under the terms thereof.
16. "**General Meeting**" shall mean a meeting of holders of Equity Shares and any adjournment thereof.
17. "**Independent Director**" shall mean an independent director as defined under the Act.
18. "**India**" shall mean the Republic of India.
19. "**MCA**" shall mean the Ministry of Corporate Affairs, Government of India.
20. "**Memorandum of Association**" or "**Memorandum**" shall mean the Memorandum of Association of the Company, as amended from time to time.
21. "**Notified Sections**" shall mean the sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect.
22. "**Office**" shall mean the registered office for the time being of the Company.
23. "**Registrar**" shall mean the Registrar of Companies having jurisdiction over the Company, from time to time.
24. "**Rules**" shall mean the Rules made under the Act and notified from time to time.
25. "**Seal**" shall mean the common seal(s) for the time being of the Company, if any.
26. "**Secretary**" shall mean a Company Secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a Secretary under the Act and any other administrative duties.
27. "**Securities**" shall mean the securities as defined under section 2 (h) of the Securities Contract (Regulation) Act, 1956 or any amendment thereof for the time being in force.
28. "**Share Equivalents**" shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options granted (whether vested or not) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
29. "**Tribunal**" shall mean the National Company Law Tribunal constituted under section 408 of the Act.

### **3. CONSTRUCTION**

In these Articles (unless the context requires otherwise):

- (i) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (ii) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (iii) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".
- (iv) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (v) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next working day following if the last day of such period is not a working day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a working day, such payment shall be made or action taken on the next working day following.
- (vi) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (vii) References to any particular number or percentage of Securities of a person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of Equity Shares or variation of rights into other kinds of Securities.
- (viii) References made to any provision of the Act shall be construed as meaning and including the references to the Rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (ix) In the event any of the provisions of the Articles are found contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

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

Words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

## 5. SHARES

- (i) The authorised share capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (ii) Subject to the provisions of the Act and these Articles, the Board of Directors has the power to alter the authorized share capital of the Company. Further, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- (iii) All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (iv) The Board may allot and issue Shares of the Company for a consideration other than cash subject to the approval of members under the relevant provisions of the Act and Rules.
- (v) The amount payable on application on each share shall not be less than nominal value of the Shares.
- (vi) Nothing herein contained shall prevent the Directors from issuing fully paid up Shares either on payment of the entire consideration thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (vii) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new Equity Shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (viii) Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the register of members shall for the purposes of these Articles be a member of the Company.
- (ix) The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the register of members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

## **6. PREFERENCE SHARES**

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

## **7. EQUIVALENT**

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

## **8. DEMATERIALIZATION OF SECURITIES**

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

## **9. TRANSFER OF SECURITIES**

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

## **10. COMMISSION**

- (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and Rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in Rules made under sub-section (6) of section 40 of the Act.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

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

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act and these Articles, the Shares in the Capital of the Company for the time being (including any Shares forming part of any increased Capital of the Company) shall be under the control

of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may, from time to time, think fit and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors deem fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the approval of the Company in the General Meeting.

- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the Shares or by his executor or administrator.
- (c) Every member, or his heirs, executors, or administrators shall pay to the Company, the portion of the capital represented by his share or Shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
  - (i) Every Shareholder or allottee of Shares shall be entitled without payment, to receive one or more certificates specifying the name of the person in whose favour it is issued, the Shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board or Committee and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of Shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a managing director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the register of members against the name of the person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.
  - (ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as

the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 15 (fifteen) days of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its Shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 13 (d) (i) above and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that, in respect of a share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a member or to convert holding of odd lot into transferable/marketable lot.

## **12. SHARES AND SHARE CERTIFICATES**

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Act.
- (b) A duplicate certificate of shares may be issued, if such certificate:
  - i. is proved to have been lost or destroyed; or
  - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
- (d) A certificate, issued under the Seal of the Company, specifying the Shares held by any person shall be *prima facie* evidence of the title of the person to such Shares. Where the Shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the Beneficial Owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees twenty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the Rules made under the Act or the rules made under any other act or rules applicable in this behalf.

- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Act.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or of this Article, particulars of every such share certificate shall be entered in a register of renewed and duplicate certificates maintained in the form and manner specified under the Act.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Act.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Act.
- (m) If any Share stands in the names of 2 (two) or more persons, the person first named in the register of members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of Shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the member whose name appears on the register of members as the holder of any share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be

entitled at their sole discretion to register any Shares in the joint names of any 2 (two) or more persons or the survivor or survivors of them.

### **13. CALLS**

- (a). Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the members / security holder in respect of any monies unpaid on the Securities held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and members and at the times and places appointed by the Board. A call may be made payable by instalments.
- (b). The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (c). The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the member whom owing to their residence at a distance or other cause the Board may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour.
- (d). **Restriction on power to make calls and notice :**  
No call shall exceed one-fourth of the nominal amount of share, or be made payable within one month after the last preceding call was payable.
  - (i) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being in respect of the share for which the call shall have been made or the installment shall be due, shall pay interest for the same at the rate of 12 percent interest per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.
  - (ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.
- (e). **Amount payable at fixed times or payable by instalments as calls:**  
If by the terms of any share or otherwise any amount is made payable upon allotment or at any fixed time, or by investments at fixed time or whether on account of the amount of the share or by way of premium, every such amount or installment, shall be payable as if it were a call duly made by the Board end of which due notice had been given, and all the provisions herein contained in respect of calls shall relate to amount or installment accordingly.
- (f). **Evidence in action by Company against members:**  
On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member in respect of whose Shares the money is sought to be recovered appears entered on the register of members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares; that the resolution making the call is duly recorded in the

minute book, and that notice of such call was duly given to the member or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

(g). Payment of call in advance:

The Board may, if it thinks fit (subject to the provisions of the Act) agree to and receive from any member willing to advance the same, the whole or any part of the money due upon the Shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that the money paid in advance of calls shall not confer a right to dividend or to participate in profits. The Directors may at any time repay the amount so advanced.

However, no member shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to any calls on debentures.

(h). Revocation of calls:

A call may be revoked or postponed at the discretion of the Board. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

## **14. FORFEITURE**

(a) If call or Instalment not paid notice may be given

- (i) If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time & thereafter during such time as the call or installment remains unpaid serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been accrued / and all expenses that may have been incurred by the Company for the reason of such nonpayment.
- (ii) The notice shall name a day and a place or places on and at which such call on installment and such Interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment at or before the time and at the place appointed the Shares in respect of which such call was made or

instalments is payable will be liable to be forfeited. If notice is not complied with Shares may be forfeited.

(iii) If the requirements of any such notice as aforesaid, be not complied with any Shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect.

(b) Notice after forfeiture:

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and any entry of the forfeiture, with the date thereof, shall forthwith be made in the register but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make such entry as aforesaid.

(c) Forfeited share to become property of the Company:

Any share so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit and the certificate or certificates originally issued in respect of the relevant Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said Shares to any person or persons entitled thereto.

(d) Power of annual forfeiture:

The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

(e) Liability on forfeiture:

A person whose share has been forfeited shall cease to be a member in respect of the share forfeited but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of such Shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

(f) Evidence of forfeiture:

A duly verified declaration in writing that the declarant is a Director, manager or Secretary of the Company and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the fact therein stated as against all persons claimed to be entitled to the Shares and such declaration and the receipt of the Company for the consideration, if any, given for the Shares for the sale or disposition thereof shall constitute a good title to such share and the person to whom any such share is sold shall, be registered as the holder of such share and shall not be bound to see to the application of the purchase money; nor shall his title to such Shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

(g) Forfeiture provisions to apply to non-payment in terms of Issue:

The provisions of this Article shall apply in the case of non- payment of any sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of a share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

## **15. LIEN**

- (a) The Company shall have a first and paramount lien upon every share not being a fully paid up share registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys (whether presently payable or not) called, or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that this Article is to have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares subject to Section 205A of the Companies Act, 1956 or Section 124 of the Act as may be applicable. Unless otherwise agreed the registration of a transfer of Shares shall operate as a waiver of the Company's lien if any on Shares. Provided that the Directors may, at any time, declare any Shares wholly or in part to be exempt from the provisions of this Article.
- (b) The fully paid-up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.
- (c) As to enforcing lien by sale:  
For the purpose of enforcing such lien, the Board may sell the Shares subject thereto in such manner as it think fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member, his executor or administrators or his payment of the moneys called or payable at a fixed time in respect such Shares for thirty days after the date of such notice.
- (d) Application of proceeds of sale:  
The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed, upon the Shares before the sale) be paid to the person entitled to the share at the date of this sale.
- (e) Validity of sales in exercise of lien and after forfeiture:  
Upon any sale after forfeiture or of enforcing a lien in purported exercise of the powers herein before given the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the register in respect of such share the validity of the sale shall not be impeached by any person, aggrieved by the sale shall be in damages only and against the Company exclusively.
- (f) Board may issue new certificate:  
Where any share under the power in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered upto the

Company by the former holder of such share the Board may issue a new certificate for such share distinguishing in such manner as it may think fit from the certificate not so delivered up.

(g) On Debentures:

(i) The Company shall have a first and paramount lien:

- a. on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
- b. on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

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

(ii) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(iii) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

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

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.
- (iii) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the person entitled to the Debentures at the date of the sale.

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

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

- (a) The Company shall maintain a “Register of Transfers” and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of Shares held in physical form shall be in writing and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of Shares and the registration thereof. In case of transfer of Shares where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
  - (i) An application for the registration of a transfer of the Shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
  - (ii) Where the application is made by the transferor and relates to partly paid Shares the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (c) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the register of members in respect thereof.
- (d) The Board shall have power on giving previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the register of members and/or register of debenture-holders at such time or times and for such period or periods, as prescribed under the Act.
- (e) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a member in the Company and shall promptly communicate the same to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.  
Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

- (f) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion, by giving reasons, to refuse to register a person entitled by transmission to any Shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of Shares upon which the Company has a lien.
- (g) Subject to the provisions of these Articles, any transfer of Shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of Shares comprised in a share certificate to several members, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need.
- (h) In case of the death of any one or more members named in the register of members as the joint-holders of any Shares, the survivors shall be the only member or members recognized by the Company as having any title to or interest in such Shares, but nothing therein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.
- (i) The executors or administrators or holder of the succession certificate or the legal representatives of a deceased member, (not being one of two or more joint-holders), shall be the only members recognized by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 18(a) of these Articles register the name of any person who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.
- (j) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or person of unsound mind, except fully paid shares through a legal guardian.
- (k) Subject to the provisions of Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy of any member or members, or by any lawful means other than by a transfer in accordance with these Articles, may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Shares.

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

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

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

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

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

(n) Before the registration of a transfer, the certificate or certificates of the share or Shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(o) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of Shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of Shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(p) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the register of members), to the prejudice of a person or persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the

Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

- (q) There shall be a common form of transfer in accordance with the Act and Rules.
- (r) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

## **17. INCREASE /ALTERATION AND REDUCTION OF CAPITAL**

### **a) Increase of Capital**

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

- (i) it may increase its Share Capital by such amount as it thinks expedient.
- (ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares:  
Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- (iii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (iv) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (v) cancel Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled. Such cancellation of Shares shall not be deemed to be a reduction of share capital.

### **c) Reduction of capital:**

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

### **d) Further issue of Shares**

1. Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares, whether out of unissued share capital or out of increased share capital, then:

- (a) Such Shares shall be offered to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those Shares at that date, by sending a

letter of offer subject to the applicable provisions of the Act, Rules and any other applicable laws for the time being force.

(i) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the Directors may decline, giving reasons for refusal to allot any Shares to any person in whose favour any member may renounce the Shares offered to him.

(iii) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of them in such manner which is not disadvantageous to the members and the Company;

(b) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(c) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed.

2. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares of the Company.
3. Provided that the terms of the issue of such debentures or the terms of such loans include a term providing for such option and such term:
  - (a) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with the Rules, if any made by that Government in this behalf; and
  - (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the Special Resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.
4. The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules made thereunder and the

applicable provisions of the Act or any other applicable law for the time being in force.

e) **Buy Back of Shares**

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

f) **Surrender of Shares**

Subject to the provisions of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed to, all or any of his Shares.

**18. POWER TO MODIFY RIGHTS**

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the Shares of that class) into different classes of Shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, as may be applicable and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class. Subject to Section 48 of the Act as may be applicable and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

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

Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution, determine.

**19. NOMINATION BY SECURITIES HOLDERS**

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Act, a person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one person jointly, the joint holders may together nominate, in the manner prescribed under the Act, a person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the Act.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint, any person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Act.

## **20. NOMINATION FOR FIXED DEPOSITS**

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

## **21. BORROWING POWERS**

### **(a) Power to borrow**

Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board, raise or borrow either from the Directors or from elsewhere any sum or sums on such terms and conditions as it may think best in the interest of the Company or may secure the payment thereof in such manner as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security of the undertaking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being without the sanction of the Company in the General Meeting. Provided that the Board shall not, without the sanction of the Company in General Meeting borrow any sum of money which together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

### **(b) Issue at discount or with special privileges:**

Any debentures, debenture-stock, bonds 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, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise, debentures

with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution. Debentures, debenture-stock, bonds and other Securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

- (c) The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (d) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (e) The Company shall also comply with the provisions of the Act in relation to the creation and registration of aforesaid charges by the Company.

## **22. GENERAL MEETINGS**

- (a) In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings, within such time as specified in the Act, unless extended by the Registrar. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.
- (b) Venue, day and time for holding General Meeting:
  - (i) Every Annual General Meeting / Extra Ordinary General Meeting shall be called during such hours, on such day, at such place and in such manner as may be prescribed under the Act.
  - (ii) Every member of the Company shall be entitled to attend the General Meeting either in person or by proxy and the auditor of the Company shall have the right to attend and to be heard at a General Meeting in which any business is conducted which concerns him as auditor. The Directors are also entitled to attend the General Meeting.
  - (iii) In case an Extraordinary General Meeting is called on requisition, upon the receipt of such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
  - (iv) An Extraordinary General Meeting called by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

- (v) The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (vi) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (vii) The General Meeting called under this article shall be subject to and will be held in accordance with the provisions contained under the Act.

(c) Circulation of members' resolution:

The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

(d) Notice of meetings:

- (i) The notice of every General Meeting shall be given to every person entitled to receive it under the Act
- (ii) Notice of every General Meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat in the manner prescribed under the Act.
- (iii) Every notice may be served by the Company on every person entitled thereto in a lawful manner.
- (iv) Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, defined under the Act, there shall be annexed to the notice of the meeting a statement mentioned under Section 102 of the Act.
- (v) With regard to resolutions in respect of which special notice is required to be given under the Act, a special notice shall be given as required by Section 115 of the Act.
- (vi) When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (vii) The notice of the General Meeting shall comply with the applicable provisions of the Act.

**23. PROCEEDINGS AT GENERAL MEETINGS**

(a) Business of Meetings:

The ordinary business of an Annual General Meeting shall be to receive and consider the profit and loss account, the Balance Sheet and the Reports of the Directors and the auditors, to elect Directors in the place of those retiring by rotation, to appoint auditors and fix their remuneration and declare dividends. All other business transacted at an Annual General Meeting and all businesses transacted at any other General Meeting shall be deemed special business.

(b) Quorum to be present when business commenced:

No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for the members' Meeting shall be in accordance with Section 103 of the Act.

- (c) When, if quorum not present, meeting to be dissolved and when to be adjourned:  
If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on requisition as aforesaid shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such time and place as the Board may appoint and if at such adjourned meeting also the quorum is not present within half an- hour from the time appointed for holding the meeting those members, who are present and not being less than two shall be a quorum and may transact the business for which the meeting was called.
- (d) Resolution to be passed by Company in General Meeting:  
Any act or resolution which under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently so done or passed if elected by an Ordinary Resolution as defined in Section 114 of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined in Section 114 of the Act.
- (e) Chairman of General Meeting:  
The chairman of the Board shall be entitled to take the chair at every General Meeting. If there is no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number being a member entitled to vote, to be the chairman.
- (f) Chairman can adjourn the General Meeting:  
The chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned, it shall be convened and held as per the provisions of the Act.
- (g) Second or Casting Vote:  
In the case of equality of votes the chairman of the meeting shall have a casting vote in addition to votes to which he may be entitled to as a member.
- (h) What is the evidence of the passing of a resolution where demanded:  
The Minute Book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against the resolution.
- (i) Passing Resolutions by Postal Ballot  
Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, or any other Law required to be passed by postal ballot, shall get any resolution passed by

means of a postal ballot, instead of transacting the business in the General Meeting of the Company.

(j) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Act, as amended from time.

(k) Votes of member:

Save as hereinafter provided, on a show of hands every member present in person and being a holder of an Equity Share shall have one vote and every member present either as a General proxy on behalf of a holder of Equity Shares if he is not entitled to vote in his own right or as a duly authorized representative of a body corporate, being a holder of Equity Shares, shall have one vote.

(i) Save as hereinafter provided on a poll the voting rights of a holder of Equity Shares shall be as specified in Section 47 of the Act.

(ii) The holders of preference shares shall have a right to vote on a resolution placed before the Company which directly effects the rights attached to such preference shares and subject as aforesaid the holders of preference shares shall in respect of such capital be entitled to vote on every resolution placed before the Company at a meeting if the Dividend due on such capital or any part of such Dividend remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and where the holders of any preference share have a right to vote as aforesaid on any resolution every such member personally present shall have one vote and on a poll his voting right in respect of such preference shares to the total of the capital paid up on the preference shares.

Provided that no body corporate shall vote by proxy so long as resolution of its Board of Directors under the provisions of Section 113 of the Act is in force and the representative named in such resolution is present at the Meeting at which the vote by proxy is rendered.

(iii) Any person entitled to transfer any Shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such Shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(iv) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(v) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(vi) The minutes of all proceedings of every General Meeting shall be prepared, entered, signed, kept and maintained in such manner, within such time and at such place as may be required under the Act. The book containing the Minutes of proceedings of General Meetings shall be open, during business

hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any member without charge.

- (l) The members will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (m) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (n) The members shall exercise their voting rights as members of the Company to ensure that the Act or these Articles are implemented and acted upon by the members, and by the Company and to prevent the taking of any action by the Company or by any member, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (o) The Company may also provide e-voting facility to the members of the Company in terms of the provisions of the Act or any other Law, if applicable to the Company.
- (p) Procedure where a Company or body corporate is a member of the Company Where a body corporate (hereinafter called "member Company") is a member of the Company, it may, by resolution of the Board or other governing body, authorize such person as it thinks fit to act as its representative in accordance with the provisions of Section 113 of the Act to represent such member Company at a meeting of the Company and such person shall not, by reason of such appointment, be deemed to be a proxy and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director or such member Company and certified by him as being a true copy of the resolution shall on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the right to vote by proxy on behalf of the member Company which he represents, as that member Company could exercise if it were an individual member.  
Where the President of India or the Governor of a State is a member of the Company than his representative at meeting shall be in accordance with Section 112 of the Act.
- (q) Votes in respect of deceased, Insane and Insolvent members:  
Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such Shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof, if any member be a lunatic, idiot, or non-compos mentis, he may vote whether on a show of hands or at a poll by his Committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.
- (r) Joint holders:

Where there are joint registered holders of any share anyone of such persons may vote at any meeting either personally or by proxy in respect of such Shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall, for the purposes of this Article be deemed joint-holders thereof.

(s) Proxies permitted:

Votes may be given either personally, or in the case of a body corporate, by a representative duly authorized as aforesaid or in case of a Poll by proxy.

- (i) Instrument appointing proxy to be in writing, Proxies may be general or special:  
The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorized in writing and in such form as may be prescribed under the Act or as near thereto as possible or in any other form which the Board may accept or if such appointer is a body corporate be under its Seal or the hand of its Office or attorney duly authorized. A proxy who is appointed for a specified meeting shall be called a special proxy. Any other proxy shall be called a general proxy.
- (ii) Instrument appointing a proxy to be deposited at the Office:  
The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.
- (iii) Whether vote by proxy valid through authority revoked:  
A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
- (iv) Form of instrument appointing a special proxy:  
Every instrument appointing a special proxy shall be retained by the Company and shall as nearly as circumstances will admit, be in any of the forms set out in the Act or as near thereto as possible or in any other form which the Board may accept.

(t) Restriction on voting:

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien, but the Board of Directors may by a resolution passed at the meeting of the Board waive the operation of this Article.

(u) Admission or rejection of votes:

Any objection as to the admission or rejection of a vote either, on a show of hands or, on a poll made in due time, shall be referred to the chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or rendered and every vote not disallowed at such meeting shall be valid for all purposes.

## **24. DIRECTORS**

### **(i) Number of Directors**

Subject to the applicable provisions of the Act, the minimum and maximum number of Directors of the Company shall be as per the provisions of the Act and / or any other applicable laws for the time being in force. The Board shall have an optimum combination of executive, non-executive, women, resident and Independent Directors, as may be prescribed by the Act or any other applicable Law for the time being in force.

The following were the first Directors of the Company

1. Sh. Vivek Gupta
2. Sh. C. L. Jaipuria (Chuni Lal Jaipuria)

### **(ii) Chairman of the Board of Directors**

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

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

### **(iv) Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.**

### **(v) Casual Vacancy and additional Directors**

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

### **(vi) Alternate Director:**

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

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Act or any other Law, as may be applicable for the time being in force. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions.

(vii) **Nominee Directors:**

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement (including execution of Trust Deed for Debentures), the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders / debenture trustee entitled to appoint or nominate them and such lenders / debenture trustee may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all General Meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting. The rights of the nominee director shall be governed by the agreement executed by and between the Company and the lender.

(viii) **Share qualification of Directors**

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

(ix) **Director's fees, remuneration and expenses:**

- (a) Subject to the applicable provisions of the Act, the Rules, Law, a managing director or managing directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

- (b) Subject to the applicable provisions of the Act, a Director (other than a managing director or an executive director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The fee payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government.
- (d) All fees/compensation except the sitting fee to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the members in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

(x) Remuneration for the extra services:  
 If any Director, being willing shall be called upon to perform extra services or to make any special exertions for any of the purposes of the Company as a member of the committee of the Board then, subject to Sections 197 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

(xi) Travel Expenses of Directors  
 The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

(xii) Board may act notwithstanding vacancy  
 The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number specified under the Act or these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

(xiii) Vacation of Office of Director:  
 The office of a Director, shall be vacated subject to the provisions of Section 167 of the Act and Rules made thereunder and for the time being in force.

## 25. RELATED PARTY TRANSACTIONS

The Company may enter into related party transactions from time to time subject to the compliance to provisions of Section 188 of the Act and Rules made thereunder.

## **26. DISCLOSURE OF A DIRECTOR'S INTEREST**

A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act.

## **27. DISCUSSION AND VOTING BY INTERESTED DIRECTOR**

No Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly concerned or interested, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to:

- (a) prejudice the operation of any rule of law restricting a Director of a Company from having any concern or interest in any contract or arrangement with the Company;
- (b) any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two percent of the paid-up share capital in the other company.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, a related party may hold any office or place of profit in the Company, its subsidiary company or associate company.

- (c) The Company shall keep a register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars and in such manner as may be prescribed.

## **28. ROTATION AND RETIREMENT OF DIRECTOR**

### **(i) Rotation of Directors**

Not less than two-thirds of the total number of directors of the Company shall (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and (ii) save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting. At every Annual General Meeting of the Company to be held in every year, one third of such of the Directors for time being as are liable to retire by rotation, or, if their number is neither three nor a multiple of three, then, the number nearest to one third, shall retire from office. At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring director or some other person thereto;

### **(ii) Which Directors to retire:**

- a. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of or subject to any agreement among themselves, be determined by lot.
- b. Save as permitted by Section 162 of the Act, every resolution of a General Meeting for the appointment of a Director shall relate to one name individually.

## 29. PROCEEDINGS OF DIRECTORS

- (i) Meetings of Directors:
  - (a) Board Meetings shall be held in accordance with the provisions of the Act.
  - (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Act shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the provisions of the Act.
  - (c) The Company Secretary or any Director or any other person authorized by the Board for this purpose shall, as and when directed by the chairman/ managing director/ whole-time director convene a meeting of the Board at such place as may be determined by the chairman / managing director/ whole-time director by giving a notice in writing to every Director in accordance with the provisions of the Act.
  - (d) At any Board Meeting, each Director may exercise 1 (one) vote. Unless otherwise required under the Act, the adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting. In the case of an equality of votes, the chairman shall have a second or casting vote.
- (ii) Chairman:

The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.
- (iii) Quorum:

Such number of Directors as may be prescribed under the Act, shall constitute a quorum. If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for such day and time as may be prescribed under the Act or agreed to by all the Directors in accordance with the provisions of the Act.

If the quorum is not available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.
- (iv) Committees and Delegation by the Board
  - (a) The Company shall constitute such Committees as may be required under the Act and other applicable provisions of Law. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the managing director(s), the executive / whole-time director(s) or manager or the chief executive officer of the Company. The aforesaid persons shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed

on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

(d) The Board of the Company shall in accordance with the provisions of the Act or any other Law, form such committees as may be required under such Rules in the manner specified therein, if the same are applicable to the Company.

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

(vi) Resolution without Board meeting:  
A resolution may be passed by the Board or by a Committee thereof by circulation, unless prohibited by the Act, in such manner as may be prescribed under the applicable provisions of the Act.

## **30. MINUTES**

(i) The minutes of all proceedings of every Board Meeting / a meeting of its committee shall be prepared, entered, signed, kept and maintained in such manner, within such time and at such place as may be required under the Act.

(ii) Minutes of the meetings kept in accordance with the aforesaid provision shall be evidence of the proceedings recorded therein.

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

The Board shall exercise such powers and in such manner as may be prescribed under the Act.

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

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

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

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the managing director(s)/ whole time director(s) / executive director(s)/ manager(s) in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles.

**34. POWER OF ATTORNEY**

The Board may, at any time and from time to time, by power-of-attorney appoint any persons to be the attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those which may be delegated by the Board under the Act) and for such period and subject to such conditions as the Board may, from time to time, think fit; and any such appointments, may, if the Board thinks fit, be made in favour of the members or any of the members of any local Directorate established as aforesaid, or in favour of the Company or of the members, directors, nominees, or officers of any Company or firm, or in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board; and any such power-of-attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board think fit. Any such delegate or attorney as aforesaid may be authorized by the Board to sub- delegate all or any of the powers, authorities and discretions for the time being vested in him.

**35. SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them.

**36. THE SEAL**

The Board may provide a Common Seal for the purposes of the Company, and may have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the

Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any regularity touching the authority of the Board to issue the same.

The Company shall also be at liberty to have an official Seal(s) in accordance with the Act, for use in any territory, district or place outside India. Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by (i) 2 (two) Directors or (ii) by 1 (one) Director and the Secretary or (iii) by 1 (one) Director and any other person as may be authorised by the Board for that purpose.

### **37. RESERVES**

The Board may from time to time before recommending any Dividend set apart any such portion of the profit of the Company as it thinks fit as reserves to meet contingencies or for the liquidations of the debentures, debts or other liabilities of the Company, for equalization of dividends for repairing, improving or maintaining any of the property of the Company and such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company and may subject to the provisions of Section 186 of the Act, invest the several sums so set aside up to such investments (other than Shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserve into such special funds as the Board thinks fit, with full power to employ the Reserve or any part thereof in the business of the Company and that without being bound to keep the same separate from other assets. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

### **38. INVESTMENT OF MONEY**

All money carried to the Reserves shall nevertheless remain and be profits of the Company applicable, subject to due provision being made for actual loss or depreciation for the payment of dividends and such moneys and all the other moneys of the Company not immediately required for the purpose of the Company may, subject to the provision of Section 186 of the Act, be invested by the Board in or upon such investments or Securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may, from time to time think proper.

### **39. CAPITALIZATION OF PROFIT**

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

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article
- (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions. (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

- (i) paying up any amounts for the time being unpaid on any Shares held by such Shareholders respectively;
- (ii) paying up in full, un-issued Shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
- (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued Shares to be issued to Shareholders of the Company as fully paid bonus shares.

Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

#### **40. ISSUE OF BONUS SHARES**

The Company in its General Meeting may resolve to issue the bonus shares to its members subject to the applicable provisions of the Act and other laws as may be applicable in this behalf from time to time.

#### **41. FRACTIONAL CERTIFICATE**

For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and, in particular, may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members upon the footing of value so fixed in order to adjust the rights of all parties may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividends or capitalized fund as may seem expedient to the Board. The Board shall have power to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares; the dividends or capitalized fund and such appointment shall be effective. Any agreement made under such authority shall be effective and binding on such members.

#### **42. DECLARATION OF DIVIDENDS**

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the Shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of the Act the Company in General Meeting may declare Dividends, to be paid to members according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments as per the applicable provisions of the Act.

(i) No Dividend shall be declared or paid except in accordance with the provisions of the Act.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(c) Subject to the provisions of Section 123 of the Act, the Board may, from time to time, pay to the members such interim Dividend as in their judgment the position of the Company justifies.

(d) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(i) Subject to the rights of persons, if any, entitled to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any Shares in the Company, Dividends may be declared and paid according to the amount of the Shares.

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

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

(e) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon Shares in respect of any person, until such person shall have become a member, in respect of such Shares or until such Shares shall have been duly transferred to him.

(f) Any one of several persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such Shares.

(g) Subject to the applicable provisions of the Act, no member shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other person or persons; and the Board may deduct from the interest or Dividend payable to any such member all sums of money so due from him to the Company on account of calls or otherwise in relation to the Shares of the Company.

(h) Subject to Section 126 of the Act, a transfer of Shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

- (i) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the register of members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and in case of joint-holders to that one of them first named in the register of members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a member or person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several executors or administrators of a deceased member in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint holders thereof.
- (j) No unpaid Dividend shall bear interest as against the Company.
- (k) Any General Meeting declaring a Dividend may on the recommendation of the Board, 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 will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the members, be set-off against such calls.
- (l) Notwithstanding anything contained in this Article, the dividend policy, if any, of the Company shall be governed by the applicable provisions of the Act and Law.
- (m) The Company may pay dividends on Shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

#### **43. UNPAID OR UNCLAIMED DIVIDEND**

- (a) If the Company has declared a Dividend but which has not been paid or claimed or the Dividend warrant in respect thereof has not been posted or sent within the stipulated time period as may be prescribed under the Act, the Company shall, transfer the total amount of Dividend, which remained unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank, to be called the "Unpaid Dividend Account" as per the applicable provisions of the Act.
- (b) Any money so transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for such period as may be prescribed under the Act, shall be transferred by the Company to the fund known as "Investors Education and Protection Fund" or such other Fund as may be required under the Act.
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

#### **44. BOOKS OF ACCOUNT TO BE KEPT**

The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors. The Board shall cause proper books of account to be prepared, kept and maintained in such manner and at such place as may be required under provisions of the Act.

No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

#### **45. AUDITORS**

(a) Audit and auditors

- (i) Auditors shall be appointed and their rights and duties shall be regulated by the Act and other Laws as may be applicable.
- (ii) The Company shall comply with applicable provisions of the Act in relation to the audit of accounts of the Company.

(b) Audit of branch offices

The Company shall comply with the applicable provisions of the Act in relation to the audit of the accounts of branch offices of the Company.

(c) Remuneration of auditors

The remuneration of the auditors shall be fixed by the Company in accordance with the provisions of the Act.

#### **46. SERVICE OF NOTICE AND DOCUMENTS**

(a) How notices to be served on members:

A notice or other document may be given by the Company to its members in accordance with the applicable provisions of the Act.

(b) Transferee, bound by prior notice:

Every person, who by operation of law or transfer or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which previously given to the person from whom he derives his title to such share, unless he has got the Shares registered in his name.

(c) Members to notify address in India

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

(d) Service on members having no registered address

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

(e) Service on persons acquiring shares on death or insolvency of members

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a members by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner

in which the same might have been served as if the death or insolvency had not occurred.

(f) Notice by advertisement

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

**47. KEEPING OF FOREIGN REGISTER**

Apart from the statutory registers, which the Company is mandatorily required to keep under the Act, the Company may also keep in any country outside India, a part of the said statutory registers pertaining to the security holders, called "foreign register" in such manner as may be prescribed under the Act, containing names and particulars of the members, debenture holders or holders of other Securities or beneficial owners thereof residing outside India.

Supply of copies of registers:

Copies of the Memorandum and Articles of Association of the Company and other documents referred to under the Act shall be sent by the Company to every member at his request within such time and on payment of such sum as prescribed under the Act.

Inspection of registers:

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

When registers of members or debenture-holders may be closed:

The Company, after giving such previous notice as may be required under applicable law, by the advertisement in newspapers circulating in the district in which the office is situated, close the register of members or the register of debenture-holders as the case may be, for such period or periods as may be prescribed under the Act.

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

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

- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any Shares or other Securities whereon there is any liability.

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

Subject to the provisions of Section 197 of the Act, every Director, manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the Company all costs, losses and expenses which any Director, manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, officer or employee in defending any proceedings whether civil or criminal in which judgment is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all the claims.

#### **50. SECRECY CLAUSE**

No member shall be entitled to inspect the Company's works without the permission of the Board or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Board will be inexpedient in the interest of the members of the Company to communicate to the public.

#### **51. GENERAL POWER**

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

## PART B

### 52. INTERPRETATION

The provisions of the following Articles numbered as Article 50 to 64 have been inserted pursuant to the execution of the Shareholders Agreement dated September 30, 2014 between the Company, its Promoters, the Investor, as may be amended, supplemented or novated from time to time ("**Agreement**"), and to the extent necessary, pursuant to SHA 2019. Capitalised words and expressions have the meanings given in the Agreement (and if not defined under the Agreement, the 2019 SHA). For any clarification reference shall be made to the Agreement and for this purpose the Agreement shall be deemed to be part of these Articles, as if incorporated here.

### 53. DEFINITIONS

In these Articles, except to the extent that the context otherwise requires, the following words and expressions shall have the following meanings:

**"Agreement"** means the Shareholders Agreement dated September 30, 2014 among the Investor, the Promoters and the Company, as may be amended, supplemented or novated from time to time, relating to the operations and management of the Company.;

**"Investor"** shall mean Dunearn Investments (Mauritius) Pte. Limited having its registered office at Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius;

**"Promoters"** mean collectively: (i) RJ Corp Limited, a company incorporated under the Act and having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi, India 110 020; (ii) Ravi Kant Jaipuria & Sons (HUF), a HUF represented by Mr. Ravi Kant Jaipuria, son of Mr. Chuni Lal Jaipuria and currently residing at 7A, Aurangzeb Road, New Delhi 110011, India; and (iii) Mr. Varun Jaipuria, son of Mr. Ravi Kant Jaipuria, residing at 7A, Aurangzeb Road, New Delhi - 110011, India;

**"SHA 2019"** shall mean the Shareholders Agreement dated December 11, 2019 among the New Investor, the Promoters, Investor and the Company, as may be amended, supplemented or novated from time to time, relating to the operations and management of the Company.;

**"New Investor"** shall mean Yum Restaurants (India) Private Limited, a company incorporated in India under the (Indian) Companies Act, 1956, with Company Identification Number U74899DL1994PTC057894 and whose registered office is at E-11, Lower Ground Floor, Jangpura Extension, New Delhi-110014; and

**"QIPO Cut Off Date"** means June 30, 2022.

### 54. INVESTOR ANTI DILUTION RIGHT

- (i) If at any time, the Company issues to any Person any Shares or equity linked instruments by way of a preferential allotment to a Third Party (other than an issuance for or in connection with the ESOP and/or IPO or QIPO of the Company), at a price per Share ("New Issue Price") that is lower than the

Subscription Price, then the Investor shall be entitled to an anti-dilution ratchet protection. (“**Investor Ratchet Protection**”). If the Investor elects to exercise the Investor Ratchet Protection, the Company, the Promoters or a combination or both, shall issue and/or Transfer, as applicable, to the Investor such number of additional Shares (“**Additional Shares**”) at the lowest price permissible under applicable laws (“**Ratchet Price**”) such that the average weighted acquisition price for the Investor Shares and the Additional Shares is equivalent to the New Issue Price.

- (ii) If pursuant to exercise of the Investor Ratchet Protection, the Promoters hold less than fifty one per cent. (51%) of the Shares on a fully diluted basis, then the Promoters shall be entitled to subscribe to additional Equity Shares so as to hold a minimum of fifty one per cent. (51%) of the Shares on a fully diluted basis, at a price which is the lower of: (a) the Fair Value; and (b) the valuation for the next round of funding pursuant to which the anti-dilution event has occurred.
- (iii) In the event the Investor, owing to any restrictions arising from statutory regulations or Investor’s constitutional documents, as the case may be, is unable to exercise the Investor Ratchet Protection by way of subscribing to Additional Shares pursuant to Article 52(i), then, the Investor shall have the right to purchase from the Promoters (as per the inter-se proportion solely determined by the Promoters), such number of Shares held by the Promoters as are equivalent to the Additional Shares at the lowest price permissible under applicable laws.

## 55. MFN PROVISION

The Promoters agree and acknowledge that in the event that the Promoters grant superior rights to any Third Party (other than any Strategic Investor), the rights offered to the Investor under these Articles shall be adjusted to mirror such superior rights offered by the Promoters to such Third Party.

## 56. PROMOTER’S SHARE TRANSFER AND RELATED RIGHTS

- (i) Subject to the provisions of the Agreement, the Promoters (including their Affiliates), undertake that they shall, directly or indirectly: (a) maintain a minimum of fifty one per cent. (51%) of the equity shareholding in the Company; and (b) retain Control of the Company, at all times.
- (ii) Notwithstanding anything contained in these Articles, until the completion of the QIPO, the Promoters shall not Transfer or Encumber legal and beneficial title of any of their Shares in favour of a Third Party without the prior written consent of the Investor if such Transfer or enforcement of such Encumbrance on the Shares results in the direct or indirect shareholding of the Promoters and their Affiliates, in the Company being less than fifty one per cent. (51%) of the Shares, on a fully diluted basis. The Parties agree and acknowledge that the Promoters may Transfer legal and beneficial title of its Shares amongst themselves as long as the direct or indirect shareholding of the Promoters and their Affiliates, in the Company does not fall below fifty one per cent. (51%) of the Shares, on a fully diluted basis.
- (iii) Subject to Article 54(ii) above, the Parties agree and acknowledge that the

Promoters may Transfer legal and beneficial title of some of its Shares to a Third Party or Encumber its Shares without prior written consent of the Investor if the Investor has been intimated, in writing, the identity of the Third Party, at least fifteen (15) days prior to the proposed Transfer of Shares or enforcement of Encumbrance on the Shares.

(iv) For the avoidance of doubt, it is clarified that the restrictions set out in the Articles and the Agreement shall not apply to the Transfer of the Promoters' Free Shares.

## 57. INVESTOR'S SHARE TRANSFER AND RELATED RIGHTS

### (i) Permitted Transferees

(a) Subject to the provisions of Clause 14.4(a) (*Promoters' Right of First Offer*) of SHA 2019, the Investor may Transfer by way of sale, legal and beneficial title of all or some of its Shares to any Third Party at any point of time, provided that: (A) the Investor shall give prior notice, in writing, in accordance with Clause 14.4(a) of the SHA 2019 to the Promoter in relation to the proposed Transfer of Shares by it to a Third Party in the event that it proposes to Transfer any Shares prior to the QIPO Cut Off Date; and (B) in the event that the Investor proposes to sell all or some of its Shares:

- i. prior to the QIPO Cut Off Date, such sale shall only be in favour of a Financial Investor of repute who is not a Competitor;
- ii. from the QIPO Cut Off Date, the Investor shall not be permitted to Transfer any Shares to any Third Party except in accordance with Article 55(i)(a)(iii) and Article 55(i)(a)(iv);
- iii. Post the QIPO Cut Off Date and until the expiry of eighteen (18) months from the QIPO Cut Off Date (only in the event the rights set out under Clauses 14.7(a) of the Agreement (*Exit Rights*) or 14.7(b) of the Agreement (*Exit Rights*) and 14.7(c) of the Agreement (*Exit Rights*) have been exercised), such sale shall only be in favour of a Third Party (including a Financial Investor of repute), who is not a Competitor;
- iv. after the expiry of eighteen (18) months from the QIPO Cut Off Date (only in the event that the rights set out under Clauses 14.7(a) of the Agreement (*Exit Rights*) or 14.7(b) of the Agreement (*Exit Rights*) and 14.7(c) of the Agreement (*Exit Rights*) have been exercised), such sale may be in favour of a Third Party (including a Financial Investor of repute) who is not a Competitor (as such term is defined Clause 14.7(d) of the Agreement) in accordance with the applicable proviso in Clause 14.7(d) of the Agreement;

(b) The Investor shall not be required to Encumber its Shares with respect to the borrowings of the Company or provide any other support of any form whatsoever to the Group or the lenders of the Company.

(c) In the event the Investor proposes to Transfer any or all of its Shares in accordance with the provisions of the Agreement (including Clause 14.4 of the Agreement) (the proposed transferee, the "**New Transferee Investor**") : (A) such New Transferee Investor shall execute the Deed of Adherence substantially in

the form set forth in Schedule 2 of the Agreement (*Deed of Adherence*); (B) any assignment of rights by the Investor under the Agreement to a New **Transferee** Investor may only occur if the New Transferee Investor holds at least five per cent. (5%) of the Shares on a fully diluted basis and shall require the prior written consent of Yum, which prior written consent of Yum shall be applied for by the Company within three (3) weeks of receipt of notice by the Company from the Investor seeking to obtain such approval from Yum with respect to the proposed Transfer of Shares, save in the event of the tag along right set out at Clause 14.4(b) of the Agreement being exercised in relation to the Shares transferred, further provided that if the Investor Transfers legal and beneficial title of a part of its Shares to one or more Third Parties, the Investor and such Third Parties shall together be treated as one shareholder block and will together be entitled to the benefit of all of the rights associated with such Shares as set forth in the Agreement and in these Articles. It is clarified that any New Transferee Investor who acquires any Shares pursuant to this Article shall be bound by the obligations as applicable to the Investor under Clauses 2.3 (*Investor Non-Compete*), 14.4(a) (*Promoters Right of First Offer*), 18 (*Confidentiality*), 14.1(b) (*Permitted Transferees*) and 14.7(d) (*Permitted Transferees*) of the Agreement in relation to restrictions on sale to Competitor. Notwithstanding anything to the contrary contained above, this Article 55(i)(c) shall apply only in respect of Transfer of Shares by the Investor prior to the QIPO Cut Off Date.

(d) Notwithstanding anything to the contrary contained in the Agreement, the Parties agree that the Transfer restrictions on the Parties in the Agreement and/or these Articles shall not be avoided by the holding of Shares indirectly through a company or other entity that can itself be sold in order to dispose off an interest in Shares free of such restrictions. Any Transfer, issuance or other disposal of any Shares (or other interest), directly or indirectly, of the Parties, or of an Affiliate of any Party which holds, directly or indirectly, any Shares shall be treated as being a Transfer of the Shares held by such Party, and the provisions of the Agreement that apply in respect of the Transfer of Shares shall thereupon apply in respect of the Shares so held, provided that, in relation to the Shares held by the Promoters, nothing contained in this Article 55(i)(d) shall apply to any Transfer as long as the concerned holder of the Shares remains an Affiliate of the Promoters and/or an Affiliate of Mr. Ravi Kant Jaipuria.

**(ii) Promoters Right of First Offer**

If prior to the QIPO Cut Off Date, the Investor or its Affiliates (the “**Seller**”), wish to Transfer by way of sale any of their Shares to a Third Party (other than to an Affiliate in accordance with Clause 14.2 of the Agreement), provided that an Event of Default has not occurred, the Seller shall prior to the proposed Transfer of any Shares, give notice to the Company and the Promoters’ Representative to offer a cash price per ROFO Offer Share to purchase all (and not some) of the ROFO Offer Shares in accordance with the procedure and the timelines provided under Clause 14.4(a) of SHA 2019.

**(iii) Tag Along Rights**

In the event that the Promoters propose to Transfer legal title to and beneficial interest of their Shares in excess of the Promoters' Free Shares to a Third Party in accordance with the provisions of the Agreement, the Promoters shall, prior to consummating such sale or Transfer, offer the Investor the right to tag along with such number of Shares as determined in Clause 14.4(b)(i) held by the Investor in accordance with the procedure and the timelines provided under Clause 14.4(b) of the Agreement.

**58.**

**(i) Transfer to Affiliates**

- (a) Notwithstanding anything to the contrary contained in these Articles or in the Agreement, any Party may at any time Transfer all or any of their Shares to one or more of its Affiliates provided that: (A) such Party intimates, in writing, the other Shareholders seven (7) days prior to such Transfer of its Shares; and (B) the Affiliate, prior to the Shares being Transferred in the name of the Affiliate, agrees and undertakes to be bound to the terms and conditions of the Agreement and executes a Deed of Adherence in the form or substantially in the form set forth in Schedule 2 of the Agreement (Deed of Adherence). The Party and such Affiliate shall together be treated as one shareholder block and will together be entitled to the benefit of all of the rights associated with such Shares as set forth in the Agreement and in these Articles. For avoidance of doubt, any subsequent Transfers by an Affiliate of a Party shall only be to the Party who had Transferred the Shares or to another Affiliate of such Party.
- (b) If a Person holding Shares in accordance with the provisions of the Agreement by virtue of being an Affiliate of a Party ceases to be such an Affiliate, such Party shall acquire or cause any of its other Affiliates to acquire full and unconditional title in and to all of the Shares then held by such Person ceasing to qualify as an Affiliate (subject to Article 56(i)(a) of these Articles).

**(ii) Approval of Sale Transactions; Pricing**

- (a) Should approval of a Governmental Authority be required for a Transfer of Shares under the Agreement, including any approval required from the RBI in relation to any payments pursuant to the Agreement, the transferor or the transferee or both together, as the case may be, shall immediately make an application therefore and shall take in good faith all such reasonable actions as may be necessary or desirable to obtain such approval. The time taken for obtaining such approvals shall be excluded from the time limits or periods set out for the Transfer of the Shares under the Agreement.
- (b) If, for any Transfer of Shares under the Agreement, Fair Value needs to be determined, such Fair Value shall be determined on a date which shall not be earlier than fifteen (15) days from the date on which such Transfer of Shares is to take place and shall be determined in accordance with the provisions of Schedule 3 of the Agreement.

**59. BOARD OF DIRECTORS, CONSTITUTION, APPOINTMENT, NOMINATION AND MANAGEMENT**

- (i) The Investor will have the right to nominate for appointment one (1) Director ("Investor Director"). The Investor Director shall not be liable to retire by rotation. For so long as the Investor and its Affiliate holds not less than five per cent. (5%) of the Shares (only including a reduction in their shareholding solely due to a sale of Shares), the Investor will have the right to nominate one (1) Director.
- (ii) Mr. Ravi Kant Jaipuria shall be the chairman of the Board. The chairman shall have a casting vote.
- (iii) Subject to compliance with applicable law, any Director may participate and vote in a meeting of the Board by means of a telephone or video conference by means of which all persons participating in the meeting can hear each other throughout the duration of the meeting. Participation in such meeting shall constitute attendance and presence in person at the meeting of the Director so participating.
- (iv) Every Director is required to physically attend at least one (1) meeting of the Board every Financial Year.
- (v) The statutory registers which are required to be placed before the Directors in a meeting shall be placed before the chairman. The statutory registers required to be signed by the Directors participating via video conference shall be deemed to have been signed by them if they have given their consent to this effect during the meeting. If a motion is objected to and there is a need to vote, the chairman or the secretary should call the roll and note the vote of each Director, who must identify himself. At the end of the meeting, the chairman or the secretary shall announce a summary of the decisions taken during that meeting in respect of each agenda item, as well as names of the Directors who consented or dissented to those decisions. A video recording of such part of the meeting shall be preserved by the Company for a minimum period of one (1) year after the meeting concludes. Draft minutes of the meeting shall be circulated in soft copy, not later than seven (7) days after the meeting, for comments or the confirmation of all the Directors who attended the meeting to dispel all doubts on matters taken up during the meeting. These minutes shall disclose the particulars of those Directors who attended via video conferencing. In addition, the chairman shall confirm the mode of attendance of every Director during the last three meetings, whether personally or through video conference.
- (vi) A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Resolutions in writing of the Directors may be signed in counterparts.
- (vii) The Investor shall have the right to appoint one (1) non-voting observer to meetings of the Board of Directors and such observer shall be entitled to receive notice of meetings of the Board along with the agenda of items (and all other relevant documentation) proposed to be considered at the meeting of the Board, provided that the Investor shall have the right to appoint one (1) observer to meetings of the Board of Directors for so long as the Investor's and the Affiliates' shareholding is not less than five per cent. (5%) of the Shares (only including a reduction in their shareholding solely due to a sale of Shares), on a

fully diluted basis.

- (viii) The Investor may remove or replace a Director nominated by it and nominate for appointment a new Director in his place by notice in writing to the Company and the other Shareholders. In such event, the Investor shall indemnify the Company against all losses, liabilities and costs which the Company may incur arising out of, or in connection with, any claim by such Director for wrongful or unfair dismissal or redundancy or other compensation arising out of that Director's removal or loss of office.
- (ix) The Director nominated for appointment by the Investor may be removed from office only if the Investor so desires.
- (x) The Investor Director shall be a member of all committees required to be mandatorily constituted by the Company in accordance with applicable laws and the IPO committee. Unless otherwise decided by the Board in writing, the provisions relating to agenda, notice, quorum and voting applicable to the Board shall apply to the extent permissible or practicable to any committee required to be mandatorily constituted by the Company in accordance with applicable laws and the IPO committee. All committees shall be subject to and be under the supervision of the Board of Directors.

## 60. MEETINGS OF THE BOARD

- (i) Meetings of the Board shall be properly convened and held at such times and places as may be determined by the Board from time to time, but shall be held at least once every Quarter.
- (ii) No meeting of the Board shall be convened on less than seven (7) Business Days' written notice without the consent of one (1) Investor Director and one (1) Director nominated by the Promoters ("**Promoter Director**"). The notice of meeting of the Board must contain an agenda of items (and all other relevant documentation) proposed to be considered at the meeting of the Board. The business conducted at any meeting of the Board shall only comprise those matters expressly stated in the notice convening such meeting, unless otherwise agreed in writing by one (1) Investor Director and one (1) Promoter Director.
- (iii) The quorum for any meeting of the Board where any Reserved Matter is to be considered shall be two (2) Directors, with at least one (1) Investor Director, and one (1) Promoter Director nominated for appointment by the Promoters.
- (iv) If a quorum is not present within half an hour of the time appointed for a meeting where the Reserved Matter is to be considered, such meeting shall stand adjourned to the same place and time, seven (7) days after the original date set for such meeting of the Board. If a quorum is not present within half an hour of the time appointed for the adjourned meeting, the Directors present shall form the quorum for such adjourned meeting and may vote on all matters included in the agenda for such meeting of the Board (including any Reserved Matters).
- (v) Subject to Article 58(iv), no resolution may be passed at a Board meeting in relation to a Reserved Matter unless the Investor Director forms part of the

majority that has voted in favour of that resolution. Such right shall be available for so long as the shareholding of the Investor is not less than five per cent. (5%) of the Shares (only including a reduction in its shareholding solely due to a sale of Shares).

## **61. SHAREHOLDER MEETINGS**

- (i) The quorum for any meeting of the Shareholders where any Reserved Matter is to be considered shall be, subject to the provisions of this Article 59, the presence (in person or by proxy) of a duly authorised representative of the Investor and any Promoter. If a quorum is not present within half an hour of the time appointed for a meeting, the meeting shall stand adjourned to the same place and time seven (7) Business Days after the original date set for such meeting of the Shareholders (each of the Shareholders being deemed to have consented to short notice thereof). If a quorum is not present within half an hour of the time appointed for the adjourned meeting, the Shareholders (in person or by proxy) shall, subject to applicable law, form the quorum for such adjourned meeting and may vote on all matters included in the agenda for such meeting of the Shareholders including the Reserved Matters. Such right shall be available for so long as the shareholding of the Investor is not less than five per cent. (5%) of the Shares (only including a reduction in its shareholding solely due to a sale of Shares).
- (ii) Subject to Article 59(i), no resolution may be passed at any meeting of Shareholders in relation to a Reserved Matter unless the authorised representative of the Investor forms part of the majority that has voted in favour of that resolution. Such right shall be available for so long as the shareholding of the Investor is not less than five per cent. (5%) of the Shares (only including a reduction in its shareholding solely due to a sale of Shares).

## **62. RESERVED MATTERS**

Without prejudice to such additional approvals as may be required by applicable law and subject to Article 58 or Article 59, as the case may be, no discussions, action and resolutions, with respect to a Reserved Matter as listed in Schedule 6 of the Agreement shall be taken up at the meeting of the Shareholders, Boards or committee thereof, unless the Company has obtained the approval of (i) the Investor Director; or (ii) the duly authorised representative of the Investor, in accordance with the provisions of Article 58 and 59 (as applicable).

In case if such Reserved Matter is also listed in Schedule 4 of the SHA 2019, then the approval of New Investor shall also be required and provisions of Article 75 shall also apply.

## **63. EXIT RIGHTS OF THE INVESTOR**

- (i) Notwithstanding anything contained in these Articles, in the event that the Company has not conducted an IPO (which is not a QIPO, but is on terms acceptable, in writing, to the Investor) or a QIPO by the QIPO Cut Off Date, the Investor shall, subject to Clause 14.7 of the Agreement, have the right to sell to the Company the Buy Back Shares at a cash price equivalent to the higher of: (A) the

Capital Investment corresponding to the number of the Buy Back Shares; or (B) the Fair Value of the Buy Back Shares, by issuance of a notice within thirty (30) Business Days of expiry of the QIPO Cut Off Date, in accordance with the provisions of Clause 14.7(a) (*Buy Back of Shares*) of the Agreement.

- (ii) The Investor shall comply with the restrictions on Transfer of any Investor Shares as contained in Clause 14.7(b) (*Share Swap*), 14.7(c) (*Put Option*) and 14.7(d) (*Sale to a Third Party*) of the Agreement.

#### **64. CONSENT FOR TRANSFER AND ISSUANCE TO YUM COMPETITOR**

Any issuance of Shares by the Company or Transfer of Shares by any Party at any time to a Yum Competitor (as defined under the SHA 2019) will require the New Investor's prior consent in writing.

#### **65. FALLOWAY**

In the event the Investor, together with its Affiliates, ceases to hold at least five per cent. (5%) of the Shares, on a fully diluted basis and provided that the reduction in the shareholding of the Investor is solely due to a sale of Shares by the Investor or its Affiliate, then: (i) rights of the Investor; and (ii) the obligations of the Promoters and the Company, each in Article 52, 53, 57, 58, 59 and 60 will terminate. Part B of these Articles shall automatically cease to have effect upon the termination of the Agreement.

#### **66. INCONSISTENCY**

In the event of any inconsistency between (a) the provisions of Article 1 to Article 49 on the one hand; and (b) the provisions of Article 50 to Article 63 on the other hand, then the provisions of Article 50 to Article 63 shall prevail.

### **PART C**

#### **67. INTERPRETATION**

The provisions of the following Articles numbered as Article 65 to Article 79 have been inserted pursuant to the execution of the Shareholders Agreement dated December 11, 2019 between the Company, its Promoters, New Investor, the Investor, as may be amended, supplemented or novated from time to time ("Agreement") and are effective from such relevant date when the New Investor has been issued and allotted Equity Shares equal to or more than two percent (2%) in the Share Capital of the Company ("Effective Date"). Capitalised words and expressions have the meanings given in the Agreement. For any clarification reference shall be made to the Agreement and for this purpose the Agreement shall be deemed to be part of these Articles, as if incorporated here.

#### **68. DEFINITIONS**

In these Articles, except to the extent that the context otherwise requires, the following words and expressions shall have the following meanings:

"Agreement" means the Shareholders Agreement dated December 11, 2019 among the New Investor, the Promoters, Investor and the Company, as may be amended,

supplemented or novated from time to time, relating to the operations and management of the Company;

**"Investor"** shall mean Dunearn Investments (Mauritius) Pte. Limited having its registered office at Les Cascades, Edith Cavell Street, Port Louis, Republic of Mauritius;

**"New Investor"** shall mean Yum Restaurants (India) Private Limited, a company incorporated in India under the (Indian) Companies Act, 1956, with Company Identification Number U74899DL1994PTC057894 and whose registered office is at E-11, Lower Ground Floor, Jangpura Extension, New Delhi-110014

**"Promoters"** mean collectively: (i) RJ Corp Limited, a company incorporated under the Act and having its registered office at F-2/7, Okhla Industrial Area, Phase-I, New Delhi, India 110 020; (ii) Ravi Kant Jaipuria & Sons, a HUF represented by Mr. Ravi Kant Jaipuria, son of Mr. Chunni Lal Jaipuria and currently residing at 7A, Aurangzeb Road, New Delhi 110011, India; and (iii) Mr. Varun Jaipuria, son of Mr. Ravi Kant Jaipuria, residing at 7A, Aurangzeb Road, New Delhi - 110011, India.

**"QIPO Cut Off Date"** means June 30, 2022

## 69. NEW INVESTOR ANTI DILUTION RIGHT

- (a) The New Investor reserves the right to increase its equity shareholding up to an aggregate of ten percent (10%) of the issued share capital (exclusive of the unexercised ESOP) of the Company at any time (i) prior to the IPO; and (ii) within a period of twelve (12) months from the Effective Date, through an additional capital infusion at the Subscription Price, which price is subject to Article 67(b) and Article 67(f) below.
- (b) If at any time after the Effective Date, the Company issues to any Person any Shares, convertibles or equity linked instruments by way of a preferential allotment (other than an issuance for or in connection with the ESOP and/or IPO of the Company), at a price per Share ("**New Share Issue Price**") that is lower than the Subscription Price, then the New Investor shall be entitled to an anti-dilution ratchet protection to maintain its equity shareholding at a minimum of four point seven six per cent. (4.76%) ("**New Investor Ratchet Protection**"). If the New Investor elects to exercise the New Investor Ratchet Protection, the Company, the Promoters or a combination or both, shall issue and/or Transfer, as applicable, to the New Investor such number of additional Shares ("**Additional Shares**") at the lowest price permissible under applicable laws such that the average weighted acquisition price for the Subscription Shares and the Additional Shares is equivalent to the New Share Issue Price.
- (c) In the event the New Investor, owing to any restrictions arising from statutory regulations or constitutional documents of the New Investor, is unable to exercise the New Investor Ratchet Protection by way of subscribing to Additional Shares pursuant to Article 67(b), then, the New Investor shall have the right to purchase from the Promoters (as per the inter-se proportion solely determined by the Promoters), such number of Shares held by the Promoters as are equivalent to the Additional Shares at the lowest price permissible under applicable laws.

- (d) If pursuant to exercise of the New Investor Ratchet Protection, the Promoters hold less than fifty one per cent (51%) of the Shares on a fully diluted basis, then the Promoters shall be entitled to subscribe to additional Equity Shares so as to hold a minimum of fifty one per cent (51%) of the Shares on a fully diluted basis, at a price which is the lower of: (a) the Fair Value; and (b) the valuation for the next round of funding pursuant to which the anti-dilution event has occurred.
- (e) In the event that the Company proposed to issue to any Person, any Shares (other than pursuant to ESOP), convertibles or equity linked instruments, at a price per Share which is higher than the Subscription Price ("Proposed New Issuance"), the New Investor shall have the right to subscribe to such further shares before the Proposed New Issuance at the Subscription Price, as would result in the New Investor maintaining at least four point seven six (4.76%) shareholding in the paid up share capital of the Company on a fully diluted basis (exclusive of the unexercised ESOP).
- (f) It is clarified that in the event the New Investor does not exercise the right of subscription to further shares before the Proposed New Issuance pursuant to Article 67(e) above, the New Investor will also have the right to Transfer any or all of the Subscription Shares to the person to whom the Proposed New Issuance is taking place, subject to the right of first offer of the Promoters as set out in Article 70(ii).

## 70. MFN PROVISION

If the Promoters grant superior rights to any Third Party (other than any permitted Strategic Investor or Investor), the rights offered to the New Investor under these Articles shall be adjusted to mirror such superior rights offered by the Promoters to such Third Party.

## 71. PROMOTER'S SHARE TRANSFER AND RELATED RIGHTS

- (i) Subject to the provisions of these Articles, any transfer of Shares by Promoter and any of its Affiliates holding any Shares or voting interests therein, shall be subject to the consent of the New Investor in accordance with the provisions of the LSA (as defined under the Agreement). However, if the Promoters wish to transfer the Promoters' Free Shares, they may do so with prior intimation to the New Investor, provided that:
  - (a) the relevant obligations in relation non-compete, transfer, compliance with marks and system property, and confidentiality obligations specified under the LSA are complied with by the proposed transferee; and
  - (b) the transferring Promoter(s) provides a written undertaking to the New Investor confirming that the proposed transferee is not disqualified pursuant to Schedule 6 of the Agreement.

On receipt of such intimation, the New Investor will carry out a due diligence on the proposed transferee within a period of 7 (Seven) days of the intimation. If

the New Investor finds the proposed transferee as being disqualified under Schedule 6 of the Agreement, then, the New Investor may refuse to consent to the proposed transferee becoming a shareholder of the Company.

In case of failure to refuse by the New Investor within 7 (Seven) days of such intimation provided all necessary clarification and documents are provided by the transferring Promoters (as requested by the New Investor within such 7 (seven) days) to enable New Investor to carry out such due diligence, it shall be deemed that the New Investor has no objection to such transfer.

- (ii) Subject to the provisions of the Articles, the Promoters (including their Affiliates), undertake that they shall, directly or indirectly: (a) maintain a minimum of fifty one per cent. (51%) of the equity shareholding in the Company; and (b) retain Control of the Company, at all times.
- (iii) Notwithstanding anything contained in these Articles, until the completion of the IPO, the Promoters shall not Transfer or Encumber legal and beneficial title of any of their Shares in favour of a Third Party without the prior written consent of the New Investor if such Transfer or enforcement of such Encumbrance on the Shares results in the direct or indirect shareholding of the Promoters and their Affiliates, in the Company being less than fifty one per cent. (51%) of the Shares, on a fully diluted basis. The Promoters may Transfer legal and beneficial title of its Shares amongst themselves as long as the direct or indirect shareholding of the Promoters and their Affiliates, in the Company does not fall below fifty one per cent. (51%) of the Shares, on a fully diluted basis, subject to Article 69(i).

Provided further that any transfer of Shares by the Promoter to Ravi Kant Jaipuria & Sons (HUF), Mr. Varun Jaipuria, RJ Corp Ltd, Ms Dhara Jaipuria and Ms. Devyani Jaipuria shall not be subject to Article 69 (i). However, the Promoter will provide the written intimation and the revised shareholding structure to the New Investor for the records and the new affiliate will undertake to comply with the LSA.

Subject to restriction on dilution of Promoters shareholding to below fifty one per cent. (51%) contained in Article 69(iii) above, the Promoters may Transfer legal and beneficial title of some of its Shares to a Third Party or Encumber its Shares subject to Article 69(i). For the purpose of clarification, the requirement of consent of the New Investor will not be required for transfer of Promoter Free Shares, which shall be subject to the provisions set forth in Article 69(i) relating to Promoter Free Shares.

- (v) In the event the Promoter(s) propose to Transfer any or all of its Shares in accordance with the provisions of the Agreement (including Clause 14.4 of the Agreement) (the proposed transferee, the "**Third Party Investor**", such Third Party Investor shall execute the Deed of Adherence in the form or substantially in the form set forth in Schedule 1 (Deed of Adherence) of the Agreement. Any Third Party Investor who acquires any Shares pursuant to this Article 69(v) shall be bound by the obligations to the Promoter(s), to the extent applicable. Notwithstanding anything to the contrary contained above, this Article 69(v) shall apply only in respect of Transfer of Shares by the New Investor or the Promoter(s) prior to the QIPO Cut Off Date.

## 72. NEW INVESTOR'S SHARE TRANSFER AND RELATED RIGHTS

### (i) Permitted Transferees

- (a) In the event the New Investor proposes to Transfer any or all of its Shares in accordance with the provisions of the Agreement (including Clause 14.4 of the Agreement) (the proposed transferee, the "Third Party Investor", such Third Party Investor shall execute the Deed of Adherence in the form or substantially in the form set forth in Schedule 1 (Deed of Adherence) of the Agreement. Any Third Party Investor who acquires any Shares pursuant to this Article 70(i) shall be bound by the obligations to the New Investor, to the extent applicable. Notwithstanding anything to the contrary contained above, this Article 70(i)(a) shall apply only in respect of Transfer of Shares by the New Investor prior to the QIPO Cut Off Date.
- (b) The New Investor shall not be required to Encumber its Shares with respect to the borrowings of the Company or provide any other support of any form whatsoever to the Group or the lenders of the Company.
- (c) The Transfer restrictions on the Parties shall not be avoided by the holding of Shares indirectly through a company or other entity that can itself be sold in order to dispose off an interest in Shares free of such restrictions. Any Transfer, issuance or other disposal of any Shares (or other interest), directly or indirectly, of the Parties, or of an Affiliate of any Party which holds, directly or indirectly, any Shares shall be treated as being a Transfer of the Shares held by such Party, and the provisions of the Agreement that apply in respect of the Transfer of Shares shall thereupon apply in respect of the Shares so held, provided that, in relation to the Shares held by the Promoters, nothing contained in this Article 70(i)(c) shall apply to any Transfer as long as the concerned holder of the Shares remains an Affiliate of the Promoters and/or an Affiliate of Mr. Ravi Kant Jaipuria.

### (ii) Promoters Right of First Offer

If prior to the QIPO Cut Off Date, the New Investor or its Affiliates (the "Seller"), wish to Transfer by way of sale any of their Shares to a Third Party (other than to an Affiliate in accordance with Clause 14.2 of the Agreement), provided that an Event of Default has not occurred, the Seller shall prior to the proposed Transfer of any Shares, give notice to the Company and the Promoters' Representative, to offer a cash price per ROFO Offer Share to purchase all (and not some) of the ROFO Offer Shares in accordance with the procedure and the timelines provided under Clause 14.4(a) of the Agreement .

### (iii) Tag Along Rights

In the event that the Promoters propose to Transfer legal title to and beneficial interest of their Shares in excess of the Promoters' Free Shares to a Third Party in accordance with the provisions of the Agreement, the Promoters shall, prior to consummating such sale or Transfer, offer the New Investor the right to tag along with such number of Shares as determined in Clause 14.4(b)(i) held by the

New Investor in accordance with the procedure and the timelines provided under Clause 14.4(b) of the Agreement.

**73.**

**(i) Transfer to Affiliates**

- (a) Notwithstanding anything to the contrary contained in these Articles, any Party may at any time Transfer all or any of their Shares to one or more of its Affiliates (subject to Article 69(i)) provided that: (i) such Party intimates, in writing, the other Shareholders seven (7) days prior to such Transfer of its Shares; and (ii) the Affiliate, prior to the Shares being Transferred in the name of the Affiliate, agrees and undertakes to be bound to the terms and conditions of this Agreement and executes a Deed of Adherence in the form or substantially in the form set forth in Schedule 1 (Deed of Adherence) of the Agreement. The Party and such Affiliate shall together be treated as one shareholder block and will together be entitled to the benefit of all of the rights associated with such Shares as set forth in the Agreement and in the Articles. For avoidance of doubt, any subsequent Transfers by an Affiliate of a Party shall only be to the Party who had Transferred the Shares or to another Affiliate of such Party.
- (b) If a Person holding Shares in accordance with the provisions of the Agreement by virtue of being an Affiliate of a Party ceases to be such an Affiliate, such Party shall acquire or cause any of its other Affiliates to acquire full and unconditional title in and to all of the Shares then held by such Person ceasing to qualify as an Affiliate (subject to Article 71(a) of these Articles).

**(ii) Approval of Sale Transactions; Pricing**

- (a) Should approval of a Governmental Authority be required for a Transfer of Shares under the Agreement, including any approval required from the RBI in relation to any payments pursuant to the Agreement, the transferor or the transferee or both together, as the case may be, shall immediately make an application therefore and shall take in good faith all such reasonable actions as may be necessary or desirable to obtain such approval. The time taken for obtaining such approvals shall be excluded from the time limits or periods set out for the Transfer of the Shares under the Agreement.
- (b) If, for any Transfer of Shares under the Agreement, Fair Value needs to be determined, such Fair Value shall be determined on a date which shall not be earlier than fifteen (15) days from the date on which such Transfer of Shares is to take place and shall be determined in accordance with the provisions of Schedule 3 of the Agreement.

**74. BOARD OF DIRECTORS, CONSTITUTION, APPOINTMENT, NOMINATION AND MANAGEMENT**

- (i) The New Investor will have a right to appoint the Global Chief Executive Officer, KFC as an observer (“**Observer**”) to attend the meetings of the Board. In the event that the Observer so appointed is unable, for any reason, to attend any meeting of the Board, such Observer may nominate any one of the following personnel: (a) President and Chief Operating Officer, Yum Brands; (b)

Chief Financial Officer, Yum Brands; (c) Chief Executive Officer, Yum Brands; (d) Chief Financial Officer, KFC; or (e) Chief Development Officer, KFC, to attend meetings of the Board as an observer on his behalf. The name of the Observer (including the nominee, as per the above, if applicable) shall be informed in advance of meeting of the Board. The appointed Observer shall have a right to receive notice of the meetings of the Board and the Observer / said nominee (as the case may be) shall have the right to attend the meetings of the Board in person and shall have no other rights.

## 75. MEETINGS OF THE BOARD

- (i) Meetings of the Board shall be properly convened and held at such times and places as may be determined by the Board from time to time, but shall be held at least once every Quarter.
- (ii) No action or decision relating to any of New Investor Reserved Matters set out in Part 1 of Schedule 4 of the Agreement shall be taken by the Board without the New Investor's written consent. The Company shall inform the New Investor before any New Investor Reserved Matter set out in Part 1 of Schedule 4 of the Agreement is acted upon or taken up for discussion or voting at a meeting of the Board, by giving a notice in writing ("First RM Notice") to the Observer designated by Yum from time to time ("Yum Representative") with a copy to the Yum's notice recipient under Clause 28.3 (Notices) of the Agreement. The Yum Representative shall respond to the First RM Notice on behalf of the New Investor within a period of seven (7) Business Days ("First RM Response Period"). In the event the Yum Representative fails to respond to the First RM Notice within the First RM Response Period, the Company shall again issue the RM Notice to the Yum Representative ("Second RM Notice"), with a copy to the Yum's notice recipient under Clause 28.3 (Notices) of the Agreement. The Yum Representative shall respond to the Second RM Notice within a period of four (4) days ("Second RM Response Period") of receipt thereof. Failure of the Yum Representative (on behalf of the New Investor) to respond within the Second RM Response Period shall be deemed to be a grant of the New Investor's written consent for the New Investor Reserved Matter specified in the Second RM Notice. If the New Investor's written consent is granted (or deemed to be granted as per this Article 73 (ii), then the Company may proceed to implement such New Investor Reserved Matter after obtaining necessary Board approval, as required under applicable law. The First RM Notice and the Second RM Notice will specify, in reasonable detail, the rationale for the proposed New Investor Reserved Matter along with necessary papers (other than the agenda), if any, as may be reasonably required by the Observer.
- (iii) If the Yum Representative (on behalf of the New Investor) communicates in writing its dissent in respect of the New Investor Reserved Matter within the First RM Response Period or Second RM Response Period as the case may be, specifying its reasons for dissent, then the Company may not proceed with such New Investor Reserved Matter at a meeting of the Board.

## 76. SHAREHOLDER MEETINGS

- (i) All New Investor Reserved Matters set out in Part 2 of Schedule 4 of the Agreement shall be presented to the Shareholders at a Shareholders meeting for approval, and the Company or the Board will not take any decision on such matters without the

New Investor's consent at a duly held Shareholders meeting.

- (ii) The quorum for any meeting of the Shareholders where any New Investor Reserved Matter or New Investor Subsidiary Reserved Matter, as the case may be, is to be considered will require the presence (in person or by proxy) of a duly authorised representative of the New Investor. If a quorum is not present within half an hour of the time appointed for a meeting, the meeting will stand adjourned to the same place and time seven (7) Business Days after the original date set for such meeting of the Shareholders (each of the Shareholders being deemed to have consented to short notice thereof). If a quorum is not present within half an hour of the time appointed for the adjourned meeting, the Shareholders (in person or by proxy) shall, subject to applicable law, form the quorum for such adjourned meeting and may vote on all matters included in the agenda for such meeting of the Shareholders including the New Investor Reserved Matters or New Investor Subsidiary Reserved Matter, as the case may be.
- (iii) Subject to Article 74(ii), no resolution may be passed at any meeting of Shareholders in relation to a New Investor Reserved Matter unless the authorised representative of the New Investor forms part of the majority that has voted in favour of that resolution.

## 77. RESERVED MATTERS

Without prejudice to such additional approvals as may be required by applicable law and subject to Article 73 or Article 74, as the case may be, no discussions, action and resolutions, with respect to a New Investor Reserved Matter as listed in Part I and Part II of Schedule 4 of the Agreement shall be taken up at the meeting of the Shareholders, Boards or committee thereof, unless the Company has obtained the approval of the duly authorised representative of the New Investor, in accordance with the provisions of Article 73 and 74 (as applicable).

In case if such New Investor Reserved Matter is also listed in Schedule 6 of the Shareholders Agreement dated September 30, 2014 between the Company, its Promoters, the Investor, as may be amended, supplemented or novated from time to time, then the approval of Investor shall also be required and provisions of Article 60 shall also apply.

## 78. EXIT RIGHTS OF THE NEW INVESTOR

- (i) Notwithstanding anything contained in these Articles, in the event that the Company has not conducted an IPO prior to the expiry of the QIPO Cut Off Date, the New Investor shall, subject to Clause 14.7 of the Agreement, have the right to sell to the Company, the entire shares then held by the New Investor ("Buy Back Shares") at a cash price equivalent to the higher of: (A) the Capital Investment corresponding to the number of the Buy Back Shares; or (B) the Fair Value of the Buy Back Shares, by issuance of a notice within thirty (30) Business Days of expiry of the QIPO Cut Off Date, in accordance with the provisions of Clause 14.7(a) (*Buy Back of Shares*) of the Agreement.
- (ii) The New Investor shall comply with the restrictions on Transfer of any New Investor Shares as contained in Clause 14.7(b) (*Share Swap*), 14.7(c) (*Put Option*) and 14.7(d) (*Sale to a Third Party*) of the Agreement.

**79. CONSENT FOR TRANSFER AND ISSUANCE TO YUM COMPETITOR**

Any issuance of Shares by the Company or Transfer of Shares by any Party at any time to a Yum Competitor will require the New Investor's prior consent in writing.

**80. FALLAWAY**

Provisions of Part C of these Articles shall be effective from the Effective Date. If at any time after the Effective Date, the New Investor, together with its Affiliates, Transfers any of its Equity Shares such that it ceases to hold at least two percent (2%) shareholding in the Company, then all rights of the New Investor under these Articles shall fall away and the obligations of the Promoters and the Company towards New Investor will terminate. Part C of these Articles shall automatically cease to have effect upon the termination of the Agreement.

**81. INCONSISTENCY**

In the event of any inconsistency between (a) the provisions of Article 1 to Article 49 on the one hand; and (b) the provisions of Article 65 to Article 78 on the other hand, then the provisions of Article 65 to Article 78 shall prevail.

Names, Addresses, Occupation and Description of Subscribers	Signature Of Subscribers	Signature of witness with address, description and occupation
<p>Chuni Lal Jaipuria S/o. Benipershad Jaipuria 8, Prithviraj Road New Delhi (BUSINESS)</p>	Sd/-	
<p>Vivek Gupta S/o. Mr. G K Gupta 102, Nidhi House, B2/1B, Safdarjung Enclave New Delhi (BUSINESS)</p>	Sd/-	<p>Witness the signatures of the subscribers Sd/- (V. K. Jain) S/o. Sh. P.C. Jain 8/12, Kalkaji Extension, New Delhi M. No. 80327</p>